# Yes Votes: Full Bill Text

## Review packet for Tara Killen

2023-2026 Minnesota Senate
Prepared October 8, 2026

**138 passage-vote entries** in the exact row order of the workbook's **Bills supported** tab. Repeated bills remain repeated when the workbook records another passage vote.

The complete official bill PDFs follow each section divider. Original wording, line numbers, strikeouts, underlining, and page sizes are retained. Selected original Senate journal pages follow the bill documents.

Use the clickable contents and PDF bookmarks to navigate. Contents page numbers refer to this packet; the numbers printed on the original bills and journals remain their original numbers.

**Read the version notes.** A printed draft, a Senate-amended bill, and the eventual law can differ. Additional text versions and vote records are included where available; this packet does not certify every printed draft as a consolidated, exact reproduction of the bill at the instant of the vote.

This packet covers passage and repassage votes. It does not treat a yes vote on an amendment or procedural motion as a yes vote on passage of the underlying bill.

Printing: original bill PDFs commonly use 8.5 x 14 inch legal pages. Use paper matching the PDF page size, or choose Fit when printing on letter paper.

# How to read this packet

## 1. Section divider

Identifies the workbook row, vote date, bill number, recorded stage and roll-call totals, and every included source document. Bill subjects are reproduced from the workbook for navigation; they are not substitutes for reading the bill.

## 2. Complete bill documents

Each included bill document is reproduced in full, with no sections removed and no rewriting. Where another Senate text is available, it follows the numbered version and is separately bookmarked. An additional version is provided for comparison, not an assertion that every provision was adopted.

## 3. Journal context

Original journal pages show the surrounding floor action, including recorded amendments and the vote. They are excerpts from a daily journal, not complete daily journals. Other bills may appear on the same pages. Earlier committee amendments or separate House amendments may require following the linked bill history.

## 4. Three flagged workbook entries

Sections 134 (SF 5200), 137 (SF 4400), and 138 (SF 334) had version cautions in the workbook. Later or alternate printed versions are included and the cautions remain visible. For sections 137 and 138, a workbook-linked draft concerns a different subject than the vote journal; that mismatched draft is excluded and the matching-subject text is supplied instead.

## 5. Workbook scope

Source: Nathan_Wesenberg_Recorded_Yes_Votes_2023-2026.xlsx, Bills supported tab, rows 6-143, saved version 1. This follows workbook order without deduplicating vote entries. No No-vote packet has been created.

# Contents


| No. | Vote date | Bill | Recorded stage | Packet pages |
|---|---|---|---|---|
| 1 | 2023-01-11 | HF 31 | Final passage | 10-50 |
| 2 | 2023-01-30 | SF 31 | Final passage | 51-60 |
| 3 | 2023-01-30 | HF 26 | Final passage | 61-63 |
| 4 | 2023-02-20 | HF 50 | Final passage | 64-90 |
| 5 | 2023-02-27 | SF 667 | Final passage | 91-126 |
| 6 | 2023-03-01 | HF 121 | Final passage | 127-193 |
| 7 | 2023-03-22 | HF 45 | Final passage | 194-199 |
| 8 | 2023-03-22 | HF 244 | Final passage | 200-229 |
| 9 | 2023-04-12 | HF 42 | Final passage | 230-238 |
| 10 | 2023-04-12 | HF 1581 | Final passage | 239-397 |
| 11 | 2023-04-20 | HF 1937 | Final passage | 398-422 |
| 12 | 2023-04-26 | SF 2904 | Final passage | 423-473 |
| 13 | 2023-05-01 | HF 463 | Final passage | 474-477 |
| 14 | 2023-05-09 | HF 1937 | Repassage | 478-507 |
| 15 | 2023-05-09 | HF 24 | Final passage | 508-525 |
| 16 | 2023-05-10 | HF 2204 | Final passage | 526-529 |
| 17 | 2023-05-12 | HF 1403 | Final passage | 530-758 |
| 18 | 2023-05-12 | HF 1486 | Final passage | 759-764 |
| 19 | 2023-05-12 | HF 2950 | Final passage | 765-859 |
| 20 | 2023-05-15 | HF 2988 | Final passage | 860-892 |
| 21 | 2023-05-22 | HF 3342 | Final passage | 893-901 |
| 22 | 2024-02-22 | HF 2757 | Final passage | 902-912 |

# Contents


| No. | Vote date | Bill | Recorded stage | Packet pages |
|---|---|---|---|---|
| 23 | 2024-02-29 | SF 3546 | Final passage | 913-916 |
| 24 | 2024-03-11 | HF 3489 | Final passage | 917-940 |
| 25 | 2024-03-14 | HF 3489 | Repassage | 941-954 |
| 26 | 2024-04-02 | HF 3769 | Final passage | 955-957 |
| 27 | 2024-04-08 | HF 3437 | Final passage | 958-961 |
| 28 | 2024-04-08 | HF 4483 | Final passage | 962-1076 |
| 29 | 2024-04-11 | HF 3436 | Final passage | 1077-1277 |
| 30 | 2024-04-11 | HF 3589 | Final passage | 1278-1282 |
| 31 | 2024-04-11 | SF 3631 | Final passage | 1283-1435 |
| 32 | 2024-04-18 | HF 3454 | Final passage | 1436-1466 |
| 33 | 2024-04-18 | HF 3925 | Final passage | 1467-1481 |
| 34 | 2024-04-29 | SF 3766 | Final passage | 1482-1484 |
| 35 | 2024-05-01 | SF 3881 | Final passage | 1485-1488 |
| 36 | 2024-05-07 | HF 4109 | Final passage | 1489-1510 |
| 37 | 2024-05-07 | HF 4247 | Final passage | 1511-1830 |
| 38 | 2024-05-09 | HF 3436 | Repassage | 1831-1945 |
| 39 | 2024-05-17 | HF 5246 | After conference report | 1946-1950 |
| 40 | 2024-05-18 | HF 4738 | Final passage | 1951-2052 |
| 41 | 2025-02-27 | SF 571 | Final passage | 2053-2078 |
| 42 | 2025-02-27 | SF 1552 | Final passage | 2079-2083 |
| 43 | 2025-02-27 | SF 1075 | Final passage | 2084-2087 |
| 44 | 2025-03-03 | SF 1360 | Final passage | 2088-2094 |

# Contents


| No. | Vote date | Bill | Recorded stage | Packet pages |
|---|---|---|---|---|
| 45 | 2025-03-03 | SF 823 | Final passage | 2095-2097 |
| 46 | 2025-04-02 | HF 1058 | Final passage | 2098-2107 |
| 47 | 2025-04-10 | HF 1355 | Final passage | 2108-2120 |
| 48 | 2025-04-10 | HF 124 | Final passage | 2121-2128 |
| 49 | 2025-04-22 | HF 1792 | Final passage | 2129-2138 |
| 50 | 2025-04-22 | SF 2847 | Final passage | 2139-2242 |
| 51 | 2025-04-22 | HF 2184 | Final passage | 2243-2247 |
| 52 | 2025-04-22 | HF 1014 | Final passage | 2248-2251 |
| 53 | 2025-04-22 | HF 747 | Final passage | 2252-2275 |
| 54 | 2025-04-22 | HF 129 | Final passage | 2276-2280 |
| 55 | 2025-04-22 | HF 1346 | Final passage | 2281-2283 |
| 56 | 2025-04-23 | SF 1959 | Final passage | 2284-2305 |
| 57 | 2025-04-24 | SF 3196 | Final passage | 2306-2316 |
| 58 | 2025-04-25 | SF 571 | Repassage | 2317-2342 |
| 59 | 2025-04-25 | HF 688 | Final passage | 2343-2346 |
| 60 | 2025-04-25 | SF 2200 | Final passage | 2347-2351 |
| 61 | 2025-04-28 | SF 2511 | Final passage | 2352-2363 |
| 62 | 2025-04-28 | HF 1163 | Final passage | 2364-2367 |
| 63 | 2025-04-30 | SF 908 | Final passage | 2368-2372 |
| 64 | 2025-05-05 | HF 3022 | Final passage | 2373-2593 |
| 65 | 2025-05-05 | HF 286 | Final passage | 2594-2597 |
| 66 | 2025-05-06 | SF 1750 | Final passage | 2598-2701 |

# Contents


| No. | Vote date | Bill | Recorded stage | Packet pages |
|---|---|---|---|---|
| 67 | 2025-05-06 | SF 2300 | Final passage | 2702-2711 |
| 68 | 2025-05-07 | HF 2130 | Final passage | 2712-2764 |
| 69 | 2025-05-08 | SF 3446 | Final passage | 2765-2768 |
| 70 | 2025-05-08 | SF 856 | Final passage | 2769-2809 |
| 71 | 2025-05-16 | HF 1290 | Final passage | 2810-2817 |
| 72 | 2025-05-17 | HF 2130 | Repassage | 2818-2848 |
| 73 | 2025-06-09 | HF 1 | Final passage | 2849-2853 |
| 74 | 2025-06-09 | SF 9 | Repassage | 2854-2876 |
| 75 | 2026-03-09 | SF 3623 | Final passage | 2877-2879 |
| 76 | 2026-03-12 | SF 3402 | Final passage | 2880-2882 |
| 77 | 2026-03-18 | SF 3602 | Final passage | 2883-2891 |
| 78 | 2026-03-18 | SF 3887 | Final passage | 2892-2896 |
| 79 | 2026-04-09 | HF 3556 | Final passage | 2897-2899 |
| 80 | 2026-04-09 | SF 1251 | Final passage | 2900-2903 |
| 81 | 2026-04-13 | SF 3958 | Final passage | 2904-2908 |
| 82 | 2026-04-13 | HF 1410 | Final passage | 2909-2916 |
| 83 | 2026-04-13 | HF 3802 | Final passage | 2917-2921 |
| 84 | 2026-04-14 | SF 2511 | Repassage | 2922-2935 |
| 85 | 2026-04-14 | HF 3741 | Final passage | 2936-2943 |
| 86 | 2026-04-14 | SF 3622 | Final passage | 2944-3043 |
| 87 | 2026-04-16 | HF 3544 | Final passage | 3044-3050 |
| 88 | 2026-04-16 | HF 3467 | Final passage | 3051-3053 |

# Contents


| No. | Vote date | Bill | Recorded stage | Packet pages |
|---|---|---|---|---|
| 89 | 2026-04-16 | HF 3479 | Final passage | 3054-3058 |
| 90 | 2026-04-16 | SF 3637 | Final passage | 3059-3062 |
| 91 | 2026-04-20 | SF 4561 | Final passage | 3063-3083 |
| 92 | 2026-04-20 | HF 3437 | Final passage | 3084-3089 |
| 93 | 2026-04-20 | SF 4171 | Final passage | 3090-3095 |
| 94 | 2026-04-21 | HF 4118 | Final passage | 3096-3153 |
| 95 | 2026-04-21 | SF 3888 | Final passage | 3154-3156 |
| 96 | 2026-04-22 | SF 2971 | Final passage | 3157-3160 |
| 97 | 2026-04-22 | SF 4244 | Final passage | 3161-3414 |
| 98 | 2026-04-23 | HF 3593 | Final passage | 3415-3418 |
| 99 | 2026-04-27 | SF 1714 | Final passage | 3419-3422 |
| 100 | 2026-04-28 | SF 3887 | Repassage | 3423-3427 |
| 101 | 2026-04-28 | SF 2814 | Final passage | 3428-3430 |
| 102 | 2026-04-28 | HF 3676 | Final passage | 3431-3442 |
| 103 | 2026-04-28 | HF 3827 | Final passage | 3443-3451 |
| 104 | 2026-04-29 | HF 3875 | Final passage | 3452-3457 |
| 105 | 2026-04-29 | HF 4502 | Final passage | 3458-3462 |
| 106 | 2026-04-29 | HF 1606 | Final passage | 3463-3469 |
| 107 | 2026-04-29 | HF 4052 | Final passage | 3470-3491 |
| 108 | 2026-04-29 | HF 3155 | Final passage | 3492-3496 |
| 109 | 2026-04-30 | HF 2358 | Final passage | 3497-3501 |
| 110 | 2026-04-30 | HF 4224 | Final passage | 3502-3505 |

# Contents


| No. | Vote date | Bill | Recorded stage | Packet pages |
|---|---|---|---|---|
| 111 | 2026-04-30 | HF 3970 | Final passage | 3506-3514 |
| 112 | 2026-05-04 | SF 4171 | Repassage | 3515-3521 |
| 113 | 2026-05-06 | HF 3709 | Final passage | 3522-3532 |
| 114 | 2026-05-06 | HF 4063 | Final passage | 3533-3539 |
| 115 | 2026-05-06 | HF 4151 | Final passage | 3540-3545 |
| 116 | 2026-05-06 | HF 4063 | Final passage | 3546-3554 |
| 117 | 2026-05-06 | SF 1750 | Repassage | 3555-3610 |
| 118 | 2026-05-07 | SF 1714 | Repassage | 3611-3615 |
| 119 | 2026-05-07 | HF 3900 | Final passage | 3616-3626 |
| 120 | 2026-05-07 | HF 3522 | Final passage | 3627-3652 |
| 121 | 2026-05-07 | HF 3521 | Final passage | 3653-3664 |
| 122 | 2026-05-07 | SF 1714 | Repassage | 3665-3746 |
| 123 | 2026-05-11 | SF 856 | Repassage | 3747-3791 |
| 124 | 2026-05-11 | HF 4987 | Final passage | 3792-3795 |
| 125 | 2026-05-11 | SF 3720 | Final passage | 3796-3814 |
| 126 | 2026-05-12 | SF 5200 | Final passage | 3815-3817 |
| 127 | 2026-05-13 | SF 3891 | Final passage | 3818-3822 |
| 128 | 2026-05-13 | HF 3404 | Final passage | 3823-3827 |
| 129 | 2026-05-15 | HF 3489 | After conference report | 3828-3847 |
| 130 | 2026-05-15 | HF 5074 | Final passage | 3848-3850 |
| 131 | 2026-05-15 | HF 4138 | Final passage | 3851-3881 |
| 132 | 2026-05-15 | HF 3067 | Final passage | 3882-3887 |

# Contents


| No. | Vote date | Bill | Recorded stage | Packet pages |
|---|---|---|---|---|
| 133 | 2026-05-16 | SF 4515 | Final passage | 3888-3892 |
| 134 | 2026-05-17 | SF 5200 | Repassage | 3893-3897 |
| 135 | 2026-05-17 | HF 3629 | Final passage | 3898-3916 |
| 136 | 2026-05-17 | HF 4492 | Final passage | 3917-3944 |
| 137 | 2026-05-17 | SF 4400 | Final passage | 3945-3947 |
| 138 | 2026-05-17 | SF 334 | Repassage | 3948-3966 |

# 001. HF 31

**Vote:** 2023-01-11 | **Workbook row:** 6
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Individual income and corporate franchise tax provisions modified, and federal tax provisions conformity provided.

## Included complete bill documents

**1. 2nd Engrossment, posted 2023-01-09** - 25 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/31/versions/2/pdf/

## Original Senate journal context

PDF pages 18-32. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/2023011106.pdf#page=31

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/31/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 31**

| | |
|---|---|
| 01/04/2023 | Authored by Gomez, Lislegard, Youakim, Norris, Bahner and others |
| | The bill was read for the first time and referred to the Committee on Taxes |
| 01/05/2023 | Adoption of Report: Amended and re-referred to the Committee on Ways and Means |
| 01/09/2023 | Adoption of Report: Placed on the General Register as Amended |
| | Read for the Second Time |
| | R/S Rules Suspended, urgency declared |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 01/11/2023 | Passed by the Senate and returned to the House |
| | Presented to Governor |
| 01/12/2023 | Governor Approval |

A bill for an act

relating to taxation; individual income and corporate franchise; providing for certain conformity to federal tax provisions; amending Minnesota Statutes 2022, sections 289A.02, subdivision 7; 289A.08, subdivisions 7, 7a; 290.01, subdivisions 19, 31, by adding a subdivision; 290.0123, subdivision 3; 290.0131, by adding subdivisions; 290.0132, by adding subdivisions; 290.0133, by adding a subdivision; 290.0134, by adding a subdivision; 290.06, subdivision 2c; 290.0671, subdivision 1a; 290.0675, subdivision 1; 290.091, subdivision 2; 290.095, subdivision 11; 290A.03, subdivision 15; 291.005, subdivision 1; repealing Minnesota Statutes 2022, section 290.0111.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 289A.02, subdivision 7, is amended to read:

Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ December 15, 2022.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 2. Minnesota Statutes 2022, section 289A.08, subdivision 7, is amended to read:

Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses,

Social Security numbers, income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership, other electing partnerships, and other qualifying entities electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.25. The individual's liability to pay estimated tax is, however, satisfied when the partnership pays composite estimated tax in the manner prescribed in section 289A.25.

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is only available to a partner who has no other Minnesota source income and who is either (1) a full-year nonresident individual or (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the Internal Revenue Code.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this paragraph. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to the shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of the estates or trusts may make an election under this paragraph. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to the beneficiary.

(j) For the purposes of this subdivision, "income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, ~~and~~ 28, and 31, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022.

Sec. 3. Minnesota Statutes 2022, section 289A.08, subdivision 7a, is amended to read:

Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the addition provided in section 290.0131, subdivision 5, and the subtraction provided in section 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20;

(2) "qualifying entity" means a partnership, limited liability company, or S corporation including a qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity does not include a partnership, limited liability company, or corporation that has a partnership, limited liability company other than a disregarded entity, or corporation as a partner, member, or shareholder; and

(3) "qualifying owner" means:

(i) a resident or nonresident individual or estate that is a partner, member, or shareholder of a qualifying entity; or

(ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an S corporation.

(b) For taxable years beginning after December 31, 2020, in which the taxes of a qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a qualifying entity may elect to file a return and pay the pass-through entity tax imposed under paragraph (c). The election:

(1) must be made on or before the due date or extended due date of the qualifying entity's pass-through entity tax return;

(2) may only be made by qualifying owners who collectively hold more than a 50 percent ownership interest in the qualifying entity;

(3) is binding on all qualifying owners who have an ownership interest in the qualifying entity; and

(4) once made is irrevocable for the taxable year.

(c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

(d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount of the qualifying owner's income multiplied by the highest tax rate for individuals under section 290.06, subdivision 2c. When making this determination:

(1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed; and

(2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

(e) The amount of each credit and deduction used to determine a qualifying owner's tax liability under paragraph (d) must also be used to determine that qualifying owner's income tax liability under chapter 290.

(f) This subdivision does not negate the requirement that a qualifying owner pay estimated tax if the qualifying owner's tax liability would exceed the requirements set forth in section 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's tax liability as determined under paragraph (d) is, however, satisfied when the qualifying entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated tax.

(g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the treatment of distributions, is determined as if the election to pay the pass-through entity tax under paragraph (b) is not made.

(h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a pass-through entity tax return must be treated as a composite return and a qualifying entity filing a pass-through entity tax return must be treated as a partnership filing a composite return.

(i) The provisions of subdivision 17 apply to the election to pay the pass-through entity tax under this subdivision.

(j) If a nonresident qualifying owner of a qualifying entity making the election to file and pay the tax under this subdivision has no other Minnesota source income, filing of the pass-through entity tax return is a return for purposes of subdivision 1, provided that the nonresident qualifying owner must not have any Minnesota source income other than the income from the qualifying entity, other electing qualifying entities, and other partnerships electing to file a composite return under subdivision 7. If it is determined that the nonresident qualifying owner has other Minnesota source income, the inclusion of the income and tax liability for that owner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the qualifying owner as part of the pass-through entity tax return is allowed as a payment of the tax by the qualifying owner on the date on which the pass-through entity tax return payment was made.

(k) Once a credit is claimed by a qualifying owner under section 290.06, subdivision 40, a qualifying entity cannot receive a refund for tax paid under this subdivision for any amounts claimed under that section by the qualifying owners. Once a credit is claimed under section 290.06, subdivision 40, any refund must be claimed in conjunction with a return filed by the qualifying owner.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2020.

Sec. 4. Minnesota Statutes 2022, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a corporation taxable under section 290.02, the term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in sections 290.0131 to 290.0136.

(b) For an individual, the term "net income" means federal adjusted gross income with the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

(c) In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

(d) The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

(e) The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

(f) The Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ December 15, 2022, applies for taxable years beginning after December 31, 1996~~, except the sections of federal law in section 290.0111 shall also apply~~.

(g) Except as otherwise provided, references to the Internal Revenue Code in this subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of determining net income for the applicable year.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 5. Minnesota Statutes 2022, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December 31, 2018, except the sections of federal law in section 290.0111 shall also apply~~ December 15, 2022. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 6. Minnesota Statutes 2022, section 290.01, is amended by adding a subdivision to read:

Subd. 33. **Earned income.** "Earned income" has the meaning given in section 32(c) of the Internal Revenue Code, except a taxpayer must use earned income from the taxable year for which the taxpayer filed a return.

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

Sec. 7. Minnesota Statutes 2022, section 290.0123, subdivision 3, is amended to read:

Subd. 3. **Amount for dependents.** For an individual who is a dependent, as defined in sections 151 and 152 of the Internal Revenue Code, of another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins, the standard deduction for that individual is limited to the greater of:

(1) $1,100; or

(2) the lesser of: (i) the sum of $350 and that individual's earned income~~, as defined in section 32(c) of the Internal Revenue Code~~; or (ii) the standard deduction amount allowed under subdivision 1, clause (3).

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

Sec. 8. Minnesota Statutes 2022, section 290.0131, is amended by adding a subdivision to read:

Subd. 19. **Disallowed business interest deduction.** For any taxable year beginning after December 31, 2018, and before January 1, 2021, the amount of business interest deducted under the special rule in section 163(j)(10)(A) and (B) of the Internal Revenue Code of 1986, as amended through December 15, 2022, is an addition. Entities that are part of a

combined reporting group under the unitary rules in section 290.17, subdivision 4, must compute deductions and additions as required under section 290.34, subdivision 5.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 9. Minnesota Statutes 2022, section 290.0131, is amended by adding a subdivision to read:

Subd. 20. **Disallowed net operating loss deduction.** (a) The amount of a net operating loss arising in any taxable year beginning after December 31, 2017, and before January 1, 2021, and carried back under section 172(b)(1)(D) of the Internal Revenue Code is an addition in the taxable year the loss is carried. No addition is required for a net operating loss deduction that is a farming loss under section 172(b)(1)(B) of the Internal Revenue Code carried to the two years preceding the year the farming loss arose.

(b) The amount of a net operating loss deduction in any taxable year beginning after December 31, 2017, and before January 1, 2021, that exceeds the deduction allowed under section 172(a)(2) of the Internal Revenue Code is an addition. For purposes of this paragraph, the deduction allowed under section 172(a)(2) of the Internal Revenue Code is allowed in the case of a taxable year beginning after December 31, 2017.

(c) The amount of a Minnesota disallowed loss carryover is an addition. For purposes of this paragraph, "Minnesota disallowed loss carryover" means, for any taxable year beginning after December 31, 2017, and before January 1, 2021, a disallowed loss carryover as defined in section 461(l)(2) of the Internal Revenue Code, for a loss that is not allowed under section 461(l)(1)(B) of the Internal Revenue Code. For purposes of this paragraph, the limitation under section 461(l)(1)(B) of the Internal Revenue Code applies for any taxable year beginning after December 31, 2017.

(d) For purposes for this subdivision, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 15, 2022.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 10. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 31. **Delayed business interest.** (a) For each taxable year an addition is required under section 290.0131, subdivision 19, the amount of the addition, less the sum of all amounts subtracted under this paragraph in all prior taxable years, that does not exceed the limitation on business interest in section 163(j) of the Internal Revenue Code of 1986, as amended through December 15, 2022, notwithstanding the special rule in section 163(j)(10) of the Internal Revenue Code, is a subtraction. Any excess is a delayed business interest carryforward, the entire amount of which must be carried to the earliest taxable year. No subtraction is allowed under this paragraph for taxable years beginning after December 31, 2022.

(b) For each of the five taxable years beginning after December 31, 2022, there is allowed a subtraction equal to one-fifth of the sum of all carryforward amounts that remain after the expiration of paragraph (a).

(c) Entities that are part of a combined reporting group under the unitary rules of section 290.17, subdivision 4, must compute deductions and additions as required under section 290.34, subdivision 5.

**EFFECTIVE DATE.** Paragraphs (a) and (c) are effective retroactively for taxable years beginning after December 31, 2019. Paragraph (b) is effective for taxable years beginning after December 31, 2022.

Sec. 11. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 32. **Delayed net operating loss deduction.** The amount of the sum of each addition required in section 290.0131, subdivision 20, for each taxable year, except as otherwise provided, less the sum of all amounts subtracted under this subdivision in all prior taxable years, that does not exceed 80 percent of federal taxable income as defined in section 290.01, subdivision 19, determined without regard to this subdivision, is a subtraction. Any excess is a delayed net operating loss deduction carryforward, the entire amount of which must be carried to the earliest taxable year. No subtraction under this subdivision is allowed after 20 taxable years from the taxable year in which an operating loss arises. The sum of the additions required under section 290.0131, subdivision 20, paragraph (a), are aggregated and assigned to the taxable year immediately succeeding the taxable year in which the operating loss arises, for purposes of determining the subtraction allowed under this subdivision in that succeeding taxable year and the amount carried forward.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2018.

Sec. 12. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 33. **Excess business losses.** The amount of a disallowed loss carryover under section 461(l)(1)(B) of the Internal Revenue Code is a subtraction.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2025.

Sec. 13. Minnesota Statutes 2022, section 290.0133, is amended by adding a subdivision to read:

Subd. 15. **Disallowed business interest deduction.** For any taxable year beginning after December 31, 2018, and before January 1, 2021, the amount of business interest deducted under the special rule in section 163(j)(10)(A) and (B) of the Internal Revenue Code of 1986, as amended through December 15, 2022, is an addition. Entities that are part of a combined reporting group under the unitary rules in section 290.17, subdivision 4, must compute deductions and additions as required under section 290.34, subdivision 5.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 14. Minnesota Statutes 2022, section 290.0134, is amended by adding a subdivision to read:

Subd. 20. **Delayed business interest.** (a) For each taxable year an addition is required under section 290.0131, subdivision 19, the amount of the addition, less the sum of all amounts subtracted under this paragraph in all prior taxable years, that does not exceed the limitation on business interest in section 163(j) of the Internal Revenue Code of 1986, as amended through December 15, 2022, notwithstanding the special rule in section 163(j)(10) of the Internal Revenue Code, is a subtraction. Any excess is a delayed business interest carryforward, the entire amount of which must be carried to the earliest taxable year. No subtraction is allowed under this paragraph for taxable years beginning after December 31, 2022.

(b) For each of the five taxable years beginning after December 31, 2022, there is allowed a subtraction equal to one-fifth of the sum of all carryforward amounts that remain after the expiration of paragraph (a).

(c) Entities that are part of a combined reporting group under the unitary rules of section 290.17, subdivision 4, must compute deductions and additions as required under section 290.34, subdivision 5.

**EFFECTIVE DATE.** Paragraphs (a) and (c) are effective retroactively for taxable years beginning after December 31, 2019. Paragraph (b) is effective for taxable years beginning after December 31, 2022.

Sec. 15. Minnesota Statutes 2022, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

(1) On the first $38,770, 5.35 percent;

(2) On all over $38,770, but not over $154,020, 6.8 percent;

(3) On all over $154,020, but not over $269,010, 7.85 percent;

(4) On all over $269,010, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $26,520, 5.35 percent;

(2) On all over $26,520, but not over $87,110, 6.8 percent;

(3) On all over $87,110, but not over $161,720, 7.85 percent;

(4) On all over $161,720, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $32,650, 5.35 percent;

(2) On all over $32,650, but not over $131,190, 6.8 percent;

(3) On all over $131,190, but not over $214,980, 7.85 percent;

(4) On all over $214,980, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than $100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to $1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, 10, 14, 15, 17, 18, ~~and~~ 27, and 31, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, ~~and~~ 27, and 31, and 290.0137, paragraph (c).

(f) If an individual who is not a Minnesota resident for the entire year is a qualifying owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as

provided in paragraph (e), and also must include, to the extent attributed to the electing qualifying entity:

(1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the addition under section 290.0131, subdivision 5; and

(2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the subtraction under section 290.0132, subdivision 3.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022.

Sec. 16. Minnesota Statutes 2022, section 290.0671, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For purposes of this section, the ~~terms~~ term "qualifying child~~,~~" ~~and "earned income," have~~ has the ~~meanings~~ meaning given in section 32(c) of the Internal Revenue Code~~, and the term "adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code~~.

"Earned income of the lesser-earning spouse" has the meaning given in section 290.0675, subdivision 1, paragraph (d).

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

Sec. 17. Minnesota Statutes 2022, section 290.0675, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have the meanings given.

(b) "Earned income" means the sum of the following, to the extent included in Minnesota taxable income:

(1) earned income as defined in section ~~32(c)(2) of the Internal Revenue Code~~ 290.01, subdivision 33;

(2) income received from a retirement pension, profit-sharing, stock bonus, or annuity plan; and

(3) Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code.

(c) "Taxable income" means net income as defined in section 290.01, subdivision 19.

(d) "Earned income of lesser-earning spouse" means the earned income of the spouse with the lesser amount of earned income as defined in paragraph (b) for the taxable year

minus one-half the amount of the standard deduction under section 290.0123, subdivision 1, clause (1).

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

Sec. 18. Minnesota Statutes 2022, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given.

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section ~~55(b)(2)~~ 55(b)(1)(D) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a person with a disability;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2;

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

(7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent not included in the addition required under clause (6); and

(8) to the extent not included in federal alternative minimum taxable income, the amount of foreign-derived intangible income deducted under section 250 of the Internal Revenue Code;

less the sum of the amounts determined under the following:

(i) interest income as defined in section 290.0132, subdivision 2;

(ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, ~~and~~ 26 to 29, and 31;

(v) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c); and

(vi) the amount allowable as a Minnesota itemized deduction under section 290.0122, subdivision 7.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code, except alternative minimum taxable income must be increased by the addition in section 290.0131, subdivision 16.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

**EFFECTIVE DATE.** (a) The changes in paragraph (a), clause (1), are effective at the same time the changes in section 10101(a)(4)(A) of Public Law 117-169 are effective for federal purposes.

(b) All other changes are effective for taxable years beginning after December 31, 2022.

Sec. 19. Minnesota Statutes 2022, section 290.095, subdivision 11, is amended to read:

Subd. 11. **Carryback or carryover adjustments.** (a) Except as provided in ~~paragraph~~ paragraphs (c) and (d), for individuals, estates, and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income, provided that, notwithstanding any other provision, estates and trusts must apply the following adjustments to the amount of the net operating loss that may be carried back or carried over:

(1) Nonassignable income or losses as required by section 290.17.

(2) Deductions not allocable to Minnesota under section 290.17.

(b) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal taxable income provided that trusts and estates must apply the following modifications:

(1) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(2) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year. For estates and trusts, the net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (b) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed to estates and trusts if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. However, if a net operating loss carryback or carryover was allowed to offset federal income in a year earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(c) This paragraph does not apply to eligible small businesses that make a valid election to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal Revenue Code as amended through March 31, 2009.

(1) A net operating loss of an individual, estate, or trust that is allowed under this subdivision and for which the taxpayer elects to carry back for more than two years under

section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each of the two taxable years preceding the loss, and unused portions may be carried forward for 20 taxable years after the loss.

(2) The entire amount of the net operating loss for any taxable year must be carried to the earliest of the taxable years to which the loss may be carried. The portion of the loss which may be carried to each of the other taxable years is the excess, if any, of the amount of the loss over the greater of the taxable net income or alternative minimum taxable income for each of the taxable years to which the loss may be carried.

(d) The amount of a net operating loss carried forward must be reduced by any amounts used for the subtraction in section 290.0132, subdivision 33, in the next taxable year following the subtraction in which a net operating loss deduction is claimed.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2025.

Sec. 20. Minnesota Statutes 2022, section 290A.03, subdivision 15, is amended to read:

Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ December 15, 2022.

**EFFECTIVE DATE.** This section is effective retroactively beginning with refunds based on rent paid in 2021 and property taxes payable in 2022.

Sec. 21. Minnesota Statutes 2022, section 291.005, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(2) "Federal gross estate" means the gross estate of a decedent as required to be valued and otherwise determined for federal estate tax purposes under the Internal Revenue Code, increased by the value of any property in which the decedent had a qualifying income interest for life and for which an election was made under section 291.03, subdivision 1d, for Minnesota estate tax purposes, but was not made for federal estate tax purposes.

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ December 15, 2022.

(4) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included in the estate which has its situs outside Minnesota, and (b) including any property omitted from the federal gross estate which is includable in the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(7) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply to determinations of domicile under this chapter.

(8) "Situs of property" means, with respect to:

(i) real property, the state or country in which it is located;

(ii) tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death or for a gift of tangible personal property within three years of death, the state or country in which it was normally kept or located when the gift was executed;

(iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue Code, owned by a nonresident decedent and that is normally kept or located in this state because it is on loan to an organization, qualifying as exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

(iv) intangible personal property, the state or country in which the decedent was domiciled at death or for a gift of intangible personal property within three years of death, the state or country in which the decedent was domiciled when the gift was executed.

For a nonresident decedent with an ownership interest in a pass-through entity with assets that include real or tangible personal property, situs of the real or tangible personal property, including qualified works of art, is determined as if the pass-through entity does

not exist and the real or tangible personal property is personally owned by the decedent. If the pass-through entity is owned by a person or persons in addition to the decedent, ownership of the property is attributed to the decedent in proportion to the decedent's capital ownership share of the pass-through entity.

(9) "Pass-through entity" includes the following:

(i) an entity electing S corporation status under section 1362 of the Internal Revenue Code;

(ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

(iii) a single-member limited liability company or similar entity, regardless of whether it is taxed as an association or is disregarded for federal income tax purposes under Code of Federal Regulations, title 26, section 301.7701-3; or

(iv) a trust to the extent the property is includable in the decedent's federal gross estate; but excludes

(v) an entity whose ownership interest securities are traded on an exchange regulated by the Securities and Exchange Commission as a national securities exchange under section 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 22. **TEMPORARY ADDITIONS AND SUBTRACTIONS; INDIVIDUALS, ESTATES, AND TRUSTS.**

(a) For the purposes of this section:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply to this section;

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision 1, and the rules in that subdivision apply to this section; and

(3) the definitions in Minnesota Statutes, section 290.01, apply to this section.

(b) The following amounts are subtractions:

(1) the amount of wages used for the calculation of the employee retention credit for employers affected by qualified disasters, to the extent not deducted from income, under

Public Law 116-94, division Q, section 203, or Public Law 116-260, division EE, section 303;

(2) the amount of wages used for the calculation of the payroll credit for required paid sick leave, to the extent not deducted from income, under Public Law 116-127, section 7001, as amended by section 9641 of Public Law 117-2;

(3) the amount of wages or expenses used for the calculation of the payroll credit for required paid family leave, to the extent not deducted from income, under Public Law 116-127, section 7003, as amended by section 9641 of Public Law 117-2;

(4) the amount of wages used for the calculation of the employee retention credit for employers subject to closure due to COVID-19, to the extent not deducted from income, under Public Law 116-136, section 2301, as amended by Public Law 116-260, division EE, section 207, and Public Law 117-2, section 9651; and

(5) the amount required to be added to gross income to claim the credit in section 6432 of the Internal Revenue Code.

(c) The following amounts are additions:

(1) the amount subtracted for qualified tuition expenses under section 222 of the Internal Revenue Code, as amended by Public Law 116-94, division Q, section 104;

(2) the amount of above the line charitable contributions deducted under section 2204 of Public Law 116-136;

(3) the amount of meal expenses in excess of the 50 percent limitation under section 274(n)(1) of the Internal Revenue Code allowed under subsection (n), paragraph (2), subparagraph (D), of that section; and

(4) the amount of charitable contributions deducted from federal taxable income by a trust for taxable year 2020 under Public Law 116-136, section 2205(a).

(d) The commissioner of revenue must apply the subtractions in paragraph (b) and the additions in paragraph (c), when calculating the following:

(1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e);

(2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section 290.091; and

(3) "income" as defined in Minnesota Statutes, section 289A.08, subdivision 7, paragraph (j), for the purposes of determining the tax for composite filers and the pass-through entity tax.

(e) For the purpose of calculating property tax refunds under Minnesota Statutes, chapter 290A, any amounts allowed as a subtraction in paragraph (b) are excluded from "income," as defined in Minnesota Statutes, section 290A.03, subdivision 3.

**EFFECTIVE DATE.** (a) Paragraphs (a) to (d) are effective retroactively at the same time the changes were effective for federal purposes.

(b) Paragraph (e) is effective retroactively beginning with refunds based on rent paid in 2021 and property taxes payable in 2022.

Sec. 23. **TEMPORARY ADDITIONS AND SUBTRACTIONS; CORPORATIONS.**

(a) For the purposes of this section:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0134, subdivision 1, and the rules in that subdivision apply to this section;

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0133, subdivision 1, and the rules in that subdivision apply to this section; and

(3) the definitions in Minnesota Statutes, section 290.01, apply to this section.

(b) The following amounts are subtractions:

(1) the amount of wages used for the calculation of the employee retention credit for employers affected by qualified disasters, to the extent not deducted from income, under Public Law 116-94, division Q, section 203, or Public Law 116-260, division EE, section 303;

(2) the amount of wages used for the calculation of the payroll credit for required paid sick leave, to the extent not deducted from income, under Public Law 116-127, section 7001, as amended by section 9641 of Public Law 117-2;

(3) the amount of wages or expenses used for the calculation of the payroll credit for required paid family leave, to the extent not deducted from income, under Public Law 116-127, section 7003, as amended by section 9641 of Public Law 117-2;

(4) the amount of wages used for the calculation of the employee retention credit for employers subject to closure due to COVID-19, to the extent not deducted from income,

under Public Law 116-136, section 2301, as amended by Public Law 116-260, division EE, section 207, and Public Law 117-2, section 9651; and

(5) the amount required to be added to gross income to claim the credit in section 6432 of the Internal Revenue Code.

(c) The following amounts are additions:

(1) the amount of meal expenses in excess of the 50 percent limitation under section 274(n)(1) of the Internal Revenue Code allowed under subsection (n), paragraph (2), subparagraph (D), of that section; and

(2) the amount of charitable contributions deducted for taxable year 2020 pursuant to the provisions of Public Law 116-136, section 2205(a).

**EFFECTIVE DATE.** This section is effective retroactively at the same time the changes were effective for federal purposes.

Sec. 24. **CHARITABLE CONTRIBUTION DEDUCTION; SPECIAL RULE FOR 2020.**

For charitable contribution deductions under Minnesota Statutes, section 290.0122, for taxable year 2020, the provisions of Public Law 116-136, section 2205(a), do not apply.

**EFFECTIVE DATE.** This section is effective retroactively at the same time the changes were effective for federal purposes.

Sec. 25. **DEPENDENT CARE CREDIT; SPECIAL RULE FOR 2021.**

For the purpose of calculating the dependent care credit under Minnesota Statutes, section 290.067, for taxable year 2021, the provisions of Public Law 117-2, sections 9631 and 9632, do not apply.

**EFFECTIVE DATE.** This section is effective retroactively at the same time the changes were effective for federal purposes.

Sec. 26. **CASUALTY LOSS DEDUCTION; SPECIAL RULE FOR 2021.**

For the purpose of calculating the standard deduction under Minnesota Statutes, section 290.0123, and the casualty loss deduction under Minnesota Statutes, section 290.0122, subdivision 8, the following provisions do not apply:

(1) section 204(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2019, Public Law 116-94; and

(2) section 304(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260.

**EFFECTIVE DATE.** This section is effective retroactively at the same time the changes were effective for federal purposes.

Sec. 27. **WORKING FAMILY CREDIT; SPECIAL RULE FOR TAX YEAR 2021.**

For the purpose of calculating the working family credit under Minnesota Statutes, section 290.0671, for taxable year 2021, the provisions of section 32(n) of the Internal Revenue Code do not apply.

**EFFECTIVE DATE.** This section is effective retroactively at the same time the changes were effective for federal purposes.

Sec. 28. **EXTENSION OF STATUTE OF LIMITATIONS.**

(a) Notwithstanding any law to the contrary, a taxpayer whose tax liability changes as a result of this act may file an amended return by December 31, 2023. The commissioner may review and assess the return of a taxpayer covered by this provision for the later of:

(1) the periods under Minnesota Statutes, sections 289A.38; 289.39, subdivision 3; and 289A.40; or

(2) one year from the time the amended return is filed as a result of a change in tax liability under this section.

(b) Interest on any additional liabilities as a result of any provision in this act accrue beginning on January 1, 2024.

**EFFECTIVE DATE.** This section is effective retroactively at the same time the changes incorporated in this act were effective for federal purposes.

Sec. 29. **PROPERTY TAX REFUNDS; CORONAVIRUS-RELATED RETIREMENT DISTRIBUTIONS.**

For the purpose of calculating property tax refunds under Minnesota Statutes, chapter 290A, "income" does not include coronavirus-related distributions included in gross income under section 2202(a)(5) of Public Law 116-136.

**EFFECTIVE DATE.** This section is effective retroactively beginning with refunds based on rent paid in 2021 and property taxes payable in 2022.

Sec. 30. **REPEALER.**

Minnesota Statutes 2022, section 290.0111, is repealed.

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

**290.0111 TEMPORARY CONFORMITY TO CERTAIN FEDERAL TAX CHANGES.**

Subdivision 1. **Adopting Internal Revenue Code changes.** For the purposes of this chapter, "Internal Revenue Code," as defined in section 290.01, subdivisions 19 and 31, includes the sections of federal law specified in this section as enacted or amended through March 31, 2021.

Subd. 2. **Further Consolidated Appropriations Act, 2020.** (a) "Internal Revenue Code" includes the following provisions of the Taxpayer Certainty and Disaster Tax Relief Act of 2019 in Public Law 116-94:

(1) section 101;

(2) section 116;

(3) section 117;

(4) section 130;

(5) section 131;

(6) section 132;

(7) section 144;

(8) section 201;

(9) section 202; and

(10) section 204.

(b) "Internal Revenue Code" includes section 301 of the Setting Every Community Up for Retirement Enhancement Act of 2019 in Public Law 116-94.

Subd. 3. **CARES Act.** "Internal Revenue Code" includes the following sections of Public Law 116-136:

(1) section 1106(i); and

(2) section 2202.

Subd. 4. **Consolidated Appropriations Act, 2021.** (a) "Internal Revenue Code" includes the following provisions of the COVID-related Tax Relief Act of 2020 in Public Law 116-260:

(1) section 275;

(2) section 276; and

(3) section 277.

(b) For taxable years beginning after December 31, 2019, and before January 1, 2021, "Internal Revenue Code" includes sections 278(b) and 278(c) of the COVID-related Tax Relief Act of 2020 in Public Law 116-260.

Subd. 5. **American Rescue Plan Act.** "Internal Revenue Code" includes section 9042 of Public Law 117-2.

Referred to the Committee on Judiciary and Public Safety.

## MOTIONS AND RESOLUTIONS

Senator Port moved that the name of Senator Klein be added as a co-author to S.F. No. 6. The motion prevailed.

Senator Miller moved that the name of Senator Pratt be added as a co-author to S.F. No. 12. The motion prevailed.

Senator Kunesh moved that the name of Senator Westlin be added as a co-author to S.F. No. 20. The motion prevailed.

Senator Westlin moved that the names of Senators Gustafson, Maye Quade, Cwodzinski, and Duckworth be added as co-authors to S.F. No. 28. The motion prevailed.

Senator Champion moved that the names of Senators Mohamed and Latz be added as co-authors to S.F. No. 44. The motion prevailed.

Senator Port moved that the name of Senator Boldon be added as a co-author to S.F. No. 73. The motion prevailed.

Senator Coleman moved that the name of Senator Nelson be added as a co-author to S.F. No. 107. The motion prevailed.

Senator Nelson moved that the name of Senator Howe be added as a co-author to S.F. No. 121. The motion prevailed.

Senator Kunesh moved that S.F. No. 37 be withdrawn from the Committee on State and Local Government and Veterans and re-referred to the Committee on Judiciary and Public Safety. The motion prevailed.

Senator Maye Quade moved that S.F. No. 71 be withdrawn from the Committee on Human Services and re-referred to the Committee on Health and Human Services. The motion prevailed.

**Senator Jasinski introduced --**

**Senate Resolution No. 11:** A Senate resolution amending the Temporary Rules of the Senate.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Dziedzic, Chair of the Committee on Rules and Administration, designated H.F. No. 31 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 31:** A bill for an act relating to taxation; individual income and corporate franchise; providing for certain conformity to federal tax provisions; amending Minnesota Statutes 2022, sections 289A.02, subdivision 7; 289A.08, subdivisions 7, 7a; 290.01, subdivisions 19, 31, by adding

a subdivision; 290.0123, subdivision 3; 290.0131, by adding subdivisions; 290.0132, by adding subdivisions; 290.0133, by adding a subdivision; 290.0134, by adding a subdivision; 290.06, subdivision 2c; 290.0671, subdivision 1a; 290.0675, subdivision 1; 290.091, subdivision 2; 290.095, subdivision 11; 290A.03, subdivision 15; 291.005, subdivision 1; repealing Minnesota Statutes 2022, section 290.0111.

Senator Rest moved that the amendment made to H.F. No. 31 by the Committee on Rules and Administration in the report adopted January 10, 2023, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

## CALL OF THE SENATE

Senator Rest imposed a call of the Senate for the balance of the proceedings on H.F. No. 31. The Sergeant at Arms was instructed to bring in the absent members.

Senator Miller moved to amend H.F. No. 31 as follows:

Page 8, after line 30, insert:

"Sec. 10. Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security benefits.** (a) ~~A portion~~ The amount of ~~taxable~~ Social Security benefits received by a taxpayer in the taxable year is allowed as a subtraction. ~~The subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction subject to the limits under paragraphs (b), (c), and (d).~~

~~(b) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction equals $5,150. The maximum subtraction is reduced by 20 percent of provisional income over $78,180. In no case is the subtraction less than zero.~~

~~(c) For single or head-of-household taxpayers, the maximum subtraction equals $4,020. The maximum subtraction is reduced by 20 percent of provisional income over $61,080. In no case is the subtraction less than zero.~~

~~(d) For married taxpayers filing separate returns, the maximum subtraction equals one-half the maximum subtraction for joint returns under paragraph (b). The maximum subtraction is reduced by 20 percent of provisional income over one-half the threshold amount specified in paragraph (b). In no case is the subtraction less than zero.~~

~~(e) For purposes of this subdivision, "provisional income" means modified adjusted gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the taxable Social Security benefits received during the taxable year, and "Social Security benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year 2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest $10 amount. If the amount ends in $5, the amount is rounded up to the nearest $10 amount.~~

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Miller appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Boldon.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

So the decision of the President was sustained.

Senator Duckworth moved to amend H.F. No. 31 as follows:

Page 11, line 15, strike everything after "(1)"

Page 11, line 16, strike "(2)" and strike "$38,770" and insert "$43,950" and strike "$154,020" and insert "$174,610"

Page 11, line 17, strike "(3)" and insert "(2)" and strike "$154,020" and insert "$174,610" and strike "$269,010" and insert "$304,970"

Page 11, line 18, strike "(4)" and insert "(3)" and strike "$269,010" and insert "$304,970"

Page 11, line 24, strike everything after "(1)"

Page 11, line 25, strike "(2)" and strike "$26,520" and insert "$30,070" and strike "$87,110" and insert "$98,760"

Page 11, line 26, strike "(3)" and insert "(2)" and strike "$87,110" and insert "$98,760" and strike "$161,720" and insert "$183,340"

Page 11, line 27, strike "(4)" and insert "(3)" and strike "$161,720" and insert "$183,340"

Page 12, line 1, strike everything after "(1)"

Page 12, line 2, strike "(2)" and strike "$32,650" and insert "$37,010" and strike "$131,190" and insert "$148,730"

Page 12, line 3, strike "(3)" and insert "(2)" and strike "$131,190" and insert "$148,730" and strike "$214,980" and insert "$243,720"

Page 12, line 4, strike "(4)" and insert "(3)" and strike "$214,980" and insert "$243,720"

Page 13, after line 8, insert:

"Sec. 16. Minnesota Statutes 2022, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. **Inflation adjustment of brackets.** The commissioner shall annually adjust the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2023. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest $10 amount. If the rate bracket ends in $5, it must be rounded up to the nearest $10 amount. The commissioner shall determine the rate bracket for married filing separate returns after this adjustment is done. The rate bracket for married filing separate must be one-half of the rate bracket for married filing joint.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Duckworth appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Boldon.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

So the decision of the President was sustained.

Senator Duckworth moved to amend H.F. No. 31 as follows:

Page 11, line 15, strike "$38,770" and insert "$43,950" and strike "5.35" and insert "2.675"

Page 11, line 16, strike "$38,770" and insert "$43,950" and strike "$154,020" and insert "$174,610"

Page 11, line 17, strike "$154,020" and insert "$174,610" and strike "$269,010" and insert "$304,970"

Page 11, line 18, strike "$269,010" and insert "$304,970"

Page 11, line 24, strike "$26,520" and insert "$30,070" and strike "5.35" and insert "2.675"

Page 11, line 25, strike "$26,520" and insert "$30,070" and strike "$87,110" and insert "$98,760"

Page 11, line 26, strike "$87,110" and insert "$98,760" and strike "$161,720" and insert "$183,340"

Page 11, line 27, strike "$161,720" and insert "$183,340"

Page 12, line 1, strike "$32,650" and insert "$37,010" and strike "5.35" and insert "2.675"

Page 12, line 2, strike "$32,650" and insert "$37,010" and strike "$131,190" and insert "$148,730"

Page 12, line 3, strike "$131,190" and insert "$148,730" and strike "$214,980" and insert "$243,720"

Page 12, line 4, strike "$214,980" and insert "$243,720"

Page 13, after line 8, insert:

"Sec. 16. Minnesota Statutes 2022, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. **Inflation adjustment of brackets.** The commissioner shall annually adjust the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2023. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest $10 amount. If the rate bracket ends in $5, it must be rounded up to the nearest $10 amount. The commissioner shall determine the rate bracket for married filing separate returns after this adjustment is done. The rate bracket for married filing separate must be one-half of the rate bracket for married filing joint.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Duckworth moved to amend H.F. No. 31 as follows:

Page 11, line 15, strike "$38,770" and insert "$43,950" and strike "5.35" and insert "4.0125"

Page 11, line 16, strike "$38,770" and insert "$43,950" and strike "$154,020" and insert "$174,610"

Page 11, line 17, strike "$154,020" and insert "$174,610" and strike "$269,010" and insert "$304,970"

Page 11, line 18, strike "$269,010" and insert "$304,970"

Page 11, line 24, strike "$26,520" and insert "$30,070" and strike "5.35" and insert "4.0125"

Page 11, line 25, strike "$26,520" and insert "$30,070" and strike "$87,110" and insert "$98,760"

Page 11, line 26, strike "$87,110" and insert "$98,760" and strike "$161,720" and insert "$183,340"

Page 11, line 27, strike "$161,720" and insert "$183,340"

Page 12, line 1, strike "$32,650" and insert "$37,010" and strike "5.35" and insert "4.0125"

Page 12, line 2, strike "$32,650" and insert "$37,010" and strike "$131,190" and insert "$148,730"

Page 12, line 3, strike "$131,190" and insert "$148,730" and strike "$214,980" and insert "$243,720"

Page 12, line 4, strike "$214,980" and insert "$243,720"

Page 13, after line 8, insert:

"Sec. 16. Minnesota Statutes 2022, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. **Inflation adjustment of brackets.** The commissioner shall annually adjust the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2023. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest $10 amount. If the rate bracket ends in $5, it must be rounded up to the nearest $10 amount. The commissioner shall determine the rate bracket for married filing separate returns after this adjustment is done. The rate bracket for married filing separate must be one-half of the rate bracket for married filing joint.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Westrom appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Boldon.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

So the decision of the President was sustained.

Senator Westrom moved to amend H.F. No. 31 as follows:

Page 23, after line 29, insert:

"Sec. 30. **2022 PROPERTY TAX REBATE.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

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

(c) "Property taxes payable" has the meaning given in Minnesota Statutes, section 290A.03, subdivision 13.

(d) "Rent constituting property taxes" has the meaning given in Minnesota Statutes, section 290A.03, subdivision 11.

Subd. 2. **Eligibility and rebate.** (a) Except as provided in paragraph (c), an owner of property classified as class 1a or class 1b under Minnesota Statutes, section 273.13, subdivision 22, and that portion of property classified as class 2a under Minnesota Statutes, section 273.13, subdivision 23, consisting of the house, garage, and surrounding one acre of land, is eligible for a property tax rebate equal to 50 percent of the property taxes payable in calendar year 2022 for property taxes assessed in 2021, provided that the amount of the rebate shall not exceed $5,000.

(b) A renter is eligible for a rebate equal to 50 percent of the rent constituting property taxes based on rent paid in 2022, provided that the amount of the rebate shall not exceed $5,000.

(c) A taxpayer is not eligible for the rebate under this section if there exists delinquent property taxes, penalties, interest, or delinquent special assessments and interest on the property that is the subject of the application.

Subd. 3. **Application and verification.** (a) To claim a property tax rebate, an applicant must file an application with the commissioner by August 1, 2023. The commissioner shall prescribe the content, format, and manner of the application required under this section pursuant to Minnesota Statutes, section 270C.30. The application must require the applicant to submit a copy of the applicant's property tax statement, issued pursuant to Minnesota Statutes, section 276.04, for taxes payable in 2022, or certificate of rent paid, issued pursuant to Minnesota Statutes, section 290A.19, for rent paid in 2022. The commissioner shall verify the contents of the application and shall approve or disapprove of the application within 30 days after receipt. In order to verify the contents of the application, the commissioner of revenue may request additional information from the applicant or the county.

(b) By October 1, 2023, the commissioner must mail a property tax rebate to each approved applicant at the address provided on the applicant's application.

Subd. 4. **Appropriation.** An amount sufficient to make the payments required under this section is appropriated from the general fund to the commissioner of revenue.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Westrom appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Boldon.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

So the decision of the President was sustained.

Senator Westrom moved to amend H.F. No. 31 as follows:

Page 23, after line 29, insert:

"Sec. 30. **STATEMENT OF PURPOSE.**

(a) The state of Minnesota derives revenues from a variety of taxes, fees, and other sources, including the state sales tax.

(b) It is fair and reasonable to refund the existing state budget surplus in the form of a rebate of nonbusiness consumer sales taxes paid by individuals in calendar years 2021 and 2022.

(c) Information concerning the amount of sales tax paid at various income levels is contained in the Minnesota tax incidence report, which is written by the commissioner of revenue and presented to the legislature according to Minnesota Statutes, section 270C.13.

(d) It is fair and reasonable to use information contained in the Minnesota tax incidence report, updated to calendar year 2021, to determine a reasonable amount of a sales tax rebate due to each eligible taxpayer since no effective or practical mechanism exists for determining the amount of actual sales tax paid by each eligible individual.

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

Sec. 31. **SALES TAX REBATE.**

Subdivision 1. **Eligibility; amount of rebate.** (a) For rebates based on income tax returns or Social Security benefits received in 2021, an individual qualifies for a sales tax rebate if the individual:

(1) was a resident of Minnesota for all or part of 2021 and filed a 2021 Minnesota income tax return on or before October 15, 2022, had a tax liability before refundable credits on that return of at least $1, and was not allowed to be claimed as a dependent on a 2021 federal income tax return filed by another person;

(2) was a resident of Minnesota for all of 2021, was not eligible for a rebate under clause (1), attained the age of 18 on or before December 31, 2021, and received in 2021 Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code;

(3) was allowed to be claimed as a dependent on a 2021 federal income tax return filed by another person but would have otherwise been eligible for a rebate under clause (1), and reported earned income as defined in section 32(c)(2)(A)(i) of the Internal Revenue Code; or

(4) filed a 2021 Minnesota income tax return on or before October 15, 2022, in order to claim:

(i) a credit under Minnesota Statutes, section 290.067, 290.0671, or 290.0674;

(ii) a refund of withheld taxes; or

(iii) a refund of estimated taxes.

(b) The sales tax rebate allowed under paragraph (a) equals:

(1) $1,100 for married joint or head of household filers, increased by $25 for each dependent claimed on the filer's 2021 federal income tax return; and

(2) $550 for all other filers, increased by $25 for each dependent claimed on the filer's 2021 federal income tax return.

(c) For rebates based on income tax returns or Social Security benefits received in 2021, an individual qualifies for a sales tax rebate if the individual:

(1) was a resident of Minnesota for all or part of 2022 and files a 2022 Minnesota income tax return on or before October 15, 2023, has a tax liability before refundable credits on that return of

at least $1, and is not allowed to be claimed as a dependent on a 2021 federal income tax return filed by another person;

(2) was a resident of Minnesota for all of 2022, was not eligible for a rebate under clause (1), attained the age of 18 on or before December 31, 2022, and received in 2022 Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code;

(3) was allowed to be claimed as a dependent on a 2022 federal income tax return filed by another person but would have otherwise been eligible for a rebate under clause (1), and reported earned income as defined in section 32(c)(2)(A)(i) of the Internal Revenue Code; or

(4) files a 2022 Minnesota income tax return on or before October 15, 2023, in order to claim:

(i) a credit under Minnesota Statutes, section 290.067, 290.0671, or 290.0674;

(ii) a refund of withheld taxes; or

(iii) a refund of estimated taxes.

(d) The sales tax rebate allowed under paragraph (c) equals:

(1) $1,100 for married joint or head of household filers, increased by $25 for each dependent claimed on the filer's 2022 federal income tax return; and

(2) $550 for all other filers, increased by $25 for each dependent claimed on the filer's 2022 federal income tax return.

(e) For an individual who was a resident of Minnesota for less than the entire year, the sales tax rebate equals the sales tax rebate calculated under paragraph (b) or (d), as applicable, multiplied by the percentage determined under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e), as calculated on the original 2021 or 2022 income tax return, as applicable, including subsequent adjustments to that return made within the time limits specified in subdivision 2, paragraph (c).

Subd. 2. **Payment of rebate; other requirements.** (a) For purposes of this section, "commissioner" means the commissioner of revenue.

(b) The commissioner may issue sales tax rebates under subdivision 1, paragraph (a), after June 30, 2023, and may issue sales tax rebates under subdivision 1, paragraph (c), after June 30, 2024. Sales tax rebates under subdivision 1, paragraph (a), not paid by October 1, 2023, and sales tax rebates under subdivision 1, paragraph (c), not paid by October 1, 2024, bear interest at the rate specified in Minnesota Statutes, section 270C.405.

(c) For sales tax rebates due under subdivision 1, paragraph (a), the rebate must not be adjusted based on changes to a 2021 income tax return that are made by order of assessment after the date the rebate is processed or made by the taxpayer that are filed with the commissioner after that date. For sales tax rebates due under subdivision 1, paragraph (c), the rebate must not be adjusted based on changes to a 2022 income tax return that are made by order of assessment after the date the rebate is processed or made by the taxpayer that are filed with the commissioner after that date.

(d) Individuals who filed a joint income tax return for 2021 or 2022 must receive a joint sales tax rebate under the provisions of this paragraph. After the sales tax rebate has been issued, but before the check has been cashed if the rebate is issued by check, either joint claimant may request a separate payment for one-half of the joint sales tax rebate. The amount payable to each person equals one-half of the total joint rebate. Notwithstanding any provision in this section to the contrary:

(1) if, prior to payment of the rebate under subdivision 1, paragraph (a), the commissioner has been notified that individuals who filed a joint 2021 income tax return are living at separate addresses, as indicated on their 2022 income tax return or otherwise, the commissioner may issue separate checks to each individual listed on the joint return; and

(2) if, prior to payment of the rebate under subdivision 1, paragraph (c), the commissioner has been notified that taxpayers who filed a joint 2022 income tax return are living at separate addresses, as indicated on their 2023 income tax return or otherwise, the commissioner may issue separate checks to each individual listed on the joint return.

(e) The sales tax rebate is a "Minnesota tax law" for purposes of Minnesota Statutes, section 270B.01, subdivision 8.

(f) The sales tax rebate is "an overpayment of any tax collected by the commissioner" for purposes of Minnesota Statutes, section 270C.64. For purposes of this paragraph, a joint sales tax rebate is payable to each spouse equally.

(g) The right to a sales tax rebate lapses and the rebate check must be deposited in the general fund if the commissioner:

(1) cannot locate an individual entitled to a sales tax rebate under subdivision 1, paragraph (a), by July 1, 2024, or if an individual to whom a sales tax rebate was issued under subdivision 1 has not cashed the rebate check by July 1, 2024; or

(2) cannot locate an individual entitled to a sales tax rebate under subdivision 1, paragraph (c), by July 1, 2025, or if an individual to whom a sales tax rebate was issued under subdivision 2 has not cashed the rebate check by July 1, 2025.

(h) Individuals who are entitled to a sales tax rebate but did not receive one and individuals who receive a sales tax rebate that was not correctly calculated must file a claim with the commissioner in a form prescribed by the commissioner. A claim made under this paragraph is a claim for refund under Minnesota Statutes, section 289A.50, subdivisions 4 and 7. Individuals entitled to a sales tax rebate under paragraph (a) must file the claim by July 1, 2024. Individuals entitled to a sales tax rebate under paragraph (b) must file the claim by July 1, 2025.

(i) The sales tax rebate is a refund subject to revenue recapture under Minnesota Statutes, chapter 270A. The commissioner of revenue shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, refund one-half of the joint sales tax rebate to the spouse who does not owe the debt.

(j) The rebate under subdivision 1 is a reduction of fiscal year 2024 sales tax revenues. The rebate under subdivision 2 is a reduction of fiscal year 2025 sales tax revenues. The amount necessary to make the sales tax rebates and interest provided in this section is appropriated from the general

fund to the commissioner of revenue in fiscal years 2024 and 2025 and is available until June 30, 2026.

(k) If a sales tax rebate issued by check is cashed by someone other than the payee or payees of the check, and the commissioner determines that the check has been forged or improperly endorsed, the commissioner may issue an order of assessment for the amount of the check against the person or persons cashing it. If a sales tax rebate issued by debit card is stolen or otherwise used by someone other than the payee or payees of the debit card, and the commissioner determines that the debit card has been improperly used as tender, the commissioner may issue an order of assessment for the amount of the debit card against the person or persons using it. The assessment must be made within two years after the check is cashed or debit card is used, but if cashing the check or using the debit card constitutes theft under Minnesota Statutes, section 609.52, or forgery under Minnesota Statutes, section 609.63, the assessment can be made at any time. The assessment may be appealed administratively and judicially. The commissioner may take action to collect the assessment in the same manner as provided by Minnesota Statutes, chapter 289A, for any other order of the commissioner assessing tax.

(l) Notwithstanding Minnesota Statutes, sections 9.031, 16A.40, and 16B.49, and any other law to the contrary, the commissioner may take whatever actions the commissioner deems necessary to pay the rebates required by this section, including issuance of debit cards or checks. The commissioner may, in consultation with the commissioner of management and budget, contract with a private vendor or vendors to process, print, and mail debit cards, checks, or warrants required under this section and receive and disburse state funds to pay debit cards, checks, or warrants.

(m) The commissioner may pay rebates required by subdivision 1, paragraph (a), by electronic funds transfer to individuals who requested that their 2022 individual income tax refund be paid through electronic funds transfer. The commissioner may pay rebates required by subdivision 1, paragraph (c), by electronic funds transfer to individuals who requested that their 2023 individual income tax refund be paid through electronic funds transfer. The commissioner may make the electronic funds transfer payments to the same financial institution and into the same account as the 2022 or 2023 individual income tax refund, as applicable.

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

Sec. 32. **REPORT REQUIRED.**

By January .., 2026, the commissioner of revenue shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes on the payments issued under this section. The report must comply with sections 3.195 and 3.197.

Sec. 33. **APPROPRIATIONS.**

$..... is appropriated in fiscal year 2024 from the general fund to the commissioner of revenue to administer the sales tax rebates in section 2. Any unencumbered balance remaining on June 30, 2026, does not cancel but is available for expenditure by the commissioner of revenue until June 30, 2027. This is a onetime appropriation and is not added to the agency's base.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Westrom appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Boldon.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

So the decision of the President was sustained.

H.F. No. 31 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Hoffman | Lieske | Murphy |
| Anderson | Duckworth | Housley | Limmer | Nelson |
| Bahr | Dziedzic | Howe | Lucero | Oumou Verbeten |
| Boldon | Eichorn | Jasinski | Mann | Pappas |
| Carlson | Farnsworth | Johnson | Marty | Pha |
| Champion | Fateh | Klein | Mathews | Port |
| Coleman | Frentz | Koran | Maye Quade | Pratt |
| Cwodzinski | Green | Kreun | McEwen | Putnam |
| Dahms | Gruenhagen | Kunesh | Miller | Rarick |
| Dibble | Gustafson | Kupec | Mitchell | Rasmusson |
| Dornink | Hauschild | Lang | Mohamed | Rest |
| Draheim | Hawj | Latz | Morrison | Seeberger |

| | | | |
|---|---|---|---|
| Utke | Wesenberg | Westrom | Xiong |
| Weber | Westlin | Wiklund | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Boldon.

So the bill passed and its title was agreed to.

## ADJOURNMENT

Senator Dziedzic moved that the Senate do now adjourn until 11:00 a.m., Thursday, January 12, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 002. SF 31

**Vote:** 2023-01-30 | **Workbook row:** 7
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Registration, transfer, and operation of snowmobiles, all-terrain vehicles and off-highway motorcycles modernization

## Included complete bill documents

**1. 1st Engrossment, posted 2023-01-26** - 8 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/SF/31/versions/1/pdf/

## Original Senate journal context

PDF pages 27-27. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230130015.pdf#page=27

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/SF/31/

# SENATE
## STATE OF MINNESOTA
## NINETY-THIRD SESSION

# S.F. No. 31

**(SENATE AUTHORS: JASINSKI, Lang and Hoffman)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/04/2023 | 76 | Introduction and first reading |
| | | Referred to Environment, Climate, and Legacy |
| 01/26/2023 | 393a | Comm report: To pass as amended |
| | 405 | Second reading |
| | 421 | Author added Hoffman |
| 01/30/2023 | 545 | Special Order |
| | 545 | Third reading Passed |
| | | See HF2310 |

A bill for an act

relating to natural resources; modernizing statutes related to the registration, transfer, and operation of snowmobiles, all-terrain vehicles, and off-highway motorcycles; amending Minnesota Statutes 2022, sections 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.922, subdivision 4; repealing Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 84.788, subdivision 5, is amended to read:

Subd. 5. **Report of ownership transfers; fee.** (a) Application for transfer of ownership of an off-highway motorcycle registered under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 2. Minnesota Statutes 2022, section 84.82, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, issuing fee.** (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary

21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary 21-day permit. The registration number must be printed on a registration decal issued by the commissioner or a deputy registrar. Once issued, the registration ~~number~~ decal must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes ~~as the commissioner of natural resources shall prescribe~~ according to subdivision 3b. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary 21-day permit period. The registration is not valid unless signed by at least one owner.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33 shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) In addition to other fees prescribed by law, an issuing fee of $4.50 is charged for each snowmobile registration renewal, duplicate or replacement registration card, and replacement decal, and an issuing fee of $7 is charged for each snowmobile registration and registration transfer issued by:

(1) a registrar or a deputy registrar and must be deposited in the manner provided in section 168.33, subdivision 2; or

(2) the commissioner and must be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 3. Minnesota Statutes 2022, section 84.82, is amended by adding a subdivision to read:

Subd. 3b. **Display of registration decal.** (a) A person must not operate a snowmobile in the state or allow another to operate the person's snowmobile in the state unless the

snowmobile has its unexpired registration decal affixed to each side of the snowmobile and the decals are legible.

(b) The registration decal must be affixed:

(1) for snowmobiles made after June 30, 1972, in the areas provided by the manufacturer under section 84.821, subdivision 2; and

(2) for all other snowmobiles, on each side of the cowling on the upper half of the snowmobile.

(c) When any previously affixed registration decal is destroyed or lost, a duplicate must be affixed in the same manner as provided in paragraph (b).

Sec. 4. Minnesota Statutes 2022, section 84.821, subdivision 2, is amended to read:

Subd. 2. **Area for registration number.** All snowmobiles made after June 30, 1972, and sold in Minnesota, shall be designed and made to provide an area on which to affix the registration ~~number~~ decal. ~~This area shall be at a location and of dimensions prescribed by rule of the commissioner.~~ A clear area must be provided on each side of the cowling with a minimum size of 3-1/2 square inches and at least 12 inches from the ground when the machine is resting on a hard surface.

Sec. 5. Minnesota Statutes 2022, section 84.84, is amended to read:

**84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.**

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice of the transfer or destruction or abandonment shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give notice of destruction or abandonment, be subject to the penalties imposed by section 84.88.

Sec. 6. Minnesota Statutes 2022, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules, fees, and reports.** (a) With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

(1) registration of snowmobiles ~~and display of registration numbers.~~;

(2) use of snowmobiles insofar as game and fish resources are affected~~.~~;

(3) use of snowmobiles on public lands and waters, or on grant-in-aid trails~~.~~;

(4) uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles~~.~~;

(5) specifications relating to snowmobile mufflers~~.~~; and

(6) a comprehensive snowmobile information and safety education and training program~~,~~ ~~including~~ that includes but is not limited to ~~the preparation and dissemination of~~ preparing and disseminating snowmobile information and safety advice to the public, ~~the~~ training ~~of~~ snowmobile operators, and ~~the issuance of~~ issuing snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course.

(b) For the purpose of administering ~~such~~ the program under paragraph (a), clause (6), and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a $1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for ~~the administration of such~~ administering the programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the

person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under ~~this~~ paragraph (a), clause (6). School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

~~(7)~~ (c) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of $500 or more, shall forward a written report of the accident to the commissioner on ~~such~~ a form ~~as~~ prescribed by the commissioner ~~shall prescribe~~. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 7. Minnesota Statutes 2022, section 84.87, subdivision 1, is amended to read:

Subdivision 1. **Operation on streets and highways.** (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way of any trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of such right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent thereto. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) Notwithstanding any provision of paragraph (a) to the contrary:

(1) under conditions prescribed by the commissioner of transportation, the commissioner of transportation may allow two-way operation of snowmobiles on either side of the trunk highway right-of-way where the commissioner of transportation determines that two-way operation will not endanger users of the trunk highway or riders of the snowmobiles using the trail;

(2) under conditions prescribed by a local road authority as defined in section 160.02, subdivision 25, the road authority may allow two-way operation of snowmobiles on either side of the right-of-way of a street or highway under the road authority's jurisdiction, where

the road authority determines that two-way operation will not endanger users of the street or highway or riders of the snowmobiles using the trail;

(3) the commissioner of transportation under clause (1) and the local road authority under clause (2) shall notify the commissioner of natural resources and the local law enforcement agencies responsible for the streets or highways of the locations of two-way snowmobile trails authorized under this paragraph; and

(4) two-way snowmobile trails authorized under this paragraph shall be posted for two-way operation at the authorized locations.

(c) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway or at a safe location approved by the road authority;

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on; and

(6) a snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge and the crossing is made without undue delay.

(d) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which shall conform to standards prescribed by rule of the commissioner pursuant to the authority vested in the

commissioner by section 84.86, and each of which shall be subject to approval of the commissioner of public safety.

(e) A snowmobile may be operated upon a public street or highway other than as provided by paragraph (c) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(f) All provisions of chapters 169 and 169A shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.

(g) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner.

Sec. 8. Minnesota Statutes 2022, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 9. **REGISTRATION DECAL FORMAT TRANSITION.**

Separately displaying registration numbers is not required when a larger-format registration decal as provided under Minnesota Statutes, section 84.82, subdivision 2, is displayed according to Minnesota Statutes, section 84.82, subdivision 3b. Snowmobiles displaying valid but older, smaller-format registration decals must display the separate registration numbers. Persons may obtain duplicate registration decals in the new, larger format, when available, without being required to display the separate registration numbers.

Sec. 10. **REPEALER.**

Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; and 6100.5700, subpart 4, are repealed.

## 6100.5000 SNOWMOBILE REGISTRATION AND DISPLAY OF NUMBERS.

Subp. 3. **Affixation of number.** The registration number of the snowmobile, shown on the registration certificate, shall be affixed to the snowmobile and maintained in a clear, legible manner. On all machines made after June 30, 1972, and sold in Minnesota, such registration number shall be affixed in the space provided therefor in accordance with part 6100.5700, subpart 4. On all other machines it shall be affixed on each side of the cowling on the upper half of the machine, as follows.

[ Image Not Shown ]

Subp. 4. **Description of decal or number; lost or destroyed number or decal.** All letters and numbers shall be of a color which will contrast with the surface to which applied, and shall be at least three inches high and three-eighths inch stroke. When any previously affixed registration number or decal is destroyed or lost, a duplicate shall be affixed in the manner shown above. The registration number shall remain the same if renewed by July 1 following the expiration date.

Subp. 5. **General prohibition.** No person shall operate or transport, and no person shall permit the operation of, a snowmobile within this state which does not have its registration number and unexpired decal affixed in the form and manner required by this part, unless the owner is exempted from the registration requirements of this state by Minnesota Statutes, section 84.82.

## 6100.5700 REQUIRED EQUIPMENT.

Subp. 4. **Snowmobile registration number affixation.** All snowmobiles made after June 30, 1972, and sold in Minnesota, shall be designed and made to provide an area on which to affix the snowmobile registration number at the following location and of the following dimensions:

A. A clear area shall be provided on each side of the cowling or pan with the minimum size of 3-1/2 inches vertical by 11 inches horizontal.

B. It shall be a minimum of 12 inches from the ground when the machine is resting on a hard surface.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Kunesh | Mitchell | Port |
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Latz and Maye Quade.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |
| Drazkowski | Howe | Limmer | Rasmusson | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Draheim.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 31:** A bill for an act relating to natural resources; modernizing statutes related to the registration, transfer, and operation of snowmobiles, all-terrain vehicles, and off-highway motorcycles; amending Minnesota Statutes 2022, sections 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.922, subdivision 4; repealing Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4.

S.F. No. 31 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Hoffman | Lieske | Murphy |
| Anderson | Duckworth | Housley | Limmer | Nelson |
| Bahr | Dziedzic | Howe | Lucero | Oumou Verbeten |
| Boldon | Eichorn | Jasinski | Mann | Pappas |
| Carlson | Farnsworth | Johnson | Marty | Pha |
| Champion | Fateh | Klein | Mathews | Port |
| Coleman | Frentz | Koran | Maye Quade | Pratt |
| Cwodzinski | Green | Kreun | McEwen | Putnam |
| Dahms | Gruenhagen | Kunesh | Miller | Rarick |
| Dibble | Gustafson | Kupec | Mitchell | Rasmusson |
| Dornink | Hauschild | Lang | Mohamed | Rest |
| Draheim | Hawj | Latz | Morrison | Seeberger |

# 003. HF 26

**Vote:** 2023-01-30 | **Workbook row:** 8
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Federal Infrastructure Investment and Jobs Act funding provided, and money appropriated.

## Included complete bill documents

**1. Introduction, posted 2023-01-04** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/26/versions/0/pdf/

## Original Senate journal context

PDF pages 18-18. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230130015.pdf#page=18

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/26/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 26

01/04/2023 Authored by Koegel, Hornstein, Tabke, Elkins, Curran and others
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
01/17/2023 Adoption of Report: Re-referred to the Committee on Ways and Means
01/18/2023 Adoption of Report: Placed on the General Register
Read for the Second Time
01/23/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to transportation; appropriating money related to the federal Infrastructure Investment and Jobs Act.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **APPROPRIATION; INFRASTRUCTURE INVESTMENT AND JOBS ACT.**

(a) $315,500,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for state road construction to provide for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) This appropriation is for the purposes of formula and discretionary grant programs enacted in the federal Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58. This is a onetime appropriation and is available until June 30, 2025.

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

| | | | |
|---|---|---|---|
| Seeberger | Westlin | Wiklund | Xiong |

The motion did not prevail.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Dziedzic, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 26, S.F. Nos. 33 and 31.

## SPECIAL ORDER

**H.F. No. 26:** A bill for an act relating to transportation; appropriating money related to the federal Infrastructure Investment and Jobs Act.

Senator Jasinski moved to amend H.F. No. 26 as follows:

Page 1, line 13, after the period, insert "The commissioner may use up to 17 percent of the amount for program delivery."

The motion prevailed. So the amendment was adopted.

H.F. No. 26 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Marty | Port |
| Anderson | Dziedzic | Johnson | Mathews | Pratt |
| Bahr | Eichorn | Klein | Maye Quade | Putnam |
| Boldon | Farnsworth | Koran | McEwen | Rarick |
| Carlson | Fateh | Kreun | Miller | Rasmusson |
| Champion | Frentz | Kunesh | Mitchell | Rest |
| Coleman | Green | Kupec | Mohamed | Seeberger |
| Cwodzinski | Gruenhagen | Lang | Morrison | Utke |
| Dahms | Gustafson | Latz | Murphy | Weber |
| Dibble | Hauschild | Lieske | Nelson | Wesenberg |
| Dornink | Hawj | Limmer | Oumou Verbeten | Westlin |
| Draheim | Hoffman | Lucero | Pappas | Wiklund |
| Drazkowski | Howe | Mann | Pha | Xiong |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 33:** A bill for an act relating to public safety; appropriating money to the Office of the Attorney General to provide legal services for enhanced criminal enforcement and related initiatives.

Senator Murphy moved to amend S.F. No. 33 as follows:

# 004. HF 50

**Vote:** 2023-02-20 | **Workbook row:** 9
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Easement and state land conveying and leasing requirements modified, state forests added to and deleted from, state parks added to, and sale and conveyance of land authorized.

## Included complete bill documents

**1. 2nd Engrossment, posted 2023-01-25** - 24 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/50/versions/2/pdf/

## Original Senate journal context

PDF pages 52-53. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230220024.pdf#page=52

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/50/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 50**

01/04/2023 Authored by Hansen, R.; Jordan; Pérez-Vega; Lislegard; Hassan and others
The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy
01/09/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
01/25/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
02/02/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
02/20/2023 Passed by the Senate and returned to the House
02/21/2023 Presented to Governor
Governor Approval

A bill for an act

relating to state lands; modifying requirements for conveying easements and leasing state lands; adding to and deleting from state forests; adding to state parks; authorizing sales and conveyances of certain land; amending Minnesota Statutes 2022, sections 84.63; 84.631; 84.632; 92.502; 282.04, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 282.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 84.63, is amended to read:

**84.63 CONVEYING INTERESTS IN LANDS TO STATE, FEDERAL, AND TRIBAL GOVERNMENTS.**

(a) Notwithstanding any existing law to the contrary, the commissioner of natural resources is hereby authorized on behalf of the state to convey to the United States, to a federally recognized Indian Tribe, or to the state of Minnesota or any of its subdivisions, upon state-owned lands under the administration of the commissioner of natural resources, permanent or temporary easements for specified periods or otherwise for trails, highways, roads including limitation of right of access from the lands to adjacent highways and roads, flowage for development of fish and game resources, stream protection, flood control, and necessary appurtenances thereto, such conveyances to be made upon such terms and conditions including provision for reversion in the event of non-user as the commissioner of natural resources may determine.

(b) In addition to the fee for the market value of the easement, the commissioner of natural resources shall assess the applicant the following fees:

(1) an application fee of $2,000 to cover reasonable costs for reviewing the application and preparing the easement; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the improvement for which the easement was conveyed and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(c) The applicant shall pay these fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(d) Upon completion of construction of the improvement for which the easement was conveyed, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fee, even if the application is withdrawn or denied.

(e) Money received under paragraph (b) must be deposited in the land management account in the natural resources fund and is appropriated to the commissioner of natural resources to cover the reasonable costs incurred for issuing and monitoring easements.

(f) A county or joint county regional railroad authority is exempt from all fees specified under this section for trail easements on state-owned land.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the trail, highway, road, or other improvements.

(h) Notwithstanding paragraphs (a) to (g), the commissioner of natural resources may elect to assume the application fee under paragraph (b), clause (1), and waive or assume some or all of the remaining fees and costs imposed under this section if the commissioner determines that issuing the easement will benefit the state's land management interests.

Sec. 2. Minnesota Statutes 2022, section 84.631, is amended to read:

**84.631 ROAD EASEMENTS ACROSS STATE LANDS.**

(a) Except as provided in section 85.015, subdivision 1b, the commissioner of natural resources, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction to a private person requesting an easement for access to property owned by the person only if the following requirements are met:

(1) there are no reasonable alternatives to obtain access to the property; and

(2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts.

(b) The commissioner shall:

(1) require the applicant to pay the market value of the easement;

(2) limit the easement term to 50 years if the road easement is across school trust land;

(3) provide that the easement reverts to the state in the event of nonuse; and

(4) impose other terms and conditions of use as necessary and appropriate under the circumstances.

(c) An applicant shall submit an application fee of $2,000 with each application for a road easement across state land. The application fee is nonrefundable, even if the application is withdrawn or denied.

(d) In addition to the payment for the market value of the easement and the application fee, the commissioner of natural resources shall assess the applicant a monitoring fee to cover the projected reasonable costs for monitoring the construction of the road and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee. The applicant shall pay the application and monitoring fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(e) Upon completion of construction of the road, the commissioner shall refund the unobligated balance from the monitoring fee revenue.

(f) Fees collected under paragraphs (c) and (d) must be credited to the land management account in the natural resources fund and are appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the road.

(h) Notwithstanding paragraphs (a) to (g), the commissioner of natural resources may elect to assume the application fee under paragraph (c) and waive or assume some or all of

the remaining fees and costs imposed under this section if the commissioner determines that issuing the easement will benefit the state's land management interests.

Sec. 3. Minnesota Statutes 2022, section 84.632, is amended to read:

**84.632 CONVEYANCE OF UNNEEDED STATE EASEMENTS.**

(a) Notwithstanding section 92.45, the commissioner of natural resources may, in the name of the state, release all or part of an easement acquired by the state upon application of a landowner whose property is burdened with the easement if the easement is not needed for state purposes.

(b) All or part of an easement may be released by payment of the market value of the easement. The release must be in a form approved by the attorney general.

(c) Money received under paragraph (b) must be credited to the account from which money was expended for purchase of the easement. If there is no specific account, the money must be credited to the land acquisition account established in section 94.165.

(d) In addition to payment under paragraph (b), the commissioner of natural resources shall assess a landowner who applies for a release under this section an application fee of $2,000 for reviewing the application and preparing the release of easement. The applicant shall pay the application fee to the commissioner of natural resources. The commissioner shall not issue the release of easement until the applicant has paid the application fee in full. The commissioner shall not return the application fee, even if the application is withdrawn or denied.

(e) Money received under paragraph (d) must be credited to the land management account in the natural resources fund and is appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

(f) Notwithstanding paragraphs (a) to (e), the commissioner of natural resources may elect to assume the application fee under paragraph (d) and waive or assume some or all of the remaining fees and costs imposed under this section if the commissioner determines that issuing the easement release will benefit the state's land management interests.

Sec. 4. Minnesota Statutes 2022, section 92.502, is amended to read:

**92.502 LEASING TAX-FORFEITED AND STATE LANDS.**

(a) Notwithstanding section 282.04 or other law to the contrary, St. Louis County may enter a 30-year lease of tax-forfeited land for a wind energy project.

(b) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for a wind energy project.

(c) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for recreational trails ~~and~~ or facilities. The commissioner may assess the lease applicant a monitoring fee to cover the projected reasonable costs of monitoring construction of the recreational trail or facility and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant is required to submit the fee. Upon completion of construction of the trail or facility, the commissioner must refund the unobligated balance from the monitoring fee revenue.

(d) Notwithstanding section 282.04 or other law to the contrary, Lake and St. Louis Counties may enter into 30-year leases of tax-forfeited land for recreational trails and facilities.

Sec. 5. Minnesota Statutes 2022, section 282.04, subdivision 1, is amended to read:

Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor, with terms and conditions set by the county board, may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log

other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may sell any timber, including biomass, as appraised or scaled. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding 500 cords in appraised volume may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than $200 the sale shall be made subject to final settlement on the basis of a

scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ~~ten~~ 25 years; provided, further that any leases involving a consideration of more than ~~$12,000~~ $50,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, or to use for facilities needed to recover iron-bearing oxides from tailings basins or stockpiles, or for a buffer area needed for a mining operation, upon the conditions and for the consideration and for the period of

time, not exceeding 25 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided for the down payment required in paragraph (b), and no cutting of timber has taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

(k) As directed by the county board, the county auditor may lease tax-forfeited land under the terms and conditions prescribed by the county board for the purposes of investigating, analyzing, and developing conservation easements that provide ecosystem services.

Sec. 6. Minnesota Statutes 2022, section 282.04, is amended by adding a subdivision to read:

Subd. 4b. **Conservation easements.** The county auditor, with prior review and consultation with the commissioner of natural resources and under the terms and conditions prescribed by the county board, including reversion in the event of nonuse, may convey conservation easements as defined in section 84C.01 on tax-forfeited land.

Sec. 7. **[282.41] SALE OF TAX-FORFEITED LEASED LANDS; ST. LOUIS COUNTY.**

Subdivision 1. **Sale authorized; applicability.** Notwithstanding sections 92.45 and 282.018, subdivision 1, and the public sale provisions of this chapter, St. Louis County may in its sole discretion sell tax-forfeited lakeshore lots that are currently leased. St. Louis County may also sell other adjacent tax-forfeited lands under this section that are necessary for roadway access and for creating conforming lot sizes. This section applies only to St. Louis County.

Subd. 2. **Method of sale.** (a) The leaseholder of a leased parcel may purchase at private sale the leased parcel and any other lands allocated to the parcel by the county under subdivision 6 that is offered for sale under this section. The purchase price is the appraised value of the land under subdivision 3 exclusive of improvements on it. To purchase a parcel, a leaseholder must pay in cash to the county an amount equal to the appraised value of the land within 180 days from the date of mailing to or service of notice of appraised value to the leaseholder by the county. The 180-day period runs from the date the county mails a copy of the appraisal to the leaseholder at the address shown upon the most recent lease agreement between the parties, exclusive of the date of mailing or service. The county may use any alternative method of notice under the Minnesota Rules of Civil Procedure for the service of a summons and complaint.

(b) If the leaseholder does not purchase the parcel so offered, the county may offer the lands for sale at public auction under section 282.01, subdivision 3. If a person other than the leaseholder purchases the parcel, the purchaser must make payment in full to the

leaseholder in the manner provided in section 92.06, subdivision 4, for the value of any improvements as determined under subdivision 3.

(c) Failure of a purchaser to comply with the terms of payment voids the sale, and the county may reoffer the property for sale.

Subd. 3. **Appraisal.** (a) An appraisal must be made in accordance with section 282.01, subdivision 3, except as modified by this subdivision. Improvements that are owned by the lessee must be appraised separately.

(b) The county must select the appraiser. The appraiser selected must meet the minimal appraisal standards established by the federal Farmers Home Administration or the federal Veterans Administration and must be licensed under section 82B.03, to appraise the property to be sold.

(c) The county must allocate the costs of appraisal to the lots offered for sale, and the successful purchaser on each lot must reimburse the county for the appraisal costs allocated to the lot purchased. If no one purchases a lot, the county is responsible for the appraisal cost.

(d) If a leaseholder disagrees with the appraised value of the leasehold improvements, the leaseholder may select an appraiser that meets the qualifications in paragraph (b) to reappraise the improvements. The leaseholder must give notice of intent to object to the appraised value of the improvements within ten days of the date of the mailing or service of notice under subdivision 2, paragraph (a). The leaseholder must deliver the reappraisal to the county auditor within 60 days of the date of mailing or service of notice of appraised value under subdivision 2, paragraph (a). If the reappraisal is not delivered to the county auditor according to this paragraph, the initial appraisal is conclusive. The leaseholder is responsible for the costs of the reappraisal. If the parcel is reappraised within the time required in this paragraph and the county and the leaseholder fail to agree on the value of the improvements by a date set by the county, each of the appraisers must agree upon the selection of a third appraiser to conduct a third appraisal that is conclusive as to the value of the improvements. The cost of the third appraisal must be paid equally by the county and the leaseholder.

Subd. 4. **Proceeds.** (a) Except as provided in paragraph (b), the county must deposit the proceeds from the sale of land described in subdivision 1 into an environmental trust fund as provided in Laws 1998, chapter 389, article 16, section 31, subdivision 4, as amended.

(b) The following amounts may be withheld by the county board and not deposited into an environmental trust fund:

(1) the costs of appraisal, abstracts, and surveys;

(2) money received from a sale that is attributable to land owned by the county in fee;

(3) amounts the county paid to lessees for improvements; and

(4) the costs of sale to lessees or other parties, including the costs of advertising, realtors, and closing services.

Subd. 5. **Survey.** (a) Before offering a lot for sale, St. Louis County must have each lot surveyed by a licensed surveyor.

(b) The county must allocate the costs of the survey to the lots offered for sale, and the successful purchaser on each lot must reimburse the county for the survey costs allocated to the lot purchased. If no one purchases the lot, the county is responsible for the survey costs. All surveying must be conducted by a licensed surveyor.

Subd. 6. **Adding lands; zoning conformance.** Any lands to be sold under this section must be considered lots of record for zoning purposes. Whenever possible, St. Louis County may add land to the lots offered for sale to permit conformance with zoning requirements. The added lands must be included in the appraised value of the lot.

Subd. 7. **Roadways.** St. Louis County may designate whether roads within minor subdivisions under the county platting and subdivision ordinance are public or private.

Subd. 8. **Opt out; continuing lease.** The leaseholder may elect not to purchase the leased parcel if offered for sale under this section and instead continue in the annual lease program with the county, not to exceed the lifetime of the leaseholder. The fee for a lease under this subdivision must include the amount of the estimated property tax on the parcel if it had been returned to private ownership.

**EFFECTIVE DATE.** This section is effective retroactively from April 28, 2022.

Sec. 8. **ADDITION TO STATE PARK.**

**[85.012] [Subd. 27.] Myre-Big Island State Park, Freeborn County.** The following area is added to Myre-Big Island State Park, Freeborn County: all that part of the Northeast Quarter of the Southeast Quarter of Section 11, Township 102 North, Range 21 West of the 5th principal meridian, lying South of the Chicago, Milwaukee, St. Paul and Pacific Railway, and subject to road easement on the easterly side thereof.

Sec. 9. **DELETION FROM STATE FOREST.**

**[89.021] [Subd. 13.] Cloquet Valley State Forest.** The following areas are deleted from Cloquet Valley State Forest:

(1) those parts of St. Louis County in Township 52 North, Range 16 West, described as follows:

(i) Government Lots 1, 2, 3, 4, and 5 and the Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 21;

(ii) Government Lots 2, 3, 4, 5, 6, 7, 8, 9, and 10 and the Northeast Quarter of the Northwest Quarter and Northwest Quarter of the Northwest Quarter, Section 22;

(iii) Government Lot 3, Section 23;

(iv) Government Lot 2, Section 24;

(v) Government Lots 1, 4, 5, 6, 7, 8, 9, and 10, Section 25;

(vi) Government Lot 1, Section 26;

(vii) Government Lots 2 and 7, Section 26;

(viii) Government Lots 3 and 4, Section 27, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Government Lot 3 for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 1, Section 27, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction;

(ix) Government Lots 1 and 2, Section 28;

(x) Government Lots 1, 2, 3, and 5 and the Northeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 29;

(xi) Government Lots 1, 2, 3, and 4, Section 31, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 1, 2, and 3 for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned lands that may be sold, assigned, or transferred in Government Lot 4, Section 29, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally East-West

direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein;

(xii) Government Lots 5, 7, 8, and 9, Section 31;

(xiii) Government Lots 1 and 2, an undivided two-thirds interest in the Northeast Quarter of the Northwest Quarter, an undivided two-thirds interest in the Southeast Quarter of the Northwest Quarter, and an undivided two-thirds interest in the Southwest Quarter of the Northwest Quarter, Section 32, reserving unto grantor and grantor's successors and assigns an access road easement across the West 66 feet of the North 66 feet of said Government Lot 1 for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 29; and

(xiv) the Northeast Quarter of the Northeast Quarter, Section 35;

(2) those parts of St. Louis County in Township 53 North, Range 13 West, described as follows:

(i) all that part of the Northwest Quarter of the Northwest Quarter lying North and West of the Little Cloquet River, Section 4;

(ii) Government Lots 1, 2, 3, 4, and 5 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 5;

(iii) Government Lots 1, 2, and 4 and the Northwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 6;

(iv) Government Lots 1, 2, 3, 4, 5, 6, and 7 and the Northwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter, Southeast Quarter of the Southeast Quarter, and Northeast Quarter of the Southwest Quarter, Section 7;

(v) Government Lots 1 and 2 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter of the Southwest Quarter,

Northwest Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 8; and

(vi) the Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 17;

(3) those parts of St. Louis County in Township 54 North, Range 13 West, described as follows:

(i) Government Lots 1, 4, 5, 6, and 7, Section 20;

(ii) Government Lots 3, 4, 6, 7, and 8 and the Southeast Quarter of the Southwest Quarter, Section 21;

(iii) Government Lots 1, 2, 3, 4, 5, and 7, Section 29;

(iv) Government Lots 1, 2, 3, 4, 9, and 10, Section 30; and

(v) Government Lots 5, 6, and 7 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, and Northwest Quarter of the Southeast Quarter, Section 31;

(4) those parts of St. Louis County in Township 54 North, Range 16 West, described as follows:

(i) Government Lots 2, 3, and 4 and the Northwest Quarter of the Southwest Quarter, Southeast Quarter of the Northwest Quarter, Southeast Quarter of the Northeast Quarter, and Southwest Quarter of the Northeast Quarter, Section 1;

(ii) Government Lots 1, 2, 3, 4, 6, 7, and 8 and the Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southeast Quarter of the Northeast Quarter, Section 2;

(iii) all that part of Government Lot 9 lying South of the Whiteface River and West of County Road 547, also known as Comstock Lake Road, Section 3; and

(iv) Government Lots 3 and 4 and the Southeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 10;

(5) those parts of St. Louis County in Township 55 North, Range 15 West, described as follows:

(i) Government Lots 1 and 2, Section 11;

(ii) Government Lot 9, except the Highway 4 right-of-way, Section 11;

(iii) Government Lot 10, except the Highway 4 right-of-way, Section 11;

(iv) Government Lots 2, 3, 4, 5, 6, and 7, Section 15;

(v) Government Lots 2, 3, 5, 6, 7, and 8 and the Northeast Quarter of the Southwest Quarter, Section 21;

(vi) the Southwest Quarter of the Northeast Quarter, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access easement across said Southwest Quarter of the Northeast Quarter for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 21, Township 55 North, Range 15 West, said access road being measured 33 feet on each side of the centerline of that road that is presently existing and known as the Whiteface Truck Trail, Section 21;

(vii) Government Lots 1, 2, and 3, Section 22;

(viii) Government Lots 1 and 2 and the Northeast Quarter of the Northwest Quarter, Section 28;

(ix) Government Lots 1, 4, 6, 8, and 9 and the Northeast Quarter of the Northeast Quarter, Northeast Quarter of the Southeast Quarter, and Northwest Quarter of the Southwest Quarter, Section 29;

(x) Government Lots 3 and 4 and the Northeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southeast Quarter of the Southwest Quarter, Section 30;

(xi) Government Lots 2, 3, 4, 5, 6, 8, 9, 10, and 11 and the Northeast Quarter of the Southwest Quarter, Section 31; and

(xii) Government Lot 1, Section 32; and

(6) those parts of St. Louis County in Township 55 North, Range 16 West, described as follows:

(i) the Southwest Quarter of the Southeast Quarter, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Southwest Quarter of the Southeast Quarter for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35; and

(ii) the Southeast Quarter of the Southeast Quarter, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Southeast Quarter of the Southeast Quarter for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35.

Sec. 10. **ADDITION TO STATE FOREST.**

**[89.021] [Subd. 42a.] Riverlands State Forest.** Those parts of St. Louis County described as follows are added to Riverlands State Forest:

(1) the Northwest Quarter of the Northwest Quarter, Section 16, Township 50 North, Range 17 West;

(2) Government Lot 9, Section 26, Township 50 North, Range 17 West;

(3) the Northeast Quarter of the Southeast Quarter, Section 30, Township 51 North, Range 19 West;

(4) Government Lot 6, Section 22, Township 51 North, Range 20 West; and

(5) Government Lot 9, Section 24, Township 52 North, Range 20 West.

Sec. 11. **PRIVATE SALE OF TAX-FORFEITED LAND; BELTRAMI COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Beltrami County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is part of parcel number 45.00258.00 described as: that part of Government Lot 3, Section 31, Township 148 North, Range 31 West, Beltrami County, Minnesota, described as follows:

Commencing at the southwest corner of said Section 31; thence North 89 degrees 46 minutes 25 seconds East, bearing based on the Beltrami County Coordinate System, South Zone, along the south line of said Section 31, a distance of 960.47 feet; thence North 01 degrees 00 minutes 40 seconds West a distance of 2,116.07 feet to the point of beginning of land to be described, said point designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence continue North 01 degree 00 minutes 40 seconds West a distance of 108.00 feet to a point designated by an iron pipe, 1/2 inch in diameter,

stamped LS 15483; thence North 88 degrees 59 minutes 20 seconds East a distance of 60.00 feet to the intersection with the east line of said Government Lot 3; thence South 01 degree 00 minutes 40 seconds East, along said east line of Government Lot 3, a distance of 108.00 feet to the intersection with a line bearing North 88 degrees 59 minutes 20 seconds East from the point of beginning; thence South 88 degrees 59 seconds 20 minutes West, along said line, a distance of 60.00 feet to the point of beginning (0.15 acre).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 12. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Cass County and is described as:

(1) the West 970 feet of the Northeast Quarter of the Southwest Quarter of Section 32, Township 135 North, Range 29 West, Cass County, Minnesota, EXCEPT therefrom a rectangular piece in the southeast corner thereof 370 feet North and South by 420 feet East and West; and

(2) that part of Government Lot 6 of said Section 32, described as follows: beginning at the northwest corner of said Government Lot 6; thence East along the north line of said Government Lot 6 550 feet; thence South 30 degrees West 528 feet, more or less, to shoreline of Agate Lake; thence northwest along said shoreline of Agate Lake to the west line of said Government Lot 6; thence northerly along said west line 260 feet, more or less, to the point of beginning.

(d) The land borders Agate Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 13. **PRIVATE SALE OF SURPLUS LAND; CROW WING COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Crow Wing County and is described as: that part of Government Lot 2, Section 11, Township 44, Range 28, Crow Wing County, Minnesota, described as follows: Commencing at the southeast corner of said Government Lot 2; thence South 89 degrees 08 minutes 05 seconds West, assumed bearing along the south line of said Government Lot 2 a distance of 203.73 feet to the westerly right-of-way of State Highway No. 18; thence North 24 degrees 13 minutes 27 seconds West, along said westerly right-of-way 692.40 feet, to the point of beginning; thence continuing North 24 degrees 13 minutes 27 seconds West along said westerly right-of-way 70.31 feet; thence North 89 degrees 25 minutes 27 seconds West 90.00 feet; thence South 11 degrees 16 minutes 29 seconds East 87.00 feet; thence North 78 degrees 43 minutes 31 seconds East 103.84 feet to the point of beginning. Said parcel contains 0.17 acres of land, more or less, and is subject to existing easements of record.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 14. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; FILLMORE COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c), subject to the state's reservation of trout stream and access easements.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Fillmore County and is described as: the South 13 acres, except the East 2 acres thereof, of the Northwest Quarter of the Southeast Quarter, Section 21, Township 103, Range 10 West, Fillmore County, Minnesota, excepting therefrom the Harmony-Preston Valley State Trail corridor, formerly the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way.

(d) The land borders the Root River and Watson Creek and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes, provided that trout stream and access easements are reserved on the Root River and Watson Creek, and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 15. **CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; GOODHUE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Goodhue County may convey to the city of Wanamingo for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Wanamingo stops using the land for the public purpose described in paragraph (d). The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Goodhue County and is described as: That part of the Southeast Quarter of Section 30, Township 110 North, Range 16 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast corner of Lot 7, Block 2, Axelson's Hillcrest Addition, according to the recorded plat thereof; thence South 89 degrees 48 minutes 15 seconds East (assuming that the east line of Axelson's Hillcrest Addition also being the west line of the Southeast Quarter of said Section 30, has a bearing of North 00 degrees 11 minutes 45 seconds East), a distance of 30.00 feet; thence North 00 degrees 11 minutes 45 seconds East, a distance of 342.00 feet to the point of beginning; thence South 89 degrees 48 minutes 15 seconds East, a distance of 60.00 feet; thence North 00 degrees 11 minutes 45 seconds East, a distance of 280.00 feet; thence South 89 degrees 48 minutes 15 seconds East, a distance of 60.00 feet; thence North 00 degrees 11 minutes 45 seconds East, a distance of 394 feet, more or less to the north line of the Southeast Quarter of said Section 30; thence westerly, along said north line, a distance of 150.00 feet, more or less, to the northwest corner of said Southeast Quarter; thence South 00 degrees 11 minutes 45 seconds West, along the west line of said Southeast Quarter, a distance of 674 feet, more or less, to an intersection with a line bearing North 89 degrees 48 minutes 15 seconds West from said point of beginning; thence South 89 degrees 48 minutes 15 seconds East, a distance of 30.00 feet to the point of beginning. EXCEPT that part of the above description now platted as Emerald Valley (parcel number 70.380.0710).

(d) The county has determined that the land is needed for a park trail extension.

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

Sec. 16. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to a local unit of government for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Hennepin County and is described as: all those parts of Government Lot 5, Section 35, Township 118, Range 23, lying northerly and northwesterly of East Long Lake Road, as it existed in 2021, easterly of a line drawn parallel with and distant 924.88 feet westerly of the east line of said Government Lot 5, and southerly of a line drawn westerly at a right angle to the east line of said Government Lot 5 from a point distant 620 feet South of the northeast corner of said Government Lot 5.

(d) The land borders Long Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to a local unit of government.

Sec. 17. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ITASCA COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Itasca County and is described as:

(1) the North 1,050.00 feet of Government Lot 1, Section 16, Township 55 North, Range 24 West of the fourth principal meridian, except that part described as follows: commencing at the southeast corner of said Government Lot 1; thence North 0 degrees 46 minutes 09 seconds East, bearing assumed, along the east line thereof, a distance of 280.00 feet to the

point of beginning; thence North 89 degrees 13 minutes 51 seconds West, a distance of 345.00 feet; thence South 0 degrees 46 minutes 09 seconds West, a distance of 21.60 feet to its intersection with the south line of the North 1,050.00 feet of said Government Lot 1; thence South 89 degrees 08 minutes 51 seconds East along the south line of the North 1,050.00 feet of said Government Lot 1, a distance of 345.00 feet to the east line of said Government Lot 1; thence North 0 degrees 46 minutes 09 seconds East, along the east line of said Government Lot 1, a distance of 22.10 feet to the point of beginning. Subject to an easement for ingress and egress over 66.00 feet in width, over, under, and across part of Government Lot 1, Section 16, Township 55, Range 24. The centerline of said easement is described as follows: commencing at the northeast corner of said Government Lot 1; thence South 0 degrees 46 minutes 09 seconds West, bearing assumed, along the east line thereof, a distance of 750.00 feet to the point of beginning of the centerline to be described; thence North 89 degrees 08 minutes 51 seconds West, a distance of 845.00 feet; thence South 7 degrees 18 minutes 51 seconds East, a distance of 302.89 feet, and there terminating; and

(2) Lots 1 through 4 of Block 2 and Outlot "B," Loons Landing, according to the plat thereof on file and of record in the Office of the Itasca County Recorder.

(d) The land borders Trout Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 18. **PRIVATE SALE OF SURPLUS STATE LAND; PINE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c), subject to the state's reservation of a perpetual flowage easement.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Pine County and is described as: the north 2 rods of the Southeast Quarter of Section 10, Township 38 North, Range 22 West, Pine County, Minnesota.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 19. **LAND EXCHANGE; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, St. Louis County may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

(b) The conveyance must be in the form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The lands that may be conveyed are located in St. Louis County and are described as:

(1) Sections 1 and 2, Township 53 North, Range 18 West;

(2) Sections 19, 20, 29, 30, 31, and 32, Township 54 North, Range 17 West;

(3) Sections 24, 25, 26, and 35, Township 54 North, Range 18 West;

(4) Sections 22, 23, 26, and 27, Township 54 North, Range 19 West; and

(5) Sections 8, 9, 17, and 18, Township 55 North, Range 18 West.

Sec. 20. **LAND ACQUISITION TRUST FUND; ST. LOUIS COUNTY.**

Notwithstanding Minnesota Statutes, chapter 282, and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, St. Louis County may deposit proceeds from the sale of tax-forfeited lands into a tax-forfeited land acquisition trust fund established by St. Louis County under this section. The principal and interest from the fund may be spent on the purchase of lands better suited for retention and management by St. Louis County. Lands purchased with money from the land acquisition trust fund must:

(1) become subject to a trust in favor of the governmental subdivision wherein the lands lie and all laws related to tax-forfeited lands; and

(2) be used for forestry, mineral management, or environmental services.

Sec. 21. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lots 23 through 30, including part of adjacent vacant alley, Block 54, Bay View Addition to Duluth No. 2, Township 49, Range 15, Section 11 (parcel identification number 010-0230-03300); and

(2) Lot 2, except the South 760 feet, Township 62, Range 20, Section 18 (part of parcel identification number 430-0010-02916).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 22. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Sherburne County and is described as: that part of the North 595.50 feet of Government Lot 6, Section 31, Township 34 North, Range 27 West, Sherburne County, Minnesota, lying southerly of the following described line: commencing at a Minnesota Department of Conservation monument on the south line of the said North 595.50 feet; thence North 89 degrees 38 minutes 17 seconds West, bearing per plat of Eagle Lake Estates Boundary Registration, along said south line 71.28 feet to a Judicial Land Mark; thence North 21 degrees 51 minutes 43 seconds West, along the easterly line of Outlot A of said Eagle Lake Estates Boundary Registration 27.5 feet to the point of beginning; thence North 80 degrees East 72 feet, more or less, to the shoreline of Eagle Lake and there terminating.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 23. **AUTHORIZATION OF ADJUTANT GENERAL TO EXCHANGE SURPLUS PROPERTY WITHIN THE CITY OF ROSEMOUNT.**

(a) Notwithstanding Minnesota Statutes, sections 94.3495 and 193.36, the adjutant general of the Minnesota National Guard may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, exchange the surplus land described in paragraph (b) for an equal amount of land owned by the city of Rosemount, regardless of a difference in market value.

(b) The land to be exchanged is within the city of Rosemount adjacent to a Minnesota National Guard field maintenance shop.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 49 and nays 13, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Hawj | Maye Quade | Pha |
| Boldon | Duckworth | Hoffman | McEwen | Port |
| Carlson | Dziedzic | Housley | Miller | Pratt |
| Champion | Farnsworth | Jasinski | Mitchell | Putnam |
| Coleman | Fateh | Klein | Mohamed | Rest |
| Cwodzinski | Frentz | Kunesh | Morrison | Seeberger |
| Dahms | Green | Kupec | Murphy | Westlin |
| Dibble | Gruenhagen | Latz | Nelson | Wiklund |
| Dornink | Gustafson | Mann | Oumou Verbeten | Xiong |
| Draheim | Hauschild | Marty | Pappas | |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, McEwen, and Port.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Howe | Limmer | Rasmusson | Westrom |
| Bahr | Kreun | Lucero | Utke | |
| Eichorn | Lieske | Mathews | Wesenberg | |

The motion prevailed. So the resolution was adopted.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Kunesh, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 50 and 35.

## SPECIAL ORDER

**H.F. No. 50:** A bill for an act relating to state lands; modifying requirements for conveying easements and leasing state lands; adding to and deleting from state forests; adding to state parks; authorizing sales and conveyances of certain land; amending Minnesota Statutes 2022, sections 84.63; 84.631; 84.632; 92.502; 282.04, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 282.

H.F. No. 50 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Champion | Dornink | Eichorn | Gruenhagen |
| Anderson | Coleman | Draheim | Farnsworth | Gustafson |
| Bahr | Cwodzinski | Drazkowski | Fateh | Hauschild |
| Boldon | Dahms | Duckworth | Frentz | Hawj |
| Carlson | Dibble | Dziedzic | Green | Hoffman |

| | | | | |
|---|---|---|---|---|
| Housley | Kupec | Maye Quade | Oumou Verbeten | Seeberger |
| Howe | Latz | McEwen | Pappas | Utke |
| Jasinski | Lieske | Miller | Pha | Wesenberg |
| Johnson | Limmer | Mitchell | Port | Westlin |
| Klein | Lucero | Mohamed | Pratt | Westrom |
| Koran | Mann | Morrison | Putnam | Wiklund |
| Kreun | Marty | Murphy | Rasmusson | Xiong |
| Kunesh | Mathews | Nelson | Rest | |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, McEwen, and Port.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 35:** A bill for an act relating to state government; requiring the state forecast include the rate of inflation; amending Minnesota Statutes 2022, section 16A.103, subdivisions 1a, 1b.

Senator Marty moved that the amendment made to H.F. No. 35 by the Committee on Rules and Administration in the report adopted February 1, 2023, pursuant to Rule 45, be stricken.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Kupec | Morrison | Seeberger |
| Boldon | Gustafson | Latz | Murphy | Westlin |
| Carlson | Hauschild | Mann | Oumou Verbeten | Wiklund |
| Champion | Hawj | Marty | Pappas | Xiong |
| Cwodzinski | Hoffman | Maye Quade | Pha | |
| Dibble | Jasinski | McEwen | Port | |
| Dziedzic | Klein | Mitchell | Putnam | |
| Fateh | Kunesh | Mohamed | Rest | |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, McEwen, and Port.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Housley | Limmer | Rasmusson |
| Bahr | Duckworth | Howe | Lucero | Utke |
| Coleman | Eichorn | Johnson | Mathews | Wesenberg |
| Dahms | Farnsworth | Koran | Miller | Westrom |
| Dornink | Green | Kreun | Nelson | |
| Draheim | Gruenhagen | Lieske | Pratt | |

The motion prevailed. So the amendment was stricken.

Senator Dahms moved to amend H.F. No. 35 as follows:

Page 2, line 2, after the period, insert "For the purpose of this subdivision, "inflation" means positive, negative, or neutral growth."

The question was taken on the adoption of the amendment.

# 005. SF 667

**Vote:** 2023-02-27 | **Workbook row:** 10
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 1 nays

**Workbook subject:** Minnesota Indian Family Preservation Act modifications

## Included complete bill documents

**1. 3rd Engrossment, posted 2023-02-27** - 32 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/SF/667/versions/3/pdf/

## Original Senate journal context

PDF pages 116-118. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230227026.pdf#page=117

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/SF/667/

# SENATE
## STATE OF MINNESOTA
## NINETY-THIRD SESSION

# S.F. No. 667

**(SENATE AUTHORS: KUNESH, Abeler, Wiklund, Hauschild and Oumou Verbeten)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/25/2023 | 368 | Introduction and first reading |
| | | Referred to Health and Human Services |
| 02/08/2023 | 696a | Comm report: To pass as amended and re-refer to Judiciary and Public Safety |
| 02/13/2023 | 789a | Comm report: To pass as amended and re-refer to Finance |
| 02/16/2023 | 872 | Author added Oumon Verbeten |
| 02/21/2023 | 982 | Comm report: To pass |
| | 982 | Second reading |
| 02/27/2023 | 1150a | Special Order: Amended |
| | 1151 | Third reading Passed |
| 03/13/2023 | 1487 | Returned from House |
| | | Presentment date 03/16/23 |
| | 1972 | Governor's action Approval 03/16/23 |
| | 1972 | Secretary of State Chapter 16 03/16/23 |
| | | Effective date 08/01/2023 |

A bill for an act

relating to children; making changes to the Minnesota Indian Family Preservation Act; amending Minnesota Statutes 2022, sections 260.753; 260.755, subdivisions 1a, 3, 20, 22, by adding subdivisions; 260.761; 260.7611; 260.762; 260.765, subdivisions 1, 2, 3, 4, by adding subdivisions; 260.771; 260.781; 260.785, subdivision 2; 260.791; 260.795, subdivision 1; 260.805; 260.821, subdivision 2; 260.835, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Minnesota Statutes 2022, section 260.755, subdivision 17.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[260.752] APPLICABILITY.**

Unless otherwise stated, sections 260.751 to 260.835 and the federal Indian Child Welfare Act are applicable without exception in any child placement proceeding involving an Indian child where custody is granted to someone other than a parent or an Indian custodian. Nothing in sections 260.751 to 260.835 is intended to apply to custody actions between parents or between a parent and Indian custodian.

Sec. 2. Minnesota Statutes 2022, section 260.753, is amended to read:

**260.753 PURPOSES.**

The purposes of ~~Laws 2015, chapter 78,~~ the Minnesota Indian Family Preservation Act are to (1) protect the long-term interests, as defined by the Tribes, of Indian children, their families as defined by law or custom, and the child's Tribe; and (2) preserve the Indian family and Tribal identity, including an understanding that Indian children are damaged if family and child Tribal identity and contact are denied. Indian children are the future of the Tribes and are vital to their very existence.

Sec. 3. **[260.754] POLICY ON TRIBAL-STATE RELATIONS.**

(a) The state of Minnesota acknowledges federally recognized Indian Tribes as sovereign political entities that predate the existence of the United States and that have retained inherent sovereign authority to pass their own laws, maintain their own systems of governance, and determine their own jurisdiction. The sovereign authority of Tribes may only be limited by the federal government and not by any action of the state, including the state legislature and state courts.

(b) Inherently, as members of Indian Tribes recognized by the federal government, Indian people have rights and privileges as members of their Tribe which the state of Minnesota recognizes and protects.

(c) Indian people have a right to be protected from being disfranchised or deprived of any of the rights and privileges secured to any citizen in the state and to have the recognition and protection of the rights and privileges flowing from their membership in an Indian Tribe by any state action.

(d) The state of Minnesota recognizes all federally recognized Indian Tribes as having the inherent authority to determine their own jurisdiction for any and all Indian child custody or child placement proceedings regardless of whether the Tribe's members are on or off the reservation and regardless of the procedural posture of the proceeding.

(e) The state of Minnesota has long recognized the importance of Indian children to their Tribes not only as members of Tribal families and communities, but also as the Tribe's greatest resource as future members and leaders of the Tribe. The vitality of Indian children in the state of Minnesota is essential to the health and welfare of both the state and the Tribes and is essential to the future welfare and continued existence of the child's Tribe.

(f) The state of Minnesota recognizes that the historical deprivation of rights of Indian people and Indian Tribes has led to disparate out-of-home placement of Indian children.

Sec. 4. Minnesota Statutes 2022, section 260.755, subdivision 1a, is amended to read:

Subd. 1a. **Active efforts.** "Active efforts" means a rigorous and concerted level of effort that is ongoing throughout the involvement of the ~~local social services~~ child-placing agency to continuously involve the Indian child's Tribe and that uses the prevailing social and cultural values, conditions, and way of life of the Indian child's Tribe to preserve the Indian child's family and prevent placement of an Indian child and, if placement occurs, to return the Indian child to the child's family at the earliest possible time. Active efforts ~~sets~~ under section 260.762 requires a higher standard than reasonable efforts to preserve the family,

prevent breakup of the family, and reunify the family~~, according to section 260.762~~. Active efforts ~~includes~~ include reasonable efforts as required by Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 679c.

Sec. 5. Minnesota Statutes 2022, section 260.755, subdivision 3, is amended to read:

Subd. 3. **Child placement proceeding.** (a) "Child placement proceeding" includes a judicial proceeding which could result in ~~the following~~:

~~(a)~~ (1) "adoptive placement," ~~means~~ meaning the permanent placement of an Indian child for adoption, including an action resulting in a final decree of adoption~~.~~;

~~(b)~~ (2) "involuntary foster care placement," ~~means~~ meaning an action removing an Indian child from ~~its~~ the child's parents or Indian custodian for temporary placement in a foster home, institution, or the home of a guardian. The parent or Indian custodian cannot have the Indian child returned upon demand, but parental rights have not been terminated~~.~~;

~~(c)~~ (3) "preadoptive placement," ~~means~~ meaning the temporary placement of an Indian child in a foster home or institution after the termination of parental rights, before or instead of adoptive placement~~.~~; or

~~(d)~~ (4) "termination of parental rights," ~~means~~ meaning an action resulting in the termination of the parent-child relationship under section 260C.301.

(b) The ~~terms include~~ term child placement proceeding includes all placements where Indian children are placed out-of-home or away from the care, custody, and control of their parent or parents or Indian custodian that do not implicate custody between the parents. Child placement proceeding also includes any placement based upon juvenile status offenses, but ~~do~~ does not include a placement based upon an act which if committed by an adult would be deemed a crime, or upon an award of custody in a divorce proceeding to one of the parents.

Sec. 6. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 3a. **Child-placing agency.** "Child-placing agency" means a public, private, or nonprofit legal entity: (1) providing assistance to a child and the child's parent or parents; or (2) placing a child in foster care or for adoption on a voluntary or involuntary basis.

Sec. 7. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 3b. **Child placement.** "Child placement" means placement of an Indian child on a voluntary or involuntary basis in foster care, preadoptive placement, or adoption by a child-placing agency, parent, parents, Indian custodian, or individual.

Sec. 8. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 4a. **Custody.** "Custody" means the physical or legal custody, or both, of an Indian child under any applicable Tribal law, Tribal custom, or state law. A party may demonstrate the existence of custody by looking to Tribal law, Tribal custom, or state law.

Sec. 9. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 5a. **Emergency proceeding.** "Emergency proceeding" means and includes any court action that involves an emergency removal or emergency placement of an Indian child.

Sec. 10. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 5b. **Extended family member.** "Extended family member" is as defined by the law or custom of the Indian child's Tribe or, in the absence of any law or custom of the Tribe, is a person who has reached the age of 18 and who is the Indian child's grandparent, aunt or uncle, brother or sister, brother-in-law or sister-in-law, niece or nephew, first or second cousin, or stepparent.

Sec. 11. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 6a. **Imminent physical damage or harm.** "Imminent physical damage or harm" means that a child is threatened with immediate and present conditions that are life threatening or likely to result in abandonment, sexual abuse, or serious physical injury.

Sec. 12. Minnesota Statutes 2022, section 260.755, is amended by adding a subdivision to read:

Subd. 16a. **Public act.** "Public act" means an act of legislation by a political body affecting the public as a whole.

Sec. 13. Minnesota Statutes 2022, section 260.755, subdivision 20, is amended to read:

Subd. 20. **Tribal court.** "Tribal court" means a court with jurisdiction over child custody proceedings and which is either a court of Indian offenses, or a court established and operated under the code or custom of an Indian Tribe, or any other administrative body of a Tribe which is vested with authority over child custody proceedings. ~~Except as provided in section 260.771, subdivision 5, nothing in this chapter shall be construed as conferring jurisdiction on an Indian Tribe.~~

Sec. 14. Minnesota Statutes 2022, section 260.755, subdivision 22, is amended to read:

Subd. 22. **Voluntary foster care placement.** "Voluntary foster care placement" means a decision in which there has been participation by a ~~local social services~~ child-placing agency ~~or private child-placing agency~~ resulting in the temporary placement of an Indian child away from the home of the child's parents or Indian custodian in a foster home, institution, or the home of a guardian, and the parent or Indian custodian may have the child returned upon demand.

Sec. 15. **[260.758] EMERGENCY REMOVAL OR PLACEMENT OF INDIAN CHILD; TERMINATION; APPROPRIATE ACTION.**

Subdivision 1. **Emergency removal or placement permitted.** Nothing in sections 260.751 to 260.835 shall be construed to prevent the emergency removal of an Indian child from the Indian child's parent or Indian custodian, including an Indian child who is a resident of or is domiciled on a reservation but temporarily located off the reservation, or the emergency placement of the Indian child in a foster home or institution under sections 260.751 to 260.835, in order to prevent imminent physical damage or harm to the Indian child.

Subd. 2. **Temporary emergency jurisdiction of state courts.** (a) The child-placing agency or court shall ensure that the emergency removal or placement terminates immediately when removal or placement is no longer necessary to prevent imminent physical damage or harm to the Indian child. The child-placing agency or court shall expeditiously initiate a child placement proceeding subject to the provisions of sections 260. 751 to 260.835, transfer the child to the jurisdiction of the appropriate Indian Tribe, or return the Indian child to the Indian child's parent or Indian custodian as may be appropriate.

(b) If the Indian child is a resident of or is domiciled on a reservation but temporarily located off the reservation, a court of this state has only temporary emergency jurisdiction until the Indian child is transferred to the jurisdiction of the appropriate Indian Tribe unless

the Indian child's Tribe has expressly declined to exercise its jurisdiction, or the Indian child is returned to the Indian child's parent or Indian custodian.

Subd. 3. **Petition for emergency removal; placement requirements.** A petition for a court order authorizing the emergency removal or continued emergency placement of an Indian child, or the petition's accompanying documents, must contain a statement of the risk of imminent physical damage or harm to the Indian child and any evidence that the emergency removal or placement continues to be necessary to prevent imminent physical damage or harm to the Indian child. The petition or its accompanying documents must also contain the following information:

(1) the name, age, and last known address of the Indian child;

(2) the name and address of the Indian child's parents and Indian custodians, if any;

(3) the steps taken to provide notice to the Indian child's parents, Indian custodians, and Tribe about the emergency proceeding;

(4) if the Indian child's parents and Indian custodians are unknown, a detailed explanation of what efforts have been made to locate and contact them;

(5) the residence and domicile of the Indian child;

(6) if either the residence or domicile of the Indian child is believed to be on a reservation or in an Alaska Native village, the name of the Tribe affiliated with that reservation or village;

(7) the Tribal affiliation of the Indian child and of the Indian child's parents or Indian custodians;

(8) a specific and detailed account of the circumstances that led the agency responsible for the emergency removal of the Indian child to take that action;

(9) if the child is believed to reside or be domiciled on a reservation where the Tribe exercises exclusive jurisdiction over Indian child custody matters, a statement of the efforts that have been made and are being made to contact the Tribe and transfer the Indian child to the Tribe's jurisdiction; and

(10) a statement of the efforts that have been taken to assist the Indian child's parents or Indian custodians so that the Indian child may safely be returned to their custody.

Subd. 4. **Emergency proceeding requirements.** (a) The court shall hold a hearing no later than 72 hours, excluding weekends and holidays, after the emergency removal of the

Indian child. The court shall determine whether the emergency removal continues to be necessary to prevent imminent physical damage or harm to the Indian child.

(b) The court shall hold additional hearings whenever new information indicates that the emergency situation has ended and at any court hearing during the emergency proceeding to determine whether the emergency removal or placement is no longer necessary to prevent imminent physical damage or harm to the Indian child.

Subd. 5. **Termination of emergency removal or placement.** (a) An emergency removal or placement of an Indian child must immediately terminate once the child-placing agency or court possesses sufficient evidence to determine that the emergency removal or placement is no longer necessary to prevent imminent physical damage or harm to the Indian child and the Indian child shall be immediately returned to the custody of the Indian child's parent or Indian custodian.

(b) An emergency removal or placement ends when the Indian child is transferred to the jurisdiction of the Indian child's Tribe, or when the court orders, after service upon the Indian child's parents, Indian custodian, and Indian child's Tribe, that the Indian child shall be placed in foster care upon a determination supported by clear and convincing evidence, including testimony by a qualified expert witness, that custody of the Indian child by the Indian child's parent or Indian custodian is likely to result in serious emotional or physical damage to the Indian child.

(c) In no instance shall emergency removal or emergency placement of an Indian child extend beyond 30 days unless the court finds by a showing of clear and convincing evidence that: (1) continued emergency removal or placement is necessary to prevent imminent physical damage or harm to the Indian child; (2) the court has been unable to transfer the proceeding to the jurisdiction of the Indian child's Tribal court; and (3) it has not been possible to initiate a child placement proceeding with all of the protections under sections 260.751 to 260.835, including obtaining the testimony of a qualified expert witness.

Sec. 16. Minnesota Statutes 2022, section 260.761, is amended to read:

**260.761 ~~SOCIAL SERVICES AGENCY AND PRIVATE LICENSED CHILD-PLACING AGENCY~~ INQUIRY OF TRIBAL LINEAGE; NOTICE TO TRIBES, PARENTS, AND INDIAN CUSTODIANS; ACCESS TO FILES.**

Subdivision 1. **Inquiry of Tribal lineage.** The ~~local social services agency or private licensed~~ child-placing agency or individual petitioner shall inquire of the child, the child's parents and custodians, and other appropriate persons whether there is any reason to believe

that a child brought to the agency's attention may have lineage to an Indian Tribe. This inquiry shall occur at the time the child comes to the attention of the ~~local social services~~ child-placing agency or individual petitioner and shall continue throughout the involvement of the child-placing agency or individual petitioner.

Subd. 2. ~~**Agency and court notice to Tribes**~~ **Notice to Tribes of services or court proceedings involving an Indian child.** (a) When a ~~local social services~~ child-placing agency has information that a family assessment or investigation being conducted may involve an Indian child, the ~~local social services~~ child-placing agency shall notify the Indian child's Tribe of the family assessment or investigation according to section 260E.18. Initial notice shall be provided by telephone and by email or facsimile and shall include the child's full name and date of birth; the full names and dates of birth of the child's biological parents; and if known the full names and dates of birth of the child's grandparents and of the child's Indian custodian. If information regarding the child's grandparents or Indian custodian is not immediately available, the child-placing agency shall continue to request this information and shall notify the Tribe when it is received. Notice shall be provided to all Tribes to which the child may have any Tribal lineage. The ~~local social services~~ child-placing agency shall request that the Tribe or a designated Tribal representative participate in evaluating the family circumstances, identifying family and Tribal community resources, and developing case plans. The child-placing agency shall continue to include the Tribe in service planning and updates as to the progress of the case.

(b) When a ~~local social services~~ child-placing agency has information that a child receiving services may be an Indian child, the ~~local social services~~ child-placing agency shall notify the Tribe by telephone and by email or facsimile of the child's full name and date of birth, the full names and dates of birth of the child's biological parents, and, if known, the full names and dates of birth of the child's grandparents and of the child's Indian custodian. This notification must be provided so the Tribe can determine if the child is ~~enrolled in the Tribe~~ a member or eligible for membership in the Tribe, and must be provided within seven days. If information regarding the child's grandparents or Indian custodian is not available within the seven-day period, the ~~local social services~~ child-placing agency shall continue to request this information and shall notify the Tribe when it is received. Notice shall be provided to all Tribes to which the child may have any Tribal lineage. ~~If the identity or location of the child's parent or Indian custodian and Tribe cannot be determined, the local social services agency shall provide the notice required in this paragraph to the United States secretary of the interior.~~

(c) ~~In accordance with sections 260C.151 and 260C.152~~ In all child placement proceedings, when a court has reason to believe that a child placed in emergency protective care is an Indian child, the court administrator or a designee shall, as soon as possible and before a hearing takes place, notify the Tribal social services agency by telephone and by email or facsimile of the date, time, and location of the emergency protective ~~case~~ care or other initial hearing. The court shall make efforts to allow appearances by telephone or video conference for Tribal representatives, parents, and Indian custodians.

(d) The child-placing agency or individual petitioner shall effect service of any petition governed by sections 260.751 to 260.835 by certified mail or registered mail, return receipt requested upon the Indian child's parents, Indian custodian, and Indian child's Tribe at least 10 days before the admit-deny hearing is held. If the identity or location of the Indian child's parents or Indian custodian and Tribe cannot be determined, the child-placing agency shall provide the notice required in this paragraph to the United States Secretary of the Interior, Bureau of Indian Affairs by certified mail, return receipt requested.

(e) A Tribe, the Indian child's parents, or the Indian custodian may request up to 20 additional days to prepare for the admit-deny hearing. The court shall allow appearances by telephone, video conference, or other electronic medium for Tribal representatives, the Indian child's parents, or the Indian custodian.

~~(d)~~ (f) A ~~local social services~~ child-placing agency or individual petitioner must provide the notices required under this subdivision at the earliest possible time to facilitate involvement of the Indian child's Tribe. Nothing in this subdivision is intended to hinder the ability of the ~~local social services~~ child-placing agency, individual petitioner, and the court to respond to an emergency situation. Lack of participation by a Tribe shall not prevent the Tribe from intervening in services and proceedings at a later date. A Tribe may participate at any time. At any stage of the ~~local social services~~ child-placing agency's involvement with an Indian child, the agency shall provide full cooperation to the Tribal social services agency, including disclosure of all data concerning the Indian child. Nothing in this subdivision relieves the ~~local social services~~ child-placing agency of satisfying the notice requirements in ~~the Indian Child Welfare Act~~ state or federal law.

Subd. 3. **Notice of potential preadoptive or adoptive placement.** In any ~~voluntary~~ adoptive or preadoptive placement proceeding ~~in which a local social services agency, private child-placing agency, petitioner in the adoption, or any other~~, including voluntary proceedings, where any party or participant has reason to believe that a child who is the subject of an adoptive or preadoptive placement proceeding is or may be an "Indian child," as defined in section 260.755, subdivision 8, and United States Code, title 25, section

1903(4), the child-placing agency or ~~person~~ individual petitioner shall notify the Indian child's ~~Tribal social services agency~~ Tribe by registered mail or certified mail with return receipt requested of the pending proceeding and of the right of intervention under subdivision 6. If the identity or location of the child's Tribe cannot be determined, the notice must be given to the United States Secretary of Interior in like manner~~, who will have 15 days after receipt of the notice to provide the requisite notice to the Tribe~~. No preadoptive or adoptive placement proceeding may be held until at least ~~ten~~ 20 days after receipt of the notice by the Tribe or the secretary. Upon request, the Tribe must be granted up to 20 additional days to prepare for the proceeding. The child-placing agency or ~~notifying party~~ individual petitioner shall include in the notice the identity of the birth parents and child absent written objection by the birth parents. The ~~private~~ child-placing agency shall inform the birth parents of the Indian child of any services available to the Indian child through the child's Tribal social services agency, including child placement services, and shall additionally provide the birth parents of the Indian child with all information sent from the Tribal social services agency in response to the notice.

Subd. 4. **Unknown father.** If the ~~local social services agency, private~~ child-placing agency, individual petitioner, the court, ~~petitioner,~~ or any ~~other~~ party has reason to believe that a child who is the subject of ~~an adoptive~~ a child placement proceeding is or may be an Indian child but the father of the child is unknown and has not registered with the fathers' adoption registry pursuant to section 259.52, the child-placing agency or ~~person~~ individual petitioner shall provide to the Tribe believed to be the Indian child's Tribe information sufficient to enable the Tribe to determine the child's eligibility for membership in the Tribe, including, but not limited to, the legal and maiden name of the birth mother, her date of birth, the names and dates of birth of her parents and grandparents, and, if available, information pertaining to the possible identity, Tribal affiliation, or location of the birth father.

Subd. 5. **Proof of service of notice upon Tribe or secretary.** In cases where ~~an~~ a child-placing agency or party to an adoptive placement knows or has reason to believe that a child is or may be an Indian child, proof of service upon the child's Tribe or the secretary of interior must be filed with the adoption petition.

Subd. 6. **Indian Tribe's right of intervention.** In any ~~state court~~ child placement proceeding ~~for the voluntary adoptive or preadoptive placement of an Indian child~~ under sections 260.751 to 260.835, the Indian child's Tribe shall have a right to intervene at any point in the proceeding.

Subd. 6a. **Indian Tribe's access to files.** At any stage of the child-placing agency's involvement with an Indian child, the child-placing agency shall, upon request, give the Tribal social services agency full cooperation including access to all files concerning the Indian child. If the files contain confidential or private data, the child-placing agency may require execution of an agreement with the Tribal social services agency to maintain the data according to statutory provisions applicable to the data.

~~Subd. 7. **Identification of extended family members.** Any agency considering placement of an Indian child shall make active efforts to identify and locate extended family members.~~

Sec. 17. Minnesota Statutes 2022, section 260.7611, is amended to read:

**260.7611 COUNTY AND TRIBAL AGREEMENTS; MALTREATMENT ASSESSMENTS AND INVESTIGATIONS OF INDIAN CHILDREN.**

A Tribe and a county may enter a written agreement transferring responsibility for the screening and initial response to a child maltreatment report regarding an Indian child residing in the county where the child's reservation is located, from the county to the Tribe. An agreement under this ~~subdivision~~ section shall include a provision clarifying whether the county or the Tribe is responsible for ongoing case management stemming from a child maltreatment report.

Sec. 18. Minnesota Statutes 2022, section 260.762, is amended to read:

**260.762 DUTY TO PREVENT OUT-OF-HOME PLACEMENT AND PROMOTE FAMILY REUNIFICATION; ACTIVE EFFORTS.**

Subdivision 1. **Active efforts.** Active efforts includes acknowledging traditional helping and healing systems of an Indian child's Tribe and using these systems as the core to help and heal the Indian child and family. Active efforts are not required to prevent voluntary out-of-home placement and to effect voluntary permanency for the Indian child.

Subd. 2. **Requirements for ~~local social services~~ child-placing agencies and individual petitioners.** A ~~local social services~~ child-placing agency or individual petitioner shall:

(1) work with the Indian child's Tribe and family to develop an alternative plan to out-of-home placement;

(2) before making a decision that may affect an Indian child's safety and well-being or when contemplating out-of-home placement of an Indian child, seek guidance from the Indian child's Tribe on family structure, how the family can seek help, what family and

Tribal resources are available, and what barriers the family faces at that time that could threaten its preservation; and

(3) request participation of the Indian child's Tribe at the earliest possible time and request the Tribe's active participation throughout the case.

Subd. 3. **Required findings that active efforts were provided.** (a) Any party seeking to affect a termination of parental rights, other permanency action, or a placement where custody of an Indian child may be temporarily or permanently transferred to a person or entity who is not the Indian child's parent or Indian custodian, and where the Indian child's parent or Indian custodian cannot have the Indian child returned to their care upon demand, must satisfy the court that active efforts have been made to provide remedial services and rehabilitative programs designed to prevent the breakup of the Indian family and that these efforts have proved unsuccessful.

(b) A court shall not order an out-of-home or permanency placement for an Indian child unless the court finds that the ~~local social services~~ child-placing agency made active efforts to, as required by section 260.012 and this section, provide remedial services and rehabilitative programs designed to prevent the breakup of the Indian child's family, and that these efforts have proved unsuccessful. To the extent possible, active efforts must be provided in a manner consistent with the prevailing social and cultural conditions of the Indian child's Tribe and in partnership with the Indian child, Indian parents, extended family, and Tribe.

(c) Regardless of whether the Indian child's Tribe has intervened in the proceedings, the court, in determining whether the ~~local social services~~ child-placing agency made active efforts to preserve the Indian child's family for purposes of out-of-home placement and permanency, ~~the court~~ shall ensure the provision of active efforts designed to correct the conditions that led to the out-of-home placement of the Indian child and shall make findings regarding whether the following activities were appropriate and necessary, and whether the ~~local social services~~ child-placing agency made appropriate and meaningful services, whether listed in this paragraph or not, available to the family based upon that family's specific needs:

(1) whether the ~~local social services~~ child-placing agency made efforts at the earliest point possible to (i) identify whether a child may be an Indian child as defined in ~~the Indian Child Welfare Act, United States Code, title 25, section 1903, and~~ section 260.755, subdivision 8; and (ii) identify and request participation of the Indian child's Tribe at the

earliest point possible and throughout the investigation or assessment, case planning, provision of services, and case completion;

(2) whether the ~~local social services~~ child-placing agency requested that a Tribally designated representative with substantial knowledge of prevailing social and cultural standards and child-rearing practices within the Tribal community evaluate the circumstances of the Indian child's family ~~and~~, provided the Tribally designated representative with all information available regarding the case, and requested that the Tribally designated representative assist in developing a case plan that uses Tribal and Indian community resources;

(3) whether the ~~local social services~~ child-placing agency provided concrete services and access to both Tribal and non-Tribal services to members of the Indian child's family, including but not limited to financial assistance, food, housing, health care, transportation, in-home services, community support services, and specialized services; and whether these services are being provided in an ongoing manner throughout the agency's involvement with the family, to directly assist the family in accessing and utilizing services to maintain the Indian family, or reunify the Indian family as soon as safety can be assured if out-of-home placement has occurred;

(4) whether the child-placing agency made early and ongoing efforts to identify, locate, and include extended family members;

~~(4)~~ (5) whether the ~~local social services~~ child-placing agency notified and consulted with the Indian child's extended family members, as identified by the child, the child's parents, or the Tribe; whether extended family members were consulted to provide support to the child and parents, to inform the ~~local social services~~ child-placing agency and court as to cultural connections and family structure, to assist in identifying appropriate cultural services and supports for the child and parents, and to identify and serve as a placement and permanency resource for the child; and if there was difficulty contacting or engaging with extended family members, whether assistance was sought from the Tribe, the Department of Human Services, or other agencies with expertise in working with Indian families;

~~(5)~~ (6) whether the ~~local social services~~ child-placing agency provided services and resources to relatives who are considered the primary placement option for an Indian child, as agreed by the ~~local social services~~ child-placing agency and the Tribe, to overcome barriers to providing care to an Indian child. Services and resources shall include but are not limited to child care assistance, financial assistance, housing resources, emergency resources, and foster care licensing assistance and resources; and

~~(6)~~ (7) whether the ~~local social services~~ child-placing agency arranged for visitation to occur, whenever possible, in the home of the Indian child's parent, Indian custodian, or other family member or in another noninstitutional setting, in order to keep the child in close contact with parents, siblings, and other relatives regardless of the child's age and to allow the child and those with whom the child visits to have natural, unsupervised interaction when consistent with protecting the child's safety; and whether the ~~local social services~~ child-placing agency consulted with a Tribal representative to determine and arrange for visitation in the most natural setting that ensures the child's safety, when the child's safety requires supervised visitation.

Sec. 19. Minnesota Statutes 2022, section 260.765, subdivision 1, is amended to read:

Subdivision 1. **Determination of Indian child's tribe.** The ~~local social services agency or private licensed~~ child-placing agency shall ~~determine whether a child brought to its attention for the purposes described in this section is an Indian child and the identity of the Indian child's Tribe~~ follow the notice provisions in section 260.761.

Sec. 20. Minnesota Statutes 2022, section 260.765, is amended by adding a subdivision to read:

Subd. 1b. **Access to files.** At any subsequent stage of a child-placing agency's involvement with an Indian child, the child-placing agency shall, upon request, give the Tribal social services agency full cooperation including access to all files concerning the child. If the files contain confidential or private data, the child-placing agency or individual may require execution of an agreement with the Tribal social services agency that the Tribal social services agency shall maintain the data according to statutory provisions applicable to the data.

Sec. 21. Minnesota Statutes 2022, section 260.765, subdivision 2, is amended to read:

Subd. 2. **Notice.** When an Indian child is voluntarily placed in foster care, the ~~local social services~~ child-placing agency involved in the decision to place the child shall give notice of the placement to the child's parent, parents, Indian custodian, and the Tribal social services agency~~, and the Indian custodian~~ within seven days of placement, excluding weekends and holidays.

If a ~~private licensed~~ child-placing agency makes a temporary voluntary foster care placement pending a decision on adoption by a parent, notice of the placement shall be given to the child's parents, Tribal social services agency, and the Indian custodian upon

the filing of a petition for termination of parental rights or three months following the temporary placement, whichever occurs first.

~~At this and any subsequent stage of its involvement with an Indian child, the agency shall, upon request, give the Tribal social services agency full cooperation including access to all files concerning the child. If the files contain confidential or private data, the agency may require execution of an agreement with the Tribal social services agency that the Tribal social services agency shall maintain the data according to statutory provisions applicable to the data.~~

Sec. 22. Minnesota Statutes 2022, section 260.765, subdivision 3, is amended to read:

Subd. 3. **Notice of administrative review.** In an administrative review of a voluntary foster care placement, the Tribal social services agency of the child, the Indian custodian, and the parents of the child shall have notice and a right of intervention and participation in the review.

Sec. 23. Minnesota Statutes 2022, section 260.765, is amended by adding a subdivision to read:

Subd. 3a. **Court requirements for consent.** Where any parent or Indian custodian voluntarily consents to a foster care placement or to termination of parental rights, the consent shall not be valid unless executed in writing and recorded before a judge and accompanied by the presiding judge's finding that the terms and consequences of the consent were fully explained in detail and were fully understood by the parent or Indian custodian. The court shall also find that either the parent or Indian custodian fully understood the explanation in English or that it was interpreted into a language the parent or Indian custodian understood. Any consent given prior to, or within ten days after, the birth of an Indian child shall not be valid.

Sec. 24. Minnesota Statutes 2022, section 260.765, subdivision 4, is amended to read:

Subd. 4. **Withdrawal of consent to voluntary placement; return of child in voluntary placement.** Any parent or Indian custodian may withdraw consent to a child placement at any time and, upon the withdrawal of consent, the child shall be returned to the parent or the Indian custodian. Upon demand by the parent or Indian custodian of an Indian child, the ~~local social services agency or private licensed~~ child-placing agency that placed the child shall return the child in voluntary foster care placement to the parent or Indian custodian within 24 hours of the receipt of the demand. If the request for return does not satisfy the

requirement of section 260.755, subdivision 5, the ~~local social services agency or private~~ child-placing agency shall immediately inform the parent or Indian custodian of the Indian child of the requirement.

Sec. 25. Minnesota Statutes 2022, section 260.765, is amended by adding a subdivision to read:

Subd. 4a. **Withdrawal of consent to voluntary termination of parental rights or adoptive placement; return of custody.** In any voluntary proceeding for termination of parental rights to, or adoptive placement of, an Indian child, the consent of the parent may be withdrawn for any reason at any time prior to the entry of a final decree of termination or adoption, as the case may be, and the child shall be returned to the parent.

Sec. 26. Minnesota Statutes 2022, section 260.765, is amended by adding a subdivision to read:

Subd. 4b. **Collateral attack; vacation of decree and return of custody; limitations.** After the entry of a final decree of adoption of an Indian child in any state court, the parent may withdraw consent upon the grounds that consent was obtained through fraud or duress and may petition the court to vacate the decree. Upon a finding that consent was obtained through fraud or duress, the court shall vacate the decree and return the child to the parent. No adoption that has been effective for at least two years may be invalidated under the provisions of this subdivision unless otherwise permitted under a provision of state law.

Sec. 27. Minnesota Statutes 2022, section 260.771, is amended to read:

**260.771 INVOLUNTARY CHILD PLACEMENT PROCEEDINGS.**

Subdivision 1. **Indian Tribe jurisdiction.** (a) An Indian Tribe has exclusive jurisdiction over ~~a~~ all child placement ~~proceeding~~ proceedings involving an Indian child who resides or is domiciled within the reservation of the Tribe, except where jurisdiction is otherwise vested in the state by existing federal law. ~~When~~

(b) Where an Indian child is a ward of the Tribal court, the Indian Tribe retains exclusive jurisdiction, notwithstanding the residence or domicile of the child unless the Tribe agrees to allow concurrent jurisdiction with the state.

(c) An Indian Tribe and the state of Minnesota share concurrent jurisdiction over a child placement proceeding involving an Indian child who resides or is domiciled outside of the reservation of the Tribe.

Subd. 1a. **Active efforts.** In any child placement proceeding, the child-placing agency or individual petitioner shall ensure that appropriate active efforts as described in section 260.762 are provided to the Indian child's parent or parents, Indian custodian, and family to support reunification and preservation of the child's placement with and relationship to the Indian child's family.

Subd. 1b. **Placement preference.** In any child placement proceeding, the child-placing agency or individual petitioner shall follow the placement preferences described in subdivision 7 or, where preferred placement is not available even with the provisions of active efforts, shall follow subdivision 7, paragraphs (k) to (p).

Subd. 1c. **Identification of extended family members.** Any child-placing agency or individual petitioner considering placement of an Indian child shall make active efforts to identify and locate siblings and extended family members and to explore placement with an extended family member and facilitate continued involvement in the Indian child's life.

Subd. 1d. **Notice of hearings.** The notice provisions in section 260.761 apply to all involuntary child placement proceedings under this section. An Indian child ten years of age and older, the Indian child's parent or parents, the Indian custodian, and the Indian child's Tribe shall have notice of the right to participate in all hearings regarding the Indian child.

Subd. 2. **Court determination of Tribal affiliation of child.** In any child placement proceeding, the court shall establish whether an Indian child is involved and the identity of the Indian child's Tribe. ~~This chapter~~ Sections 260.751 to 260.835 and the federal Indian Child Welfare Act are applicable without exception in any child ~~custody~~ placement proceeding~~, as defined in the federal act,~~ involving an Indian child. ~~This chapter applies~~ Sections 260.751 to 260.835 apply to child ~~custody~~ placement proceedings involving an Indian child whether the child is in the physical or legal custody of an Indian parent or parents, Indian custodian, Indian extended family member, or other person at the commencement of the proceedings. A court shall not determine the applicability of ~~this chapter~~ sections 260.751 to 260.835 or the federal Indian Child Welfare Act to a child ~~custody~~ placement proceeding based upon whether an Indian child is part of an existing Indian family or based upon the level of contact a child has with the child's Indian Tribe, reservation, society, or off-reservation community.

Subd. 2a. **Right of intervention.** In any state court child placement proceeding of an Indian child, the Indian child's Tribe, parent or parents, and Indian custodian shall have the right to intervene at any point in the proceeding.

Subd. 2b. **Appointment of counsel.** (a) In any state court child placement proceeding, the parent or parents or Indian custodian shall have the right to be represented by an attorney. If the parent or parents or Indian custodian cannot afford an attorney and meet the requirements of section 611.17, an attorney will be appointed to represent them.

(b) In any state court child placement proceeding, any child ten years of age or older shall have the right to court-appointed counsel.

Subd. 2c. **Examination of reports or other documents.** Each party to a proceeding under this section involving an Indian child shall have the right to examine all the reports or other documents filed with the court upon which any decision with respect to the action may be based.

Subd. 2d. **Tribal access to files and other documents.** At any subsequent stage of the child-placing agency involvement with an Indian child, the child-placing agency or individual shall, upon request, give the Tribal social services agency full cooperation including access to all files concerning the Indian child. If the files contain confidential or private data, the child-placing agency or individual may require execution of an agreement with the Tribal social services agency specifying that the Tribal social services agency shall maintain the data according to statutory provisions applicable to the data.

Subd. 3. **Transfer of proceedings.** ~~(a)~~ In ~~a~~ any child placement proceeding ~~for: (1) the termination of parental rights; or (2) the involuntary foster care placement of an Indian child not within the jurisdiction of subdivision 1~~, the court, in the absence of good cause to the contrary, shall transfer the proceeding to the jurisdiction of the Tribe absent objection by either parent~~, upon~~. The petition ~~of either~~ to transfer may be filed by the Indian child's parent, the Indian custodian, or the Indian child's Tribe. The transfer is subject to declination by the Tribal court of the Tribe.

~~(b) In a proceeding for the preadoptive or adoptive placement of an Indian child not within the jurisdiction of subdivision 1, the court, in the absence of good cause to the contrary, shall transfer the proceeding to the jurisdiction of the Tribe. The transfer is subject to declination by the Tribal court of the Tribe. For the purposes of this subdivision, "preadoptive placement" and "adoptive placement" have the meanings give in section 260.755, subdivision 3.~~

~~(c) At any point in a proceeding for finalizing a permanency plan, the court, in the absence of good cause to the contrary and in the absence of an objection by either parent, shall transfer the proceeding to Tribal court for the purpose of achieving a customary adoption or other culturally appropriate permanency option. This transfer shall be made upon the~~

~~petition of a parent whose parental rights have not been terminated, the Indian custodian, or the Indian child's Tribe. The transfer is subject to declination by the Tribal court of the Tribe.~~

Subd. 3a. **Good cause to deny transfer.** (a) Establishing good cause to deny transfer of jurisdiction to a Tribal court is a fact-specific inquiry to be determined on a case-by-case basis. Socioeconomic conditions and the perceived adequacy of Tribal or Bureau of Indian Affairs social services or judicial systems must not be considered in a determination that good cause exists. The party opposed to transfer of jurisdiction to a Tribal court has the burden to prove by clear and convincing evidence that good cause to deny transfer exists. Opposition to a motion to transfer jurisdiction to Tribal court must be in writing and must be served upon all parties.

(b) The court may find good cause to deny transfer to Tribal court if:

(1) the Indian child's Tribe does not have a Tribal court or any other administrative body of a Tribe vested with authority over child ~~custody~~ placement proceedings, as defined ~~by the Indian Child Welfare Act, United States Code, title 25, chapter 21~~ in section 260.755, subdivision 3, to which the case can be transferred, and no other Tribal court has been designated by the Indian child's Tribe; or

(2) the evidence necessary to decide the case could not be adequately presented in the Tribal court without undue hardship to the parties or the witnesses and the Tribal court is unable to mitigate the hardship by any means permitted in the Tribal court's rules. Without evidence of undue hardship, travel distance alone is not a basis for denying a transfer.

Subd. 4. **Effect of Tribal court placement orders.** ~~To the extent that any child subject to sections 260.755 to 260.835 is otherwise eligible for social services, orders of a Tribal court concerning placement of such child shall have the same force and effect as orders of a court of this state.~~ (a) The court shall give full faith and credit to Tribal court placement orders. In any case where the Tribal court orders placement ~~through a local social services agency, the court shall provide to~~ and services, including but not limited to case planning services, full faith and credit of the Tribal court's order shall be provided so long as the ~~local agency~~ county of financial responsibility was provided notice and an opportunity to be heard regarding the ~~placement~~ expenses. Determination of county of financial responsibility for the placement shall be determined by the ~~local social services~~ child-placing agency in accordance with section 256G.02, subdivision 4. Disputes concerning the county of financial responsibility shall be settled in the manner prescribed in section 256G.09.

(b) The court shall give full faith and credit to the public acts, records, and judicial proceedings of any Indian Tribe in all proceedings under sections 260.755 to 260.835. The courts shall give deference to the Tribe's interpretation of the Tribe's own unique system of laws. If further interpretation of a Tribe's laws or order is required, the court shall transfer the proceedings to the jurisdiction of the Tribal court for interpretation of the Tribal court's order.

Subd. 5. **Indian Tribe agreements.** The commissioner or the child-placing agency is hereby authorized to enter into agreements with Indian Tribes ~~pursuant to United States Code, title 25, section 1919,~~ respecting care and custody of Indian children and jurisdiction over child ~~custody~~ placement proceedings, including agreements which may provide for orderly transfer of jurisdiction on a case-by-case basis and agreements which provide for concurrent jurisdiction between the state and an Indian Tribe.

Subd. 6. **Qualified expert witness and evidentiary requirements.** (a) In an involuntary foster care placement proceeding, the court must determine by clear and convincing evidence, including testimony of a qualified expert witness, that continued custody of the child by the parent or Indian custodian is likely to result in serious emotional damage or serious physical damage to the child ~~as defined in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(e)~~.

In a termination of parental rights proceeding, the court must determine by evidence beyond a reasonable doubt, including testimony of a qualified expert witness, that continued custody of the child by the parent or Indian custodian is likely to result in serious emotional damage or serious physical damage to the child ~~as defined in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(f)~~.

In an involuntary permanent transfer of legal and physical custody proceeding, permanent custody to the agency proceeding, temporary custody to the agency, or other permanency proceeding, the court must determine by clear and convincing evidence, including testimony of a qualified expert witness, that the continued custody of the Indian child by the Indian child's parent or parents or Indian custodian is likely to result in serious emotional damage or serious physical damage to the child. Qualified expert witness testimony is not required where custody is transferred to the Indian child's parent.

Testimony of a qualified expert witness shall be provided for involuntary foster care placement and permanency proceedings independently.

(b) The ~~local social services~~ child-placing agency, individual petitioner, or any other party shall make diligent efforts to locate and present to the court a qualified expert witness

designated by the Indian child's Tribe. The qualifications of a qualified expert witness designated by the Indian child's Tribe are not subject to a challenge in Indian child ~~custody~~ placement proceedings.

(c) If a party cannot obtain testimony from a Tribally designated qualified expert witness, the party shall submit to the court the diligent efforts made to obtain a Tribally designated qualified expert witness.

(d) If clear and convincing evidence establishes that a party's diligent efforts cannot produce testimony from a Tribally designated qualified expert witness, the party shall demonstrate to the court that a proposed qualified expert witness is, in descending order of preference:

(1) a member of the child's Tribe who is recognized by the Indian child's Tribal community as knowledgeable in Tribal customs as they pertain to family organization and child-rearing practices; or

(2) an Indian person from an Indian community who has substantial experience in the delivery of child and family services to Indians and extensive knowledge of prevailing social and cultural standards and contemporary and traditional child-rearing practices of the Indian child's Tribe.

If clear and convincing evidence establishes that diligent efforts have been made to obtain a qualified expert witness who meets the criteria in clause (1) or (2), but those efforts have not been successful, a party may use an expert witness, as defined by the Minnesota Rules of Evidence, rule 702, who has substantial experience in providing services to Indian families and who has substantial knowledge of prevailing social and cultural standards and child-rearing practices within the Indian community. The court or any party may request the assistance of the Indian child's Tribe or the Bureau of Indian Affairs agency serving the Indian child's Tribe in locating persons qualified to serve as expert witnesses.

(e) The court may allow alternative methods of participation and testimony in state court proceedings by a qualified expert witness, such as participation or testimony by telephone, videoconferencing, or other methods.

Subd. 7. **Order of placement preference; deviation.** (a) ~~The court must follow the order of placement preferences required by the Indian Child Welfare Act of 1978, United States Code, title 25, section 1915, when placing an Indian child.~~ In all proceedings where custody of the Indian child may be removed from the parent, the Indian child shall be placed in the least restrictive setting which most approximates a family and in which the Indian child's special needs, if any, may be met. The Indian child shall also be placed within

reasonable proximity to the Indian child's home, taking into account any special needs of the Indian child.

(b) In the case of a placement under paragraph (c) or (d), if the Indian child's Tribe has established a different order of placement preference by resolution, the child-placing agency and the court shall recognize the Indian child's Tribe's order of placement in the form provided by the Tribe.

(c) Preference shall be given, in the absence of good cause to the contrary, to a placement with:

(1) a noncustodial parent or Indian custodian;

(2) a member of the child's extended family;

(3) a foster home licensed, approved, or specified by the Indian child's Tribe;

(4) an Indian foster home licensed or approved by an authorized non-Indian licensing authority; or

(5) an institution for children approved by an Indian Tribe or operated by an Indian organization which has a program suitable to meet the Indian child's needs.

(d) In any adoptive placement, transfer of custody placement, or other permanency placement of an Indian child, a preference shall be given, in the absence of good cause to the contrary, to a placement with:

(1) the Indian child's noncustodial parent or Indian custodian;

(2) a member of the child's extended family;

(3) other members of the Indian child's Tribe; or

(4) other persons or entities recognized as appropriate to be a permanency resource for the Indian child, by the Indian child's parent or parents, Indian custodian, or Indian Tribe.

(e) The county shall defer to the judgment of the Indian child's Tribe as to the suitability of a placement.

(f) The court shall consider the preference of the Indian child or parent.

(g) The standards to be applied in meeting the preference requirements of this subdivision shall be the prevailing social and cultural standards of the Indian community in which the parent or extended family resides or with which the parent or extended family members maintain social and cultural ties.

(h) Whenever an Indian child is removed from a foster care home or institution for the purpose of further foster care, preadoptive, or adoptive placement, the placement shall be in accordance with the placement preferences, except in the case where an Indian child is being returned to the parent or Indian custodian from whose custody the Indian child was originally removed.

(i) A record of each such placement of an Indian child under state law shall be maintained by the county in which the placement was made and by the Department of Human Services evidencing the efforts to comply with the order of preference specified in this section. The record shall be made available at any time upon the request of the Secretary of the Interior or the Indian child's Tribe.

~~(b)~~ (j) The court ~~may place a child outside the order of~~ shall follow the placement preferences ~~only if the court determines there is good cause based on~~ in paragraphs (a) to (i), except as follows:

(1) where a parent evidences a desire for anonymity, the child-placing agency and the court shall give weight to the parent's desire for anonymity in applying the preferences. A parent's desire for anonymity does not excuse the application of sections 260.751 to 260.835; or

(2) where the court determines there is good cause based on:

~~(1)~~ (i) the reasonable request of the Indian child's parents, if one or both parents attest that they have reviewed the placement options that comply with the order of placement preferences;

~~(2)~~ (ii) the reasonable request of the Indian child if the child is able to understand and comprehend the decision that is being made;

~~(3)~~ (iii) the testimony of a qualified expert designated by the child's Tribe and, if necessary, testimony from an expert witness who meets qualifications of subdivision 6, paragraph (d), clause (2), that supports placement outside the order of placement preferences due to extraordinary physical or emotional needs of the child that require highly specialized services; or

~~(4)~~ (iv) the testimony by the ~~local social services~~ child-placing agency that a diligent search has been conducted that did not locate any available, suitable families for the child that meet the placement preference criteria.

~~(c)~~ (k) Testimony of the child's bonding or attachment to a foster family alone, without the existence of at least one of the factors in paragraph ~~(b)~~ (j), clause (2), shall not be

considered good cause to keep an Indian child in a lower preference or nonpreference placement. Ease of visitation and facilitation of relationship with the Indian child's parents, Indian custodian, extended family, or Tribe may be considered when determining placement.

~~(d)~~ (l) A party who proposes that the required order of placement preferences not be followed bears the burden of establishing by clear and convincing evidence that good cause exists to modify the order of placement preferences.

~~(e)~~ (m) If the court finds there is good cause to place the Indian child outside the order of placement preferences, the court must make written findings.

~~(f)~~ (n) A good cause finding under this subdivision must consider whether active efforts were provided to extended family members who are considered the primary placement option to assist them in becoming a placement option for the Indian child as required by section 260.762.

~~(g)~~ (o) When ~~a~~ an Indian child is placed outside the order of placement preferences, good cause to continue this placement must be determined at every stage of the proceedings.

Subd. 8. **Guardians ad litem for Indian children.** Guardians ad litem shall be specifically trained in the provision of services to Indian children, parent or parents, and Indian custodians under relevant federal and state laws and rules of court pursuant to section 480.35, subdivision 2, clause (3).

Sec. 28. **[260.774] IMPROPER REMOVAL OF CHILD, DECLINATION OF JURISDICTION, INVALIDATION, RETURN OF CUSTODY.**

Subdivision 1. **Improper removal.** In any proceeding where custody of the Indian child was improperly removed from the parent or parents or where the petitioner has improperly retained custody after a visit or other temporary relinquishment of custody, the court shall decline jurisdiction over the petition and shall immediately return the Indian child to the Indian child's parent or parents or Indian custodian unless returning the Indian child to the Indian child's parent or parents or Indian custodian would subject the Indian child to a substantial and immediate danger or threat of such danger.

Subd. 2. **Invalidation.** (a) Any order for out-of-home placement, transfer of custody, termination of parental rights, or other permanent change in custody of an Indian child shall be invalidated upon a showing, by a preponderance of the evidence, that a violation of any one of the provisions in section 260.761, 260.7611, 260.762, 260.765, or 260.771 has occurred.

(b) The Indian child, the Indian child's parent or parents, guardian, Indian custodian, or Indian Tribe may file a petition to invalidate under this subdivision.

(c) Upon a finding that a violation of one of the provisions in section 260.761, 260.7611, 260.762, 260.765, or 260.771 has occurred, the court shall:

(1) dismiss the petition without prejudice; and

(2) return the Indian child to the care, custody, and control of the parent or parents or Indian custodian, unless the Indian child would be subjected to imminent damage or harm.

Subd. 3. **Return of custody following adoption.** (a) Whenever a final decree of adoption of an Indian child has been vacated, set aside, or there is a termination of the parental rights of the adoptive parents to the child, a biological parent or prior Indian custodian may petition for return of custody and the court shall grant the petition unless there is a showing, in proceedings subject to the provision of sections 260.751 to 260.835, that the return of custody is not in the best interests of the Indian child.

(b) The county attorney, Indian child, Indian child's Tribe, or a parent whose parental rights were terminated under a previous order of the court may file a petition for the return of custody.

(c) A petition for return of custody may be filed in court when:

(1) the parent or Indian custodian has corrected the conditions that led to an order terminating parental rights;

(2) the parent or Indian custodian is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the Indian child; and

(3) the adoption has been vacated, set aside, or termination of the parental rights of the adoptive parents to the Indian child has occurred.

(d) A petition for reestablishment of the legal parent and child relationship for a child who has not been adopted must meet the requirements in section 260C.329.

Sec. 29. **[260.7745] COUNTY AND TRIBAL AGREEMENTS; MALTREATMENT ASSESSMENTS AND INVESTIGATIONS OF INDIAN CHILDREN.**

A Tribe and a county may enter a written agreement transferring responsibility for the screening and initial response to a child maltreatment report regarding an Indian child residing in the county where the child's reservation is located, from the county to the Tribe. An agreement under this section shall include a provision clarifying whether the county or

the Tribe is responsible for ongoing case management stemming from a child maltreatment report.

Sec. 30. Minnesota Statutes 2022, section 260.781, is amended to read:

**260.781 RECORDS; INFORMATION AVAILABILITY.**

Subdivision 1. **Court decree information.** (a) A state court entering a final decree or order in an Indian child adoptive placement shall provide the Department of Human Services and the child's Tribal social services agency with a copy of the decree or order together with such other information to show:

(1) the name and Tribal affiliation of the child;

(2) the names and addresses of the biological parents;

(3) the names and addresses of the adoptive parents; and

(4) the identity of any agency having files or information relating to the adoptive placement.

If the court records contain an affidavit of the biological or adoptive parent or parents requesting anonymity, the court shall delete the name and address of the biological or adoptive parents from the information sent to the child's Tribal social services agency. The court shall include the affidavit with the other information provided to the Minnesota Department of Human Services and the Secretary of the Interior. The Minnesota Department of Human Services shall and the Secretary of the Interior is requested to ensure that the confidentiality of the information is maintained and the information shall not be subject to the Freedom of Information Act, United States Code, title 5, section 552, as amended.

(b) For:

(1) disclosure of information for enrollment of an Indian child in the Tribe;

(2) determination of member rights or benefits; or

(3) certification of entitlement to membership upon the request of the adopted Indian child over the age of eighteen, the adoptive or foster parents of an Indian child, or an Indian Tribe,

the Secretary of the Interior is requested to disclose any other necessary information for the membership of an Indian child in the Tribe in which the Indian child may be eligible for membership or for determining any rights or benefits associated with that membership. Where the documents relating to the Indian child contain an affidavit from the biological

parent or parents requesting anonymity, the Secretary of the Interior is requested to certify to the Indian child's Tribe, where the information warrants, that the Indian child's parentage and other circumstances of birth entitle the Indian child to membership under the criteria established by the Tribe.

Subd. 2. **Disclosure of records.** Upon the request of an adopted Indian person over the age of 18, the adoptive or foster parents of an Indian person, or an Indian Tribal social services agency, the Department of Human Services shall disclose to the Indian person's Tribe information necessary for membership of an Indian person in the Tribe in which the person may be eligible for membership or for determining any rights or benefits associated with that membership. When the documents relating to the person contain an affidavit from the biological or adoptive parent or parents requesting anonymity, the department must use the procedures described in ~~United States Code, title 25, section 1951, paragraph (b)~~ subdivision 1.

Subd. 3. **Tribal affiliation information.** Upon application by an Indian individual who has reached the age of 18 and who was the subject of an adoptive placement, the court that entered the final decree shall inform the individual of the Tribal affiliation, if any, of the individual's biological parents and provide any other necessary information to protect any rights flowing from the individual's Tribal relationship.

Sec. 31. Minnesota Statutes 2022, section 260.785, subdivision 2, is amended to read:

Subd. 2. **Special focus grants.** The commissioner shall establish direct grants to ~~local social services~~ child-placing agencies, Tribes, Indian organizations, and other organizations for placement prevention and family reunification services for Indian children.

Sec. 32. Minnesota Statutes 2022, section 260.791, is amended to read:

**260.791 GRANT APPLICATIONS.**

A Tribe, Indian organization, or Tribal social services agency program located off-reservation may apply for primary support grants under section 260.785, subdivision 1. A ~~local social services~~ child-placing agency, Tribe, Indian organization, or other social service organization may apply for special focus grants under section 260.785, subdivision 2. Civil legal service organizations eligible for grants under section 260.785, subdivision 3, may apply for grants under that section. Application may be made alone or in combination with other Tribes or Indian organizations.

Sec. 33. Minnesota Statutes 2022, section 260.795, subdivision 1, is amended to read:

Subdivision 1. **Types of services.** (a) Eligible Indian child welfare services provided under primary support grants include:

(1) placement prevention and reunification services;

(2) family-based services;

(3) individual and family counseling;

(4) access to professional individual, group, and family counseling;

(5) crisis intervention and crisis counseling;

(6) development of foster and adoptive placement resources, including recruitment, licensing, and support;

(7) court advocacy;

(8) training and consultation to county and private social services agencies regarding the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act;

(9) advocacy in working with the county and private social services agencies, and activities to help provide access to agency services, including but not limited to 24-hour caretaker and homemaker services, day care, emergency shelter care up to 30 days in 12 months, access to emergency financial assistance, and arrangements to provide temporary respite care to a family for up to 72 hours consecutively or 30 days in 12 months;

(10) transportation services to the child and parents to prevent placement or reunite the family; and

(11) other activities and services approved by the commissioner that further the goals of the Indian Child Welfare Act and the Indian Family Preservation Act, including but not limited to recruitment of Indian staff for ~~local social services~~ child-placing agencies and licensed child-placing agencies. The commissioner may specify the priority of an activity and service based on its success in furthering these goals.

(b) Eligible services provided under special focus grants include:

(1) permanency planning activities that meet the special needs of Indian families;

(2) teenage pregnancy;

(3) independent living skills;

(4) family and community involvement strategies to combat child abuse and chronic neglect of children;

(5) coordinated child welfare and mental health services to Indian families;

(6) innovative approaches to assist Indian youth to establish better self-image, decrease isolation, and decrease the suicide rate;

(7) expanding or improving services by packaging and disseminating information on successful approaches or by implementing models in Indian communities relating to the development or enhancement of social structures that increase family self-reliance and links with existing community resources;

(8) family retrieval services to help adopted individuals reestablish legal affiliation with the Indian Tribe; and

(9) other activities and services approved by the commissioner that further the goals of the Indian Child Welfare Act and the Indian Family Preservation Act. The commissioner may specify the priority of an activity and service based on its success in furthering these goals.

(c) The commissioner shall give preference to programs that use Indian staff, contract with Indian organizations or Tribes, or whose application is a joint effort between the Indian and non-Indian community to achieve the goals of the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act. Programs must have input and support from the Indian community.

Sec. 34. Minnesota Statutes 2022, section 260.805, is amended to read:

**260.805 CONTINUED LEGAL RESPONSIBILITY OF ~~LOCAL SOCIAL SERVICES~~ CHILD-PLACING AGENCIES.**

The legal responsibility of ~~local social services~~ child-placing agencies to provide Indian child welfare services continues, and existing services must not be reduced because of the availability of these funds.

Sec. 35. Minnesota Statutes 2022, section 260.821, subdivision 2, is amended to read:

Subd. 2. **Special focus grants.** The amount available for grants established under section 260.785, subdivision 2, for ~~local social services~~ child-placing agencies, Tribes, Indian organizations, and other social services organizations is one-fifth of the total annual

appropriation for Indian child welfare grants. The maximum award under this subdivision is $100,000 a year for programs approved by the commissioner.

Sec. 36. Minnesota Statutes 2022, section 260.835, subdivision 2, is amended to read:

Subd. 2. **Expiration.** ~~The American Indian Child Welfare Advisory Council expires June 30, 2023.~~ This section does not expire.

Sec. 37. **[260.836] SEVERABILITY.**

If any provision in sections 260.751 to 260.835 is held invalid or contrary to the Constitution of the United States or the Minnesota Constitution or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of the provisions in sections 260.751 to 260.835 and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby.

Sec. 38. **REVISOR INSTRUCTION.**

(a) The revisor shall renumber each section of Minnesota Statutes in Column A with the number in Column B.

| Column A | Column B |
|---|---|
| 260.7611 | 260.7745 |
| 260.765, subdivision 5 | 260.765, subdivision 1a |
| 260.771, subdivision 1 | 260.763, subdivision 1 |
| 260.771, subdivision 4, paragraph (a) | 260.763, subdivision 2 |
| 260.771, subdivision 4, paragraph (b) | 260.763, subdivision 2a |
| 260.771, subdivision 5 | 260.763, subdivision 3 |
| 260.771, subdivision 3 | 260.763, subdivision 4 |
| 260.771, subdivision 3a | 260.763, subdivision 5 |
| 260.771, subdivision 7 | 260.773 |

(b) Section 260.763 shall be titled "JURISDICTION AND TRANSFER TO TRIBAL COURT."

(c) Section 260.773 shall be titled "PLACEMENT OF INDIAN CHILDREN." The revisor shall renumber the paragraphs in 260.771, subdivision 7, into subdivisions under section 260.773.

(d) The revisor shall make necessary cross-reference changes consistent with the renumbering in this section.

Sec. 39. **REPEALER.**

Minnesota Statutes 2022, section 260.755, subdivision 17, is repealed.

**260.755 DEFINITIONS.**

Subd. 17. **Private child-placing agency.** "Private child-placing agency" means a private organization, association, or corporation providing assistance to children and parents in their own homes and placing children in foster care or for adoption.

| | | | |
|---|---|---|---|
| Limmer | Miller | Rarick | Weber |
| Lucero | Nelson | Rasmusson | Wesenberg |
| Mathews | Pratt | Utke | Westrom |

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senator: Pha.

The motion did not prevail.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Dziedzic, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 667 and H.F. No. 213.

## SPECIAL ORDER

**S.F. No. 667:** A bill for an act relating to children; making changes to the Minnesota Indian Family Preservation Act; amending Minnesota Statutes 2022, sections 260.753; 260.755, subdivisions 1a, 3, 20, 22, by adding subdivisions; 260.761; 260.7611; 260.762; 260.765, subdivisions 1, 2, 3, 4, by adding subdivisions; 260.771; 260.781; 260.785, subdivision 2; 260.791; 260.795, subdivision 1; 260.805; 260.821, subdivision 2; 260.835, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Minnesota Statutes 2022, section 260.755, subdivision 17.

Senator Kunesh moved to amend S.F. No. 667 as follows:

Page 3, line 1, strike ", according to section 260.762"

Page 5, line 22, delete "serious"

Page 9, line 6, after "telephone" insert "or video conference"

Page 9, line 15, after "Tribe" insert ", the Indian child's parents, or the Indian custodian"

Page 9, line 17, delete "child's Indian" and insert "Indian child's"

Page 10, line 4, strike everything after "manner"

Page 10, line 5, strike everything before the period

Page 10, line 6, strike "ten" and insert "20"

Page 11, line 23, after "agencies" insert "and individual petitioners"

Page 11, line 24, after "agency" insert "or individual petitioner"

Page 12, line 29, strike "the Indian"

Page 12, line 30, strike everything before the second "section"

Page 16, line 32, before "parent" insert "child's"

Page 19, line 13, strike "by"

Page 19, line 14, strike everything before the fourth comma and insert "in section 260.755, subdivision 3"

Page 20, line 8, strike "custody" and insert "placement"

Page 20, lines 23 and 24, delete "proceedings" and insert "proceeding"

Page 21, line 1, strike "custody" and insert "placement"

Page 25, lines 18 and 19, after "parent" insert "or Indian custodian"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | McEwen | Rasmusson |
| Anderson | Dziedzic | Klein | Miller | Rest |
| Bahr | Farnsworth | Koran | Mitchell | Seeberger |
| Boldon | Fateh | Kunesh | Mohamed | Utke |
| Carlson | Frentz | Kupec | Morrison | Weber |
| Champion | Green | Lang | Murphy | Wesenberg |
| Coleman | Gruenhagen | Latz | Oumou Verbeten | Westlin |
| Cwodzinski | Gustafson | Lieske | Pappas | Westrom |
| Dahms | Hauschild | Lucero | Pha | Wiklund |
| Dibble | Hawj | Mann | Port | Xiong |
| Dornink | Hoffman | Marty | Pratt | |
| Draheim | Housley | Mathews | Putnam | |
| Drazkowski | Jasinski | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Pha.

The motion prevailed. So the amendment was adopted.

S.F. No. 667 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Eichorn | Klein | McEwen | Rasmusson |
| Anderson | Farnsworth | Koran | Miller | Rest |
| Bahr | Fateh | Kreun | Mitchell | Seeberger |
| Boldon | Frentz | Kunesh | Mohamed | Utke |
| Carlson | Green | Kupec | Morrison | Weber |
| Champion | Gruenhagen | Lang | Murphy | Wesenberg |
| Coleman | Gustafson | Latz | Nelson | Westlin |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dahms | Hawj | Limmer | Pappas | Wiklund |
| Dibble | Hoffman | Lucero | Pha | Xiong |
| Dornink | Housley | Mann | Port | |
| Draheim | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |
| Dziedzic | Johnson | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Pha.

Those who voted in the negative were:

Drazkowski

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 213:** A bill for an act relating to human services; appropriating money for food shelf programs.

H.F. No. 213 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 7, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Maye Quade | Pratt |
| Anderson | Eichorn | Klein | McEwen | Putnam |
| Boldon | Farnsworth | Koran | Miller | Rarick |
| Carlson | Fateh | Kreun | Mitchell | Rasmusson |
| Champion | Frentz | Kunesh | Mohamed | Rest |
| Coleman | Gruenhagen | Kupec | Morrison | Seeberger |
| Cwodzinski | Gustafson | Lang | Murphy | Utke |
| Dahms | Hauschild | Latz | Nelson | Weber |
| Dibble | Hawj | Limmer | Oumou Verbeten | Westlin |
| Dornink | Hoffman | Mann | Pappas | Westrom |
| Draheim | Housley | Marty | Pha | Wiklund |
| Duckworth | Jasinski | Mathews | Port | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Pha.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Lieske | Wesenberg |
| Drazkowski | Howe | Lucero | |

So the bill passed and its title was agreed to.

# 006. HF 121

**Vote:** 2023-03-01 | **Workbook row:** 11
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 62 yeas, 0 nays

**Workbook subject:** Competency attainment; technical changes made, and money appropriated.

## Included complete bill documents

**1. 1st Engrossment, posted 2023-01-26** - 32 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/121/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2023-02-20** - 32 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2023/0/HF/121/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 51-52. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230301028.pdf#page=52

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/121/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 121

01/09/2023 Authored by Edelson, Moller, Fischer, Koznick and Novotny
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
01/23/2023 Adoption of Report: Re-referred to the Committee on Judiciary Finance and Civil Law
01/26/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
02/01/2023 Adoption of Report: Placed on the General Register
Read for the Second Time
02/06/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to competency attainment; making certain technical changes; appropriating money; amending Minnesota Statutes 2022, sections 611.41, subdivisions 2, 5, 6, 7, 8, 9, 10, 13, 14, 16, by adding a subdivision; 611.42, subdivisions 2, 3, 4; 611.43, subdivisions 1, 2, 3; 611.44, subdivisions 1, 2; 611.45, subdivision 3; 611.46, subdivisions 1, 2, 3, 4, 5, 6; 611.47; 611.48; 611.49; 611.51; 611.55; 611.56; 611.57; 611.58; 611.59; Laws 2022, chapter 99, article 3, section 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 611.41, subdivision 2, is amended to read:

Subd. 2. **Alternative program.** "Alternative program" means any mental health or substance use disorder treatment or program that is not a ~~certified~~ competency ~~restoration~~ attainment program but may assist a defendant in attaining competency.

Sec. 2. Minnesota Statutes 2022, section 611.41, is amended by adding a subdivision to read:

Subd. 4a. **Competency.** "Competency" means the ability to understand criminal proceedings, consult with counsel, and participate in the defense.

Sec. 3. Minnesota Statutes 2022, section 611.41, subdivision 5, is amended to read:

Subd. 5. **Competency ~~restoration~~ attainment program.** "Competency ~~restoration~~ attainment program" means a structured program of clinical and educational services that is certified and designed to identify and address barriers to a defendant's ability to understand the criminal proceedings, consult with counsel, and participate in the defense.

Sec. 4. Minnesota Statutes 2022, section 611.41, subdivision 6, is amended to read:

Subd. 6. **Competency ~~restoration~~ attainment services.** "Competency ~~restoration~~ attainment services" means education ~~provided by certified individuals to~~ for defendants found incompetent to proceed provided by certified individuals using the approved curriculum to address barriers to a defendant's ability to understand the criminal proceedings, consult with counsel, and participate in the defense. ~~Educational services must use the curriculum certified by the State Competency Restoration Board as the foundation for delivering competency restoration education.~~ Competency ~~restoration~~ attainment services does not include housing assistance or programs, social services, or treatment that must be provided by a licensed professional including mental health treatment, substance use disorder treatment, or co-occurring disorders treatment.

Sec. 5. Minnesota Statutes 2022, section 611.41, subdivision 7, is amended to read:

Subd. 7. **Court examiner.** "Court examiner" means a person appointed to serve the court~~,~~ by examining a defendant whose competency is at issue and who is a physician or licensed psychologist who has a doctoral degree in psychology.

Sec. 6. Minnesota Statutes 2022, section 611.41, subdivision 8, is amended to read:

Subd. 8. **Forensic navigator.** "Forensic navigator" means a person ~~who meets the certification and continuing education requirements under section 611.56, subdivision 2, paragraph (b), clause (3),~~ hired or contracted to facilitate competency attainment services, supervise certain defendants found to be incompetent, prepare bridge plans, and ~~provides~~ provide the other services under section 611.55, subdivision 3.

Sec. 7. Minnesota Statutes 2022, section 611.41, subdivision 9, is amended to read:

Subd. 9. **Head of the program.** "Head of the program" means the head of the competency ~~restoration~~ attainment program or the head of the facility or program where the defendant is being served.

Sec. 8. Minnesota Statutes 2022, section 611.41, subdivision 10, is amended to read:

Subd. 10. **Jail-based program.** "Jail-based program" means a competency ~~restoration~~ attainment program that operates within a correctional facility licensed by the commissioner of corrections under section 241.021 that meets the capacity standards governing jail facilities. A jail-based program may not be granted a variance to exceed its operational capacity.

Sec. 9. Minnesota Statutes 2022, section 611.41, subdivision 13, is amended to read:

Subd. 13. **State-operated treatment program.** "State-operated treatment program" means any ~~state-operated program, including~~ community behavioral health ~~hospitals~~ hospital, crisis ~~centers~~ center, residential ~~facilities~~ facility, outpatient ~~services~~ service, ~~and~~ or other ~~community-based services developed and~~ program operated by the state and under the control of the commissioner of human services, for a person who has mental illness, developmental disability, or substance use disorder.

Sec. 10. Minnesota Statutes 2022, section 611.41, subdivision 14, is amended to read:

Subd. 14. **Suspend the criminal proceedings.** "Suspend the criminal proceedings" means ~~nothing can be heard or decided on~~ to cease all hearings and decisions regarding the merits of ~~the~~ criminal charges ~~except that~~ but not terminate the jurisdiction of the court ~~retains jurisdiction in all~~ or prevent hearings or decisions in any other matters, including but not limited to establishing or modifying bail, conditions of release, probation conditions, no contact orders, and appointment of counsel.

Sec. 11. Minnesota Statutes 2022, section 611.41, subdivision 16, is amended to read:

Subd. 16. **Treatment facility.** "Treatment facility" means a ~~non-state-operated~~ hospital, residential treatment provider, crisis residential withdrawal management center, or corporate foster care home that is not operated by the state and is qualified to provide care and treatment for persons who have mental illness, developmental disability, or substance use disorder.

Sec. 12. Minnesota Statutes 2022, section 611.42, subdivision 2, is amended to read:

Subd. 2. **Waiver of counsel in competency proceedings.** (a) A defendant must not be allowed to waive counsel if the defendant lacks ability to:

(1) knowingly, voluntarily, and intelligently waive the right to counsel;

(2) appreciate the consequences of proceeding without counsel;

(3) comprehend the nature of the charge;

(4) comprehend the nature of the proceedings;

(5) comprehend the possible punishment; or

(6) comprehend any other matters essential to understanding the case.

(b) The court must not proceed under this ~~law~~ section before a lawyer consults with the defendant and has an opportunity to be heard.

Sec. 13. Minnesota Statutes 2022, section 611.42, subdivision 3, is amended to read:

Subd. 3. **Competency motion.** (a) At any time, the prosecutor or defense counsel may make a motion challenging the defendant's competency, or the court on its initiative may raise the issue. The defendant's consent is not required to bring a competency motion. The motion shall be supported by specific facts but shall not include communications between the defendant and defense counsel if disclosure would violate attorney-client privilege. By bringing the motion, the defendant does not waive attorney-client privilege.

(b) If competency is at issue, the court shall appoint a forensic navigator to provide the ~~forensic navigator~~ services described in section 611.55 ~~for the defendant~~, including development of a ~~specific~~ bridge plan to identify appropriate housing and services if the defendant is released from custody or any charges are dismissed.

(c) In felony, gross misdemeanor, and targeted misdemeanor cases, if the court determines there is a reasonable basis to doubt the defendant's ~~competence~~ competency and there is probable cause for the charge, the court must suspend the criminal proceedings and order an examination of the defendant ~~under section 611.43~~.

(d) In misdemeanor cases, other than cases involving a targeted misdemeanor, if the court determines there is a reasonable basis to doubt the defendant's ~~competence~~ competency and there is probable cause for the charge, the court must suspend the criminal proceedings. The court may order an examination of the defendant under section 611.43 if the examination is in the public interest. For purposes of this paragraph, an examination is in the public interest when it is necessary to assess whether the defendant has a cognitive impairment or mental illness; determine whether a defendant has the ability to access housing, food, income, disability verification, medications, and treatment for medical conditions; or whether a defendant has the ability to otherwise address any basic needs. ~~The court shall order the forensic navigator to complete a bridge plan as described in section 611.55, subdivision 4, and submit it to the court. The court may dismiss the charge upon receipt of the bridge plan without holding a hearing unless either party objects.~~

Sec. 14. Minnesota Statutes 2022, section 611.42, subdivision 4, is amended to read:

Subd. 4. **Dismissal, referrals for services, and collaboration.** (a) Except as provided in this subdivision, when the court determines there is a reasonable basis to doubt ~~the~~ a defendant's ~~competence~~ competency and orders an examination of the defendant, a forensic navigator must complete a bridge plan with the defendant as described in section 611.55, subdivision 4, submit the bridge plan to the court, and provide a written copy to the defendant before the court or prosecutor dismisses any charges based on a belief or finding that the

defendant is incompetent. The court may dismiss a case where the most serious charge is a misdemeanor, other than a targeted misdemeanor, without holding a hearing unless either party objects.

(b) If for any reason a forensic navigator has not been appointed, the court must make every reasonable effort to coordinate with any resources available to the court and refer the defendant for possible assessment and social services, including but not limited to services for engagement under section 253B.041, before dismissing any charges based on a finding that the defendant is incompetent.

(c) If working with the forensic navigator or coordinating a referral to services would cause an unreasonable delay in the release of a defendant being held in custody, the court may release the defendant. If a defendant has not been engaged for assessment and referral before release, the court may coordinate with the forensic navigator or any resources available to the court to engage the defendant for up to 90 days after release.

(d) Courts may partner and collaborate with county social services, community-based programs, jails, and any other available resource ~~available to the court~~ to provide referrals to services when a defendant's competency is at issue or a defendant has been found incompetent to proceed.

(e) Counsel for the defendant may bring a motion to dismiss the proceedings in the interest of justice at any stage of the proceedings.

Sec. 15. Minnesota Statutes 2022, section 611.43, subdivision 1, is amended to read:

Subdivision 1. **Competency examination.** (a) If the court orders an examination pursuant to section 611.42, subdivision 3, the court shall appoint a court examiner to examine the defendant and report to the court on the defendant's competency to proceed. A court examiner may obtain from court administration and review the report of any prior or subsequent examination under this section or under Minnesota Rules of Criminal Procedure, rule 20.

(b) If the defendant is not entitled to release, the court shall order the defendant to participate in an examination where the defendant is being held, or the court may order that the defendant be confined in a treatment facility, locked treatment facility, or a state-operated treatment facility until the examination is completed.

(c) If the defendant is entitled to release, the court shall order the defendant to appear for an examination. If the defendant fails to appear at an examination, the court may amend the conditions of release and bail ~~pursuant to Minnesota Rules of Criminal Procedure, rule 6~~.

(d) A competency examination ordered under Minnesota Rules of Criminal Procedure, rule 20.04, shall proceed under ~~subdivision 2~~ this section.

Sec. 16. Minnesota Statutes 2022, section 611.43, subdivision 2, is amended to read:

Subd. 2. **Report of examination.** (a) The ~~court-appointed~~ court examiner's written report shall be filed with the court and ~~served on~~ provided to the prosecutor and defense counsel by the court. The report shall be filed no more than 30 days after the order for examination of a defendant in custody unless extended by the court for good cause. If the defendant is out of custody or confined in a ~~noncorrectional~~ state-operated treatment program or treatment facility, the report shall be filed no more than 60 days after the order for examination, unless extended by the court for good cause. The report shall not include opinions concerning the defendant's mental condition at the time of the alleged offense or any statements made by the defendant regarding the alleged criminal conduct, unless necessary to support the examiner's opinion regarding competence or incompetence.

(b) The report shall include an evaluation of the defendant's mental health, cognition, and the factual basis for opinions about:

(1) any diagnoses made, and the results of any testing conducted with the defendant;

(2) the defendant's competency to stand trial;

(3) the level of care and education required for the defendant to attain, be restored to, or maintain competency;

(4) a recommendation of the least restrictive setting appropriate to meet the defendant's needs for ~~restoration~~ attaining competency and immediate safety;

(5) the impact of any substance use disorder on the defendant, including the defendant's competency, and any recommendations for treatment;

(6) the likelihood the defendant will attain competency in the reasonably foreseeable future;

(7) whether the defendant poses a substantial likelihood of physical harm to self or others; and

(8) if the court examiner's opinion is that the defendant is incompetent to proceed, ~~the report must include an opinion as to~~ whether the defendant possesses capacity to make decisions regarding neuroleptic medication unless the examiner is unable to render an opinion on capacity. If the examiner is unable to render an opinion on capacity, the report must document the reasons why the examiner is unable to render that opinion.

(c) If the court examiner determines that the defendant presents an imminent risk of serious danger to another, is imminently suicidal, or otherwise needs emergency intervention, the examiner must promptly notify the court, prosecutor, defense counsel, and those responsible for the care and custody of the defendant.

(d) If the defendant appears for the examination but does not participate, the court examiner shall submit a report and, if sufficient information is available, may render an opinion on competency and an opinion as to whether the unwillingness to participate resulted from a mental illness, cognitive impairment, or other factors.

(e) If the court examiner determines the defendant would benefit from services for engagement in mental health treatment under section 253B.041 or any other referral to social services, the court examiner may recommend referral of the defendant to services where available.

Sec. 17. Minnesota Statutes 2022, section 611.43, subdivision 3, is amended to read:

Subd. 3. **Additional examination.** If either the prosecutor or defense counsel intends to retain an independent examiner, the party shall provide notice to the court and opposing counsel no later than ten days after the date of receipt of the ~~court-appointed~~ court examiner's report. If an independent examiner is retained, the independent examiner's report shall be filed no more than 30 days after the date a party files notice of intent to retain an independent examiner, unless extended by the court for good cause.

Sec. 18. Minnesota Statutes 2022, section 611.44, subdivision 1, is amended to read:

Subdivision 1. **Request for hearing.** (a) The prosecutor or defense counsel may request a hearing on the ~~court-appointed~~ court examiner's competency report by filing a written objection no later than ten days after the report is filed.

(b) A hearing shall be held as soon as possible but no longer than 30 days after the request, unless extended by agreement of the prosecutor and defense counsel, or by the court for good cause.

(c) If an independent court examiner is retained, the hearing may be continued up to 14 days after the date the independent court examiner's report is filed. The court may continue the hearing for good cause.

Sec. 19. Minnesota Statutes 2022, section 611.44, subdivision 2, is amended to read:

Subd. 2. **Competency hearing.** (a) The court may admit all relevant and reliable evidence at the competency hearing. The ~~court-appointed~~ court examiner is considered the court's witness and may be called and questioned by the court, prosecutor, or defense counsel. The report of the ~~court-appointed~~ court examiner shall be admitted into evidence without further foundation.

(b) Defense counsel may testify, subject to the prosecutor's cross-examination, but shall not violate attorney-client privilege. Testifying does not automatically disqualify defense counsel from continuing to represent the defendant. The court may inquire of defense counsel regarding the attorney-client relationship and the defendant's ability to communicate with counsel. The court shall not require counsel to divulge communications protected by attorney-client privilege, and the prosecutor shall not cross-examine defense counsel concerning responses to the court's inquiry.

Sec. 20. Minnesota Statutes 2022, section 611.45, subdivision 3, is amended to read:

Subd. 3. **Dismissal of criminal charge.** (a) If the court finds the defendant incompetent, and the charge is a misdemeanor other than a targeted misdemeanor, the charge must be dismissed.

(b) In targeted misdemeanor and gross misdemeanor cases, the charges must be dismissed 30 days after the date of the finding of incompetence, unless the prosecutor, before the expiration of the 30-day period, files a written notice of intent to prosecute when the defendant ~~regains~~ attains competency. If a notice has been filed and the charge is a targeted misdemeanor, charges must be dismissed within one year after the finding of incompetency. If a notice has been filed and the charge is a gross misdemeanor, charges must be dismissed within two years after the finding of incompetency.

(c) In felony cases, except as provided in paragraph (d), the charges must be dismissed three years after the date of the finding of incompetency, unless the prosecutor, before the expiration of the three-year period, files a written notice of intent to prosecute when the defendant ~~regains~~ attains competency. If a notice has been filed, charges must be dismissed within five years after the finding of incompetency or ten years if the maximum sentence for the crime with which the defendant is charged is ten years or more.

(d) The requirement that felony charges be dismissed under paragraph (c) does not apply if:

(1) the court orders continuing supervision pursuant to section 611.49~~, subdivision 3~~; or

(2) the defendant is charged with a violation of sections ~~609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree);~~ 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

(e) Nothing in this subdivision requires dismissal of any charge if the court finds the defendant competent and enters an order directing that the criminal proceedings shall resume.

Sec. 21. Minnesota Statutes 2022, section 611.46, subdivision 1, is amended to read:

Subdivision 1. **Order to competency ~~restoration~~ attainment program.** (a) If the court finds the defendant incompetent and the charges have not been dismissed, the court shall order the defendant to participate in a ~~competency restoration~~ program to ~~restore~~ assist the ~~defendant's competence~~ defendant in attaining competency. The court may order participation in a competency ~~restoration~~ attainment program provided outside of a jail, a jail-based competency ~~restoration~~ attainment program, or an alternative program. The court must determine the least-restrictive program appropriate to meet the defendant's needs and public safety. In making this determination, the court must consult with the forensic navigator and consider any recommendations of the court examiner. The court shall not order a defendant to participate in a jail-based program or a state-operated treatment program if the highest criminal charge is a ~~misdemeanor or~~ targeted misdemeanor.

(b) If the court orders the defendant to a locked treatment facility or jail-based program, the court must calculate the defendant's custody credit and cannot order the defendant to a locked treatment facility or jail-based program for a period that would cause the defendant's custody credit to exceed the maximum sentence for the underlying charge.

~~(b)~~ (c) The court may only order the defendant to participate in competency ~~restoration~~ attainment at an inpatient or residential treatment program under this section if the head of the treatment program determines that admission to the program is clinically appropriate and consents to the defendant's admission. The court may only order the defendant to participate in competency ~~restoration~~ attainment at a state-operated treatment facility under

this section if the commissioner of human services or a designee determines that admission of the defendant is clinically appropriate and consents to the defendant's admission. The court may require a ~~certified~~ competency program that qualifies as a locked facility or a state-operated treatment program to notify the court in writing of the basis for refusing consent for admission of the defendant in order to ensure transparency and maintain an accurate record. The court may not require personal appearance of any representative of a ~~certified~~ competency program. The court shall send a written request for notification to the locked facility or state-operated treatment program and the locked facility or state-operated treatment program shall provide a written response to the court within ten days of receipt of the court's request.

~~(c)~~ (d) If the defendant is confined in jail and has not received competency ~~restoration~~ attainment services within 30 days of the finding of incompetency, the court shall review the case with input from the prosecutor and defense counsel and may:

(1) order the defendant to participate in an appropriate competency ~~restoration~~ attainment program that takes place outside of a jail;

(2) ~~conditionally~~ order a conditional release of the defendant~~, including~~ with conditions that include but are not limited to ~~conditions~~ a requirement that the defendant participate in a competency ~~restoration~~ attainment program when one becomes available and accessible;

(3) make a determination as to whether the defendant is likely to attain competency in the reasonably foreseeable future and proceed under section 611.49; or

(4) upon a motion, dismiss the charges in the interest of justice.

~~(d) Upon the order to a competency restoration program or alternative program,~~ (e) The court may order any hospital, treatment facility, or correctional facility that has provided care or supervision to ~~the~~ a defendant in the previous two years to provide copies of the defendant's medical records to the competency ~~restoration~~ attainment program or alternative program in which the defendant was ordered to participate. This information shall be provided in a consistent and timely manner and pursuant to all applicable laws.

~~(e)~~ (f) If at any time the defendant refuses to participate in a competency ~~restoration~~ attainment program or an alternative program, the head of the program shall notify the court and any entity responsible for supervision of the defendant.

~~(f)~~ (g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, and any entity responsible for the supervision of the defendant prior to any planned

discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge if the defendant is not being discharged to jail or a correctional facility. Upon the receipt of notification of discharge or upon the request of either party in response to notification of discharge, the court may order that a defendant who is subject to bail or unmet conditions of release be returned to jail upon being discharged from the program or facility. If the court orders a defendant returned to jail, the court shall notify the parties and head of the program at least one day before the defendant's planned discharge, except in the event of an emergency discharge where one day notice is not possible. The court must hold a review hearing within seven days of the defendant's return to jail. The forensic navigator must be given notice of the hearing and be allowed to participate.

~~(g)~~ (h) If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

Sec. 22. Minnesota Statutes 2022, section 611.46, subdivision 2, is amended to read:

Subd. 2. **Supervision.** (a) Upon a finding of incompetency, if the defendant is entitled to release, the court must determine whether the defendant requires pretrial supervision. The court must weigh public safety risks against the defendant's interests in remaining free from supervision while presumed innocent in the criminal proceedings. The court may use a validated and equitable risk assessment tool to determine whether supervision is necessary.

(b) If the court determines that the defendant requires pretrial supervision, the court shall direct the forensic navigator to conduct pretrial supervision and report violations to the court. The forensic navigator shall be responsible for the supervision of the defendant until ordered otherwise by the court.

(c) Upon application by the prosecutor, ~~the~~ forensic navigator, other entity or its designee assigned to supervise the defendant, or court services alleging that the defendant violated a condition of release and is a risk to public safety, the court shall follow the procedures under Rules of Criminal Procedure, rule 6. Any hearing on the alleged violation of release conditions shall be held no more than 15 days after the date of issuance of a summons or within 72 hours if the defendant is apprehended on a warrant.

(d) If the court finds a violation, the court may revise the conditions of release and bail as appropriate pursuant to Minnesota Rules of Criminal Procedure~~, including but not limited~~

~~to consideration of~~ and must consider the defendant's need for ongoing access to a competency ~~restoration~~ attainment program or alternative program under this section.

(e) The court must review conditions of release and bail on request of any party and may amend the conditions of release or make any other reasonable order upon receipt of information that the pretrial detention of a defendant has interfered with the defendant attaining competency.

Sec. 23. Minnesota Statutes 2022, section 611.46, subdivision 3, is amended to read:

Subd. 3. **~~Certified~~ Competency ~~restoration~~ attainment programs; procedure.** (a) If the court orders a defendant to participate in a competency ~~restoration~~ attainment program that takes place outside of a jail, or an alternative program that the court has determined is providing appropriate competency ~~restoration~~ attainment services to the defendant, the court shall specify whether the program is ~~a community-based treatment program or~~ provided in a locked treatment facility.

(b) If the court finds that the defendant continues to be incompetent at a review hearing held after the initial determination of competency, the court must hold a review hearing pursuant to section 611.49 and consider any changes to the defendant's conditions of release or competency ~~restoration~~ attainment programming to restore the defendant's competency in the least restrictive program appropriate.

~~(c) If the court orders the defendant to a locked treatment facility or jail-based program, the court must calculate the defendant's custody credit and cannot order the defendant to a locked treatment facility or jail-based program for a period that would cause the defendant's custody credit to exceed the maximum sentence for the underlying charge.~~

Sec. 24. Minnesota Statutes 2022, section 611.46, subdivision 4, is amended to read:

Subd. 4. **Jail-based competency ~~restoration~~ attainment programs; procedure.** (a) A defendant is eligible to participate in a jail-based competency ~~restoration~~ attainment program when the underlying charge is a gross misdemeanor or felony and either:

(1) the defendant has been found incompetent, the defendant has not met the conditions of release ordered pursuant to rule 6.02 of Minnesota Rules of Criminal Procedure, including posting bail, and either a ~~court-appointed~~ court examiner has recommended jail-based competency ~~restoration~~ attainment as the least restrictive setting to meet the person's needs, or the court finds that after a reasonable effort by the forensic navigator, there has not been consent by another secure setting to the defendant's placement; or

(2) the defendant is in custody and is ordered to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail, a jail-based competency ~~restoration~~ attainment program is available within a reasonable distance to the county where the defendant is being held, and the court ordered a time-limited placement in a jail-based program until transfer to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail.

(b) A defendant may not be ordered to participate in a jail-based competency ~~restoration~~ attainment program for more than 90 days without a review hearing. If after 90 days of the order to a jail-based program the defendant has not attained competency, the court must review the case with input from the prosecutor and defense counsel and may:

(1) order the defendant to participate in an appropriate ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a locked facility; or

(2) determine whether, after a reasonable effort by the forensic navigator, there is consent to the defendant's placement by another locked facility. If court determines that a locked facility is the least restrictive program appropriate and no appropriate locked facility is available, it may order the defendant to the jail-based program for an additional 90 days.

(c) Nothing in this section prohibits the court from ordering the defendant transferred to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail if the court determines that transition is appropriate, or the defendant satisfies the conditions of release or bail. Before the defendant is ~~transitioned~~ transferred to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail or an alternative program, the court shall notify the prosecutor and the defense counsel, and the provisions of subdivision 2 shall apply.

~~(d) The court may require a certified competency program that qualifies as a locked facility to notify the court in writing of the basis for refusing consent of the defendant in order to ensure transparency and maintain an accurate record. The court may not require personal appearance of any representative of a certified competency program.~~

Sec. 25. Minnesota Statutes 2022, section 611.46, subdivision 5, is amended to read:

Subd. 5. **Alternative programs; procedure.** (a) A defendant is eligible to participate in an alternative program if the defendant has been found incompetent, the defendant is entitled to release, and a ~~certified~~ competency ~~restoration~~ attainment program outside of a jail is not available.

(b) As soon as the forensic navigator has reason to believe that no ~~certified~~ competency ~~restoration~~ attainment program outside of a jail will be available within a reasonable time, the forensic navigator shall determine if there are available alternative programs that are likely to assist the defendant in attaining competency. ~~Upon notification by the forensic navigator,~~ The court may order the defendant to participate in an appropriate alternative program identified by the forensic navigator and must notify the prosecutor and the defense counsel of the order.

(c) If at any time while the defendant is participating in an alternative program, an appropriate ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail becomes available, the forensic navigator must notify the court. The court must notify the prosecutor and the defense counsel and must order the defendant to participate in an appropriate ~~certified~~ competency ~~restoration~~ attainment program, unless the court determines that the defendant is receiving appropriate competency ~~restoration~~ attainment services in the alternative program. If appropriate and in the public interest, the court may order the defendant to participate in the ~~certified~~ competency ~~restoration~~ attainment program and an alternative program.

(d) At any time, the head of the alternative program or the forensic navigator may notify the court that the defendant is receiving appropriate competency ~~restoration~~ attainment services in the alternative program, and recommend that remaining in the alternative program is in the best interest of the defendant and the defendant's progress in attaining competency. The court may order the defendant to continue programming in the alternative program and proceed under subdivision 3.

(e) If after 90 days of the order to an alternative program the defendant has not attained competency and the defendant is not participating in a ~~certified~~ competency ~~restoration~~ attainment program, the court must hold a review hearing pursuant to section 611.49.

Sec. 26. Minnesota Statutes 2022, section 611.46, subdivision 6, is amended to read:

Subd. 6. **Reporting to the court.** (a) The court examiner must provide an updated report to the court at least once every six months, unless the court and the parties agree to a longer period that is not more than 12 months, as to the defendant's competency and a description of the efforts made to restore the defendant to competency.

(b) At any time, the head of the program may notify the court and recommend that a court examiner provide an updated competency examination and report.

(c) The court shall ~~furnish~~ provide copies of the report to the prosecutor, defense counsel, and the facility or program where the defendant is being served.

(d) The report may make recommendations for continued services to ensure continued competency. If the defendant is found guilty, these recommendations may be considered by the court in imposing a sentence, including any conditions of probation.

Sec. 27. Minnesota Statutes 2022, section 611.47, is amended to read:

**611.47 ADMINISTRATION OF MEDICATION.**

Subdivision 1. **Motion.** When a court finds that a defendant is incompetent or any time thereafter, upon the motion of the prosecutor or treating medical provider, the court shall hear and determine whether the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication and, if so, whether the conditions and factors weigh in favor of authorizing involuntary administration of neuroleptic medication.

Subd. 2. ~~**Certification report**~~ **Reports.** (a) In making a determination under this section, the court shall consider the report of the court examiner completed pursuant to section 611.43 and any certification report filed by the treating medical practitioner in support of a motion under this section. The court may request a certification report from the defendant's treating medical practitioner.

~~(a)~~ (b) If the defendant's treating medical practitioner is of the opinion that the defendant lacks capacity to make decisions regarding neuroleptic medication, the treating medical practitioner ~~shall~~ may certify in a report that the lack of capacity exists and which conditions under subdivision 3 are applicable. ~~The~~ A certification report ~~shall~~ must contain an assessment of the current mental status of the defendant and the opinion of the treating medical practitioner ~~that~~ as to whether involuntary neuroleptic medication has become medically necessary and appropriate under subdivision 3, paragraph (b), clause (1) or (2), or in the ~~patient's~~ defendant's best medical interest under subdivision 3, paragraph (b), clause (3). The certification report shall be filed with the court when a motion for a hearing is made under this section.

~~(b)~~ (c) A certification report made pursuant to this section shall include a description of the neuroleptic medication proposed to be administered to the defendant, if any, and its likely effects and side effects, including effects on the defendant's condition or behavior that would affect the defendant's ability to understand the nature of the criminal proceedings or to assist counsel in the conduct of a defense in a reasonable manner.

~~(c)~~ (d) Any defendant subject to an order under subdivision 3 of this section or the state may request review of that order.

~~(d)~~ (e) In addition to the court examiner appointed to report to the court on the defendant's competency to proceed, the court may appoint a court examiner to examine the defendant and report to the court and parties as to whether the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication. If the ~~patient~~ defendant refuses to participate in an examination, the court examiner may rely on the ~~patient's~~ defendant's clinically relevant medical records in reaching an opinion.

~~(e)~~ (f) The defendant is entitled to a second court examiner under this section, if requested by the defendant.

Subd. 3. **Determination.** (a) The court shall ~~consider opinions in the reports prepared under subdivision 2 as applicable to the issue of~~ first determine whether the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication ~~and shall proceed under paragraph (b)~~. In making this determination, the court:

(1) must apply a rebuttable presumption that a defendant has the capacity to make decisions regarding administration of neuroleptic medication;

(2) must find that a defendant has the capacity to make decisions regarding the administration of neuroleptic medication if the defendant:

(i) has an awareness of the nature of the defendant's situation and the possible consequences of refusing treatment with neuroleptic medications;

(ii) has an understanding of treatment with neuroleptic medications and the risks, benefits, and alternatives; and

(iii) communicates verbally or nonverbally a clear choice regarding treatment with neuroleptic medications that is a reasoned one not based on a symptom of the defendant's mental illness, even though it may not be in the defendant's best interests; and

(3) must not conclude that a defendant's decision is unreasonable based solely on a disagreement with the medical practitioner's recommendation.

(b) If the court determines that the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication, the court shall hear and determine whether any of the following is true:

(1) ~~the defendant lacks capacity to make decisions regarding neuroleptic medication, as defined in section 253B.092, subdivision 5,~~ the defendant's mental illness requires medical

treatment with neuroleptic medication, and, if the defendant's mental illness is not treated with neuroleptic medication, it is probable that serious harm to the physical or mental health of the ~~patient~~ defendant will result. Probability of serious harm to the physical or mental health of the defendant requires evidence that the defendant is presently suffering adverse effects to the defendant's physical or mental health, or the defendant has previously suffered these effects as a result of a mental illness and the defendant's condition is substantially deteriorating or likely to deteriorate without administration of neuroleptic medication. The fact that a defendant has a diagnosis of a mental illness does not alone establish probability of serious harm to the physical or mental health of the defendant;

(2) ~~the defendant lacks capacity to make decisions regarding neuroleptic medication, as defined in section 253B.092, subdivision 5,~~ neuroleptic medication is medically necessary, and the defendant is a danger to others, in that the defendant has inflicted, attempted to inflict, or made a serious threat of inflicting substantial bodily harm on another while in custody, or the defendant had inflicted, attempted to inflict, or made a serious threat of inflicting substantial bodily harm on another that resulted in being taken into custody, and the defendant presents, as a result of mental illness or cognitive impairment, a demonstrated danger of inflicting substantial bodily harm on others. Demonstrated danger may be based on an assessment of the defendant's present mental condition, including a consideration of past behavior of the defendant and other relevant information; or

(3) ~~the defendant lacks capacity to make decisions regarding neuroleptic medication, as defined in section 253B.092, subdivision 5, and~~ the defendant does not meet the criteria under clause (1) or (2), but the state has shown by clear and convincing evidence that:

(i) the state has charged the defendant with a serious crime against the person or property;

(ii) involuntary administration of neuroleptic medication is substantially likely to render the defendant competent to stand trial;

(iii) the medication is unlikely to have side effects that interfere with the defendant's ability to understand the nature of the criminal proceedings or to assist counsel in the conduct of a defense in a reasonable manner;

(iv) less intrusive treatments are unlikely to have substantially the same results and involuntary medication is necessary; and

(v) neuroleptic medication is in the ~~patient's~~ defendant's best medical interest in light of the ~~patient's~~ defendant's medical condition.

(c) ~~In ruling on a petition under this section, the court shall also take into consideration any evidence on~~ If the conditions described in paragraph (b), clause (1), (2), or (3), exist, the court shall determine whether the following factors weigh in favor of authorizing the involuntary administration of neuroleptic medication:

(1) what the ~~patient~~ defendant would choose to do in the situation if the ~~patient~~ defendant had capacity, including evidence such as a durable power of attorney for health care under chapter 145C;

(2) the defendant's family, community, moral, religious, and social values;

(3) the medical risks, benefits, and alternatives to the proposed treatment;

(4) past efficacy and any extenuating circumstances of past use of neuroleptic medications; and

(5) any other relevant factors.

~~(d) In determining whether the defendant possesses capacity to consent to neuroleptic medications, the court:~~

~~(1) must apply a rebuttable presumption that a defendant has the capacity to make decisions regarding administration of neuroleptic medication;~~

~~(2) must find that a defendant has the capacity to make decisions regarding the administration of neuroleptic medication if the defendant:~~

~~(i) has an awareness of the nature of the defendant's situation and the possible consequences of refusing treatment with neuroleptic medications;~~

~~(ii) has an understanding of treatment with neuroleptic medications and the risks, benefits, and alternatives; and~~

~~(iii) communicates verbally or nonverbally a clear choice regarding treatment with neuroleptic medications that is a reasoned one not based on a symptom of the defendant's mental illness, even though it may not be in the defendant's best interests; and~~

~~(3) must not conclude that a defendant's decision is unreasonable based solely on a disagreement with the medical practitioner's recommendation.~~

~~(e)~~ (d) If ~~consideration of the evidence presented on~~ the factors in paragraph (c) ~~weighs~~ weigh in favor of authorizing involuntary administration of neuroleptic medication, ~~and the court finds any of the conditions described in paragraph (b) to be true,~~ the court shall issue an order authorizing involuntary administration of neuroleptic medication to the defendant when and as prescribed by the defendant's medical practitioner, including administration

by a treatment facility or correctional facility. The court order shall specify which medications are authorized and may limit the maximum dosage of neuroleptic medication that may be administered. The order shall be valid for no more than one year. An order may be renewed by filing another petition under this section and following the process in this section. The order shall terminate no later than the closure of the criminal case in which it is issued. ~~The court shall not order involuntary administration of neuroleptic medication under paragraph (b), clause (3), unless the court has first found that the defendant does not meet the criteria for involuntary administration of neuroleptic medication under paragraph (b), clause (1), and does not meet the criteria under paragraph (b), clause (2).~~

(f) A copy of the order must be given to the defendant, the defendant's attorney, the county attorney, and the treatment facility or correctional facility where the defendant is being served. The treatment facility, correctional facility, or treating medical practitioner may not begin administration of the neuroleptic medication until it notifies the ~~patient~~ defendant of the court's order authorizing the treatment.

Subd. 4. **Emergency administration.** A treating medical practitioner may administer neuroleptic medication to a defendant who does not have capacity to make a decision regarding administration of the medication if the defendant is in an emergency situation. Medication may be administered for so long as the emergency continues to exist, up to 14 days, if the treating medical practitioner determines that the medication is necessary to prevent serious, immediate physical harm to the ~~patient~~ defendant or to others. If a request for authorization to administer medication is made to the court within the 14 days, the treating medical practitioner may continue the medication through the date of the first court hearing, if the emergency continues to exist. The treating medical practitioner shall document the emergency in the defendant's medical record in specific behavioral terms.

Subd. 5. **Administration without judicial review.** Neuroleptic medications may be administered without judicial review under this subdivision if:

(1) the defendant has been prescribed neuroleptic medication prior to admission to a facility or program, but lacks the present capacity to consent to the administration of that neuroleptic medication; continued administration of the medication is in the ~~patient's~~ defendant's best interest; and the defendant does not refuse administration of the medication. In this situation, the previously prescribed neuroleptic medication may be continued for up to 14 days while the treating medical practitioner is requesting a court order authorizing administering neuroleptic medication or an amendment to a current court order authorizing administration of neuroleptic medication. If the treating medical practitioner requests a court order under this section within 14 days, the treating medical practitioner may continue

administering the medication to the ~~patient~~ defendant through the hearing date or until the court otherwise issues an order; or

(2) the defendant does not have the present capacity to consent to the administration of neuroleptic medication, but prepared a health care power of attorney or a health care directive under chapter 145C requesting treatment or authorizing an agent or proxy to request treatment, and the agent or proxy has requested the treatment.

Subd. 6. **Defendants with capacity to make informed decision.** If the court finds that the defendant has the capacity to decide whether to take neuroleptic medication, a facility or program may not administer medication without the ~~patient's~~ defendant's informed written consent or without the declaration of an emergency, or until further review by the court.

Subd. 7. **Procedure when patient defendant refuses medication.** If physical force is required to administer the neuroleptic medication, the facility or program may only use injectable medications. If physical force is needed to administer the medication, medication may only be administered in a setting where the ~~person's~~ defendant's condition can be reassessed and medical personnel qualified to administer medication are available, including in the community or a correctional facility. The facility or program may not use a nasogastric tube to administer neuroleptic medication involuntarily.

Sec. 28. Minnesota Statutes 2022, section 611.48, is amended to read:

**611.48 REVIEW HEARINGS.**

The prosecutor or defense counsel may apply to the court for a hearing to review the defendant's competency ~~restoration~~ attainment programming. All parties are entitled to notice before the hearing. The hearing shall be held no later than 30 days after the date of the request, unless extended upon agreement of the prosecutor and defense counsel or by the court for good cause.

Sec. 29. Minnesota Statutes 2022, section 611.49, is amended to read:

**611.49 LIKELIHOOD TO ATTAIN COMPETENCY.**

Subdivision 1. **Applicability.** (a) The court may hold a hearing on its own initiative or upon request of either party to determine whether the defendant is likely to attain competency in the foreseeable future when the most recent court examiner's report states that the defendant is unlikely to attain competency in the foreseeable future, and either:

(1) the defendant has not ~~been restored to competence~~ attained competency after participating and cooperating with court-ordered competency ~~restoration~~ attainment programming for at least one year; or

(2) the defendant has not received timely competency ~~restoration~~ attainment services under section 611.46 after one year.

(b) The court cannot find a defendant unlikely to attain competency based upon a defendant's refusal to cooperate with or remain at a ~~certified~~ competency program or cooperate with an examination.

(c) The parties are entitled to 30 days of notice prior to the hearing and, unless the parties agree to a longer time period, the court must determine within 30 days after the hearing whether there is a substantial probability that the defendant will attain competency within the foreseeable future.

(d) A party attempting to demonstrate that there is a substantial probability that the defendant will attain competency within the foreseeable future must prove that probability by a preponderance of the evidence.

Subd. 2. **Procedure.** (a) If the court finds that there is a substantial probability that the defendant will attain competency within the reasonably foreseeable future, the court shall find the defendant incompetent and proceed under section 611.46.

(b) If the court finds that there is not a substantial probability the defendant will attain competency within the reasonably foreseeable future, the court may not order the defendant to participate in or continue to participate in a competency ~~restoration~~ attainment program in a locked treatment facility. The court must release the defendant from any custody holds pertaining to the underlying criminal case and require the forensic navigator to develop a bridge plan.

(c) If the court finds that there is not a substantial probability the defendant will attain competency within the foreseeable future, the court may issue an order to the designated agency in the county of financial responsibility or the county where the defendant is present to conduct a prepetition screening pursuant to section 253B.07.

~~(d) If a hearing is held under this subdivision and the criteria pursuant to subdivision 1, paragraphs (a) and (b) are satisfied, a party attempting to demonstrate that there is a substantial probability that the defendant will attain competency within the foreseeable future must prove by a preponderance of the evidence.~~

~~(c)~~ (d) If the court finds that there is not a substantial probability that the defendant will attain competency within the foreseeable future, the court must dismiss the case unless:

(1) the person is charged with a violation of section ~~609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree);~~ 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152; or

(2) there is a showing of a danger to public safety if the matter is dismissed.

~~(f)~~ (e) If the court does not dismiss the charges, the court must order continued supervision under subdivision 3.

Subd. 3. **Continued supervision.** (a) If the court orders the continued supervision of a defendant, any party may request a hearing on the issue of continued supervision by filing a notice no more than ten days after the order for continued supervision.

(b) When continued supervision is ordered, the court must identify the supervisory agency responsible for the supervision of the defendant~~, including but not limited to directing~~ and may identify a forensic navigator as the responsible entity.

(c) Notwithstanding the reporting requirements of section 611.46, subdivision 6, the court examiner must provide an updated report to the court one year after the initial order for continued supervision as to the defendant's competency and a description of the efforts made to ~~restore~~ assist the defendant ~~to~~ in attaining competency. The court shall hold a review hearing within 30 days of receipt of the report.

(d) If continued supervision is ordered at the review hearing under paragraph (c), the court must set a date for a review hearing no later than two years after the most recent order for continuing supervision. The court must order review of the defendant's status, including an updated competency examination and report by the court examiner. The court examiner must submit the updated report to the court. At the review hearing, the court must determine if the defendant has attained competency, whether there is a substantial probability that the defendant will attain competency within the foreseeable future, and whether the absence of continuing supervision of the defendant is a danger to public safety. Notwithstanding

subdivision 2, paragraph ~~(e)~~ (d), the court may hear any motions to dismiss pursuant to the interest of justice at the review hearing.

(e) Continued supervision of a defendant in cases where the most serious charge is a targeted misdemeanor or gross misdemeanor is subject to the limitations established in section 611.45, subdivision 3, paragraph (b).

~~(e)~~ (f) The court may not order continued supervision of a defendant charged with a felony for more than ten years unless the defendant is charged with a violation of section ~~609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree);~~ 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

~~(f)~~ (g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, forensic navigator, and any entity responsible for the supervision of the defendant prior to any planned discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge. If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

~~(g)~~ (h) The court may provide, partner, or contract for pretrial supervision services or continued supervision if the defendant is found incompetent and unlikely to attain competency in the foreseeable future.

Sec. 30. Minnesota Statutes 2022, section 611.51, is amended to read:

**611.51 CREDIT FOR CONFINEMENT.**

If the defendant is convicted, any time spent confined in a ~~secured~~ secure setting while being assessed ~~and restored to~~ or receiving competency attainment services must be credited as time served.

Sec. 31. Minnesota Statutes 2022, section 611.55, is amended to read:

**611.55 FORENSIC NAVIGATOR SERVICES.**

Subdivision 1. **Definition.** As used in this section, "board" means the State Competency ~~Restoration~~ Attainment Board established in section 611.56.

Subd. 2. **Availability of forensic navigator services.** The board must provide or contract for enough forensic navigator services to meet the needs of adult defendants in each judicial district who are found incompetent to proceed.

Subd. 3. **Duties.** (a) Forensic navigators shall assist and supervise defendants when appointed to do so by a court. Forensic navigators shall be impartial in all legal matters relating to the criminal case. Nothing shall be construed to permit the forensic navigator to provide legal counsel as a representative of the court, prosecutor, or defense counsel. ~~Forensic navigators shall be required to report compliance and noncompliance with pretrial supervision and any orders of the court.~~

(b) Forensic navigators shall provide services to assist defendants with mental illnesses and cognitive impairments. Services may include, but are not limited to:

(1) developing bridge plans;

(2) assisting defendants in participating in court-ordered examinations and hearings;

(3) coordinating timely placement in court-ordered competency ~~restoration~~ attainment programs;

(4) providing competency ~~restoration~~ attainment education;

(5) reporting to the court on the progress of defendants found incompetent to stand trial;

(6) providing coordinating services to help defendants access ~~needed~~ mental health services, medical care, stable housing and housing assistance, financial assistance, social services, transportation, precharge and pretrial diversion, and other necessary services provided by other programs and community service providers;

(7) communicating with and offering supportive resources to defendants and family members of defendants; and

(8) providing consultation and education to court officials on emerging issues and innovations in serving defendants with mental illnesses in the court system.

(c) When ordered to supervise a defendant, a forensic navigator shall report to the court on a defendant's compliance or noncompliance with conditions of pretrial supervision and any order of the court.

~~(c)~~ (d) If a defendant's charges are dismissed, the appointed forensic navigator may continue assertive outreach with the individual for up to 90 days to assist in attaining stability in the community.

Subd. 4. **Bridge plans.** (a) ~~The Forensic navigator must prepare bridge plans~~ A forensic navigator must prepare a bridge plan with the defendant and submit ~~them~~ the bridge plan to the court. Bridge plans must be submitted before the time the court makes a competency finding pursuant to section 611.45. ~~The~~ A bridge plan must include:

(1) a confirmed housing address the defendant will use upon release, including but not limited to emergency shelters;

(2) if possible, the dates, times, locations, and contact information for any appointments made to further coordinate support and assistance for the defendant in the community, including but not limited to mental health and substance use disorder treatment, or a list of referrals to services; and

(3) any other referrals, resources, or recommendations the forensic navigator or court deems necessary.

(b) Bridge plans and any supporting records or other data submitted with those plans are not accessible to the public.

Sec. 32. Minnesota Statutes 2022, section 611.56, is amended to read:

**611.56 STATE COMPETENCY ~~RESTORATION~~ ATTAINMENT BOARD.**

Subdivision 1. **Establishment; membership.** (a) The State Competency ~~Restoration~~ Attainment Board is established in the judicial branch. The board is not subject to the administrative control of the judiciary. The board shall consist of seven members, including:

(1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and

(2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency ~~restoration~~ attainment.

(b) The appointing authorities may not appoint an active judge to be a member of the board, but may appoint a retired judge.

(c) All members must demonstrate an interest in maintaining a high quality, independent forensic navigator program and a thorough process for certification of competency ~~restoration~~ attainment programs. Members shall be familiar with the Minnesota Rules of Criminal Procedure, particularly rule 20; chapter 253B; and sections 611.40 to 611.59. Following the initial terms of appointment, at least one member appointed by the supreme court must have previous experience working as a forensic navigator. At least three members of the board shall live outside the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect the chair from among the membership for a term of two years.

Subd. 2. **Duties and responsibilities.** (a) The board shall create and administer a statewide, independent competency ~~restoration~~ attainment system that certifies competency ~~restoration~~ attainment programs and uses forensic navigators to promote prevention and diversion of people with mental illnesses and cognitive impairments from entering the legal system, support defendants with mental illness and cognitive impairments, support defendants in the competency process, and assist courts and partners in coordinating competency ~~restoration~~ attainment services.

(b) The board shall:

(1) approve and recommend to the legislature a budget for the board and the forensic navigator program;

(2) establish procedures for distribution of funding under this section to the forensic navigator program;

(3) establish forensic navigator standards, administrative policies, procedures, and rules consistent with statute, rules of court, and laws that affect a forensic navigator's work;

(4) establish certification requirements for competency ~~restoration~~ attainment programs; and

(5) carry out the programs under sections 611.57, 611.58, and 611.59.

(c) The board may:

(1) adopt standards, policies, or procedures necessary to ensure quality assistance for defendants found incompetent to stand trial and charged with a felony, gross misdemeanor, or targeted misdemeanor, or for defendants found incompetent to stand trial who have recurring incidents;

(2) establish district forensic navigator offices as provided in subdivision 4; and

(3) propose statutory changes to the legislature and rule changes to the supreme court that would facilitate the effective operation of the forensic navigator program.

Subd. 3. **Administrator.** The board shall appoint a program administrator who serves at the pleasure of the board. The program administrator shall attend all meetings of the board and the Certification Advisory Committee, but may not vote, and shall:

(1) carry out all administrative functions necessary for the efficient and effective operation of the board and the program, including but not limited to hiring, supervising, and disciplining program staff and forensic navigators;

(2) implement, as necessary, resolutions, standards, rules, regulations, and policies of the board;

(3) keep the board fully advised as to its financial condition, and prepare and submit to the board the annual program and budget and other financial information as requested by the board;

(4) recommend to the board the adoption of rules and regulations necessary for the efficient operation of the board and the program; and

(5) perform other duties prescribed by the board.

Subd. 4. **District offices.** The board may establish district forensic navigator offices in counties, judicial districts, or other areas where the number of defendants receiving competency ~~restoration~~ attainment services requires more than one full-time forensic navigator and establishment of an office is fiscally responsible and in the best interest of defendants found to be incompetent.

Subd. 5. **Administration.** The board may contract with the Office of State Court Administrator for administrative support services for the fiscal years following fiscal year 2022.

Subd. 6. **Fees and costs; civil actions on contested case.** Sections 15.039 and 15.471 to 15.474 apply to the State Competency ~~Restoration~~ Attainment Board.

Subd. 7. **Access to records.** Access to records of the board is subject to the Rules of Public Access for Records of the Judicial Branch. The board may propose amendments for supreme court consideration.

Sec. 33. Minnesota Statutes 2022, section 611.57, is amended to read:

**611.57 CERTIFICATION ADVISORY COMMITTEE.**

Subdivision 1. **Establishment.** The Certification Advisory Committee is established to provide the State Competency ~~Restoration~~ Attainment Board with advice and expertise related to the certification of competency ~~restoration~~ attainment programs, including jail-based programs.

Subd. 2. **Membership.** (a) The Certification Advisory Committee consists of the following members:

(1) a mental health professional, as defined in section 245I.02, subdivision 27, with community behavioral health experience, appointed by the governor;

(2) a board-certified forensic psychiatrist with experience in competency evaluations, providing competency ~~restoration~~ attainment services, or both, appointed by the governor;

(3) a board-certified forensic psychologist with experience in competency evaluations, providing competency ~~restoration~~ attainment services, or both, appointed by the governor;

(4) the president of the Minnesota Corrections Association or a designee;

(5) the direct care and treatment deputy commissioner or a designee;

(6) the president of the Minnesota Association of County Social Service Administrators or a designee;

(7) the president of the Minnesota Association of Community Mental Health Providers or a designee;

(8) the president of the Minnesota Sheriffs' Association or a designee; and

(9) the executive director of the National Alliance on Mental Illness Minnesota or a designee.

(b) Members of the advisory committee serve without compensation and at the pleasure of the appointing authority. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Meetings.** At its first meeting, the advisory committee shall elect a chair and may elect a vice-chair. The advisory committee shall meet at least monthly or upon the call

the chair. The advisory committee shall meet sufficiently enough to accomplish the tasks identified in this section.

Subd. 4. **Duties.** The Certification Advisory Committee shall consult with the Department of Human Services, the Department of Health, and the Department of Corrections; make recommendations to the State Competency ~~Restoration~~ Attainment Board regarding competency ~~restoration~~ attainment curriculum, certification requirements for competency ~~restoration~~ attainment programs including jail-based programs, and certification of individuals to provide competency ~~restoration~~ attainment services; and provide information and recommendations on other issues relevant to competency ~~restoration~~ attainment as requested by the board.

Sec. 34. Minnesota Statutes 2022, section 611.58, is amended to read:

**611.58 COMPETENCY ~~RESTORATION~~ ATTAINMENT CURRICULUM AND CERTIFICATION.**

Subdivision 1. **Curriculum.** (a) By January 1, 2023, the board must recommend a competency ~~restoration~~ attainment curriculum to educate and assist defendants found incompetent in attaining the ability to:

(1) rationally consult with counsel;

(2) understand the proceedings; and

(3) participate in the defense.

(b) The curriculum must be flexible enough to be delivered in community and correctional settings by individuals with various levels of education and qualifications, including but not limited to professionals in criminal justice, health care, mental health care, and social services. The board must review and update the curriculum as needed.

Subd. 2. **Certification and distribution.** By January 1, 2023, the board must develop a process for certifying individuals to deliver the competency ~~restoration~~ attainment curriculum and make the curriculum available to every ~~certified~~ competency ~~restoration~~ attainment program and forensic navigator in the state. Each competency ~~restoration~~ attainment program in the state must use the competency ~~restoration~~ attainment curriculum under this section as the foundation for delivering competency ~~restoration~~ attainment education and must not substantially alter the content.

Sec. 35. Minnesota Statutes 2022, section 611.59, is amended to read:

**611.59 COMPETENCY ~~RESTORATION~~ ATTAINMENT PROGRAMS.**

Subdivision 1. **Availability and certification.** The board must provide or contract for enough competency ~~restoration~~ attainment services to meet the needs of adult defendants in each judicial district who are found incompetent to proceed and do not have access to competency ~~restoration~~ attainment services as a part of any other programming in which they are ordered to participate. The board, in consultation with the Certification Advisory Committee, shall develop procedures to certify that the standards in this section are met, including procedures for regular recertification of competency ~~restoration~~ attainment programs. The board shall maintain a list of programs it has certified ~~competency restoration programs~~ on the board's website ~~to be updated~~ and shall update the list of competency attainment programs at least once every year.

Subd. 2. **Competency ~~restoration~~ attainment provider standards.** Except for jail-based programs, a competency ~~restoration~~ attainment provider must:

(1) be able to provide the appropriate mental health or substance use disorder treatment ordered by the court, including but not limited to treatment in inpatient, residential, and home-based settings;

(2) ensure that competency ~~restoration~~ attainment education certified by the board is provided to defendants and that regular assessments of defendants' progress in attaining competency are documented;

(3) designate a head of the program knowledgeable in the processes and requirements of the competency to stand trial procedures; and

(4) develop staff procedures or designate a person responsible to ensure timely communication with the court system.

Subd. 3. **Jail-based competency ~~restoration~~ attainment standards.** Jail-based competency ~~restoration~~ attainment programs must be housed in correctional facilities licensed by the Department of Corrections under section 241.021 and must:

(1) have a designated program director who meets minimum qualification standards set by the board, including understanding the requirements of competency to stand trial procedures;

(2) provide minimum mental health services including:

(i) having multidisciplinary staff sufficient to monitor defendants and provide timely assessments, treatment, and referrals as needed, including at least one medical professional licensed to prescribe psychiatric medication;

(ii) prescribing, dispensing, and administering any medication deemed clinically appropriate by qualified medical professionals; and

(iii) having policies and procedures for the administration of involuntary medication;

(3) ensure that competency ~~restoration~~ attainment education certified by the board is provided to defendants and regular assessments of defendants' progress in attaining competency to stand trial are documented;

(4) develop staff procedures or designate a person responsible to ensure timely communication with the court system; and

(5) designate a space in the correctional facility for the program.

Subd. 4. **Program evaluations.** (a) The board shall collect the following data:

(1) the total number of competency examinations ordered in each judicial district separated by county;

(2) the age, race, and number of unique defendants and for whom at least one competency examination was ordered in each judicial district separated by county;

(3) the age, race, and number of unique defendants found incompetent at least once in each judicial district separated by county; and

(4) all available data on the level of charge and adjudication of cases with a defendant found incompetent and whether a forensic navigator was assigned to the case.

(b) By February 15 of each year, the board must report to the legislative committees and divisions with jurisdiction over human services, public safety, and the judiciary on the data collected under this subdivision and may include recommendations for statutory or funding changes related to competency ~~restoration~~ attainment.

Sec. 36. Laws 2022, chapter 99, article 3, section 1, is amended to read:

Section 1. **APPROPRIATION BASE ESTABLISHED; COMPETENCY ~~RESTORATION~~ ATTAINMENT.**

Subdivision 1. **Department of Corrections.** The general fund appropriation base for the commissioner of corrections is $202,000 in fiscal year 2024 and $202,000 in fiscal year 2025 for correctional facilities inspectors.

Subd. 2. **District courts.** The general fund appropriation base for the district courts is $5,042,000 in fiscal year 2024 and $5,042,000 in fiscal year 2025 for costs associated with additional competency examination costs.

Subd. 3. **State Competency ~~Restoration~~ Attainment Board.** The general fund appropriation base for the State Competency ~~Restoration~~ Attainment Board is $11,350,000 in fiscal year 2024 and $10,900,000 in fiscal year 2025 for staffing and other costs needed to establish and perform the duties of the State Competency ~~Restoration~~ Attainment Board, including providing educational services necessary to ~~restore defendants to~~ assist defendants in attaining competency, or contracting or partnering with other organizations to provide those services.

Sec. 37. **COMPETENCY ATTAINMENT BOARD; ESTABLISHMENT; APPROPRIATION.**

$250,000 in fiscal year 2023 is appropriated from the general fund to the State Competency Attainment Board to establish the board, hire an administrator and any other necessary staff, establish appropriate standards and requirements for a forensic navigator program, and establish certifications requirements and procedures for competency attainment curriculum and programs.

Sec. 38. **EFFECTIVE DATE.**

Sections 1 to 37 are effective the day following final enactment.

A bill for an act

relating to competency attainment; making certain technical changes; appropriating money; amending Minnesota Statutes 2022, sections 611.41, subdivisions 2, 5, 6, 7, 8, 9, 10, 13, 14, 16, by adding a subdivision; 611.42, subdivisions 2, 3, 4; 611.43, subdivisions 1, 2, 3; 611.44, subdivisions 1, 2; 611.45, subdivision 3; 611.46, subdivisions 1, 2, 3, 4, 5, 6; 611.47; 611.48; 611.49; 611.51; 611.55; 611.56; 611.57; 611.58; 611.59; Laws 2022, chapter 99, article 3, section 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 611.41, subdivision 2, is amended to read:

Subd. 2. **Alternative program.** "Alternative program" means any mental health or substance use disorder treatment or program that is not a ~~certified~~ competency ~~restoration~~ attainment program but may assist a defendant in attaining competency.

Sec. 2. Minnesota Statutes 2022, section 611.41, is amended by adding a subdivision to read:

Subd. 4a. **Competency.** "Competency" means the ability to understand criminal proceedings, consult with counsel, and participate in the defense.

Sec. 3. Minnesota Statutes 2022, section 611.41, subdivision 5, is amended to read:

Subd. 5. **Competency ~~restoration~~ attainment program.** "Competency ~~restoration~~ attainment program" means a structured program of clinical and educational services that is certified and designed to identify and address barriers to a defendant's ability to understand the criminal proceedings, consult with counsel, and participate in the defense.

Sec. 4. Minnesota Statutes 2022, section 611.41, subdivision 6, is amended to read:

Subd. 6. **Competency ~~restoration~~ attainment services.** "Competency ~~restoration~~ attainment services" means education ~~provided by certified individuals to~~ for defendants found incompetent to proceed provided by certified individuals using the approved curriculum to address barriers to a defendant's ability to understand the criminal proceedings, consult with counsel, and participate in the defense. ~~Educational services must use the curriculum certified by the State Competency Restoration Board as the foundation for delivering competency restoration education.~~ Competency ~~restoration~~ attainment services does not include housing assistance or programs, social services, or treatment that must be provided by a licensed professional including mental health treatment, substance use disorder treatment, or co-occurring disorders treatment.

Sec. 5. Minnesota Statutes 2022, section 611.41, subdivision 7, is amended to read:

Subd. 7. **Court examiner.** "Court examiner" means a person appointed to serve the court~~,~~ by examining a defendant whose competency is at issue and who is a physician or licensed psychologist who has a doctoral degree in psychology.

Sec. 6. Minnesota Statutes 2022, section 611.41, subdivision 8, is amended to read:

Subd. 8. **Forensic navigator.** "Forensic navigator" means a person ~~who meets the certification and continuing education requirements under section 611.56, subdivision 2, paragraph (b), clause (3),~~ hired or contracted to facilitate competency attainment services, supervise certain defendants found to be incompetent, prepare bridge plans, and ~~provides~~ provide the other services under section 611.55, subdivision 3.

Sec. 7. Minnesota Statutes 2022, section 611.41, subdivision 9, is amended to read:

Subd. 9. **Head of the program.** "Head of the program" means the head of the competency ~~restoration~~ attainment program or the head of the facility or program where the defendant is being served.

Sec. 8. Minnesota Statutes 2022, section 611.41, subdivision 10, is amended to read:

Subd. 10. **Jail-based program.** "Jail-based program" means a competency ~~restoration~~ attainment program that operates within a correctional facility licensed by the commissioner of corrections under section 241.021 that meets the capacity standards governing jail facilities. A jail-based program may not be granted a variance to exceed its operational capacity.

Sec. 9. Minnesota Statutes 2022, section 611.41, subdivision 13, is amended to read:

Subd. 13. **State-operated treatment program.** "State-operated treatment program" means any ~~state-operated program, including~~ community behavioral health ~~hospitals~~ hospital, crisis ~~centers~~ center, residential ~~facilities~~ facility, outpatient ~~services~~ service, ~~and~~ or other ~~community-based services developed and~~ program operated by the state and under the control of the commissioner of human services, for a person who has mental illness, developmental disability, or substance use disorder.

Sec. 10. Minnesota Statutes 2022, section 611.41, subdivision 14, is amended to read:

Subd. 14. **Suspend the criminal proceedings.** "Suspend the criminal proceedings" means ~~nothing can be heard or decided on~~ to cease all hearings and decisions regarding the merits of ~~the~~ criminal charges ~~except that~~ but not terminate the jurisdiction of the court ~~retains jurisdiction in all~~ or prevent hearings or decisions in any other matters, including but not limited to establishing or modifying bail, conditions of release, probation conditions, no contact orders, and appointment of counsel.

Sec. 11. Minnesota Statutes 2022, section 611.41, subdivision 16, is amended to read:

Subd. 16. **Treatment facility.** "Treatment facility" means a ~~non-state-operated~~ hospital, residential treatment provider, crisis residential withdrawal management center, or corporate foster care home that is not operated by the state and is qualified to provide care and treatment for persons who have mental illness, developmental disability, or substance use disorder.

Sec. 12. Minnesota Statutes 2022, section 611.42, subdivision 2, is amended to read:

Subd. 2. **Waiver of counsel in competency proceedings.** (a) A defendant must not be allowed to waive counsel if the defendant lacks ability to:

(1) knowingly, voluntarily, and intelligently waive the right to counsel;

(2) appreciate the consequences of proceeding without counsel;

(3) comprehend the nature of the charge;

(4) comprehend the nature of the proceedings;

(5) comprehend the possible punishment; or

(6) comprehend any other matters essential to understanding the case.

(b) The court must not proceed under this ~~law~~ section before a lawyer consults with the defendant and has an opportunity to be heard.

Sec. 13. Minnesota Statutes 2022, section 611.42, subdivision 3, is amended to read:

Subd. 3. **Competency motion.** (a) At any time, the prosecutor or defense counsel may make a motion challenging the defendant's competency, or the court on its initiative may raise the issue. The defendant's consent is not required to bring a competency motion. The motion shall be supported by specific facts but shall not include communications between the defendant and defense counsel if disclosure would violate attorney-client privilege. By bringing the motion, the defendant does not waive attorney-client privilege.

(b) If competency is at issue, the court shall appoint a forensic navigator to provide the ~~forensic navigator~~ services described in section 611.55 ~~for the defendant~~, including development of a ~~specific~~ bridge plan to identify appropriate housing and services if the defendant is released from custody or any charges are dismissed.

(c) In felony, gross misdemeanor, and targeted misdemeanor cases, if the court determines there is a reasonable basis to doubt the defendant's ~~competence~~ competency and there is probable cause for the charge, the court must suspend the criminal proceedings and order an examination of the defendant ~~under section 611.43~~.

(d) In misdemeanor cases, other than cases involving a targeted misdemeanor, if the court determines there is a reasonable basis to doubt the defendant's ~~competence~~ competency and there is probable cause for the charge, the court must suspend the criminal proceedings. The court may order an examination of the defendant under section 611.43 if the examination is in the public interest. For purposes of this paragraph, an examination is in the public interest when it is necessary to assess whether the defendant has a cognitive impairment or mental illness; determine whether a defendant has the ability to access housing, food, income, disability verification, medications, and treatment for medical conditions; or whether a defendant has the ability to otherwise address any basic needs. ~~The court shall order the forensic navigator to complete a bridge plan as described in section 611.55, subdivision 4, and submit it to the court. The court may dismiss the charge upon receipt of the bridge plan without holding a hearing unless either party objects.~~

Sec. 14. Minnesota Statutes 2022, section 611.42, subdivision 4, is amended to read:

Subd. 4. **Dismissal, referrals for services, and collaboration.** (a) Except as provided in this subdivision, when the court determines there is a reasonable basis to doubt ~~the~~ a defendant's ~~competence~~ competency and orders an examination of the defendant, a forensic navigator must complete a bridge plan with the defendant as described in section 611.55, subdivision 4, submit the bridge plan to the court, and provide a written copy to the defendant before the court or prosecutor dismisses any charges based on a belief or finding that the

defendant is incompetent. The court may dismiss a case where the most serious charge is a misdemeanor, other than a targeted misdemeanor, without holding a hearing unless either party objects.

(b) If for any reason a forensic navigator has not been appointed, the court must make every reasonable effort to coordinate with any resources available to the court and refer the defendant for possible assessment and social services, including but not limited to services for engagement under section 253B.041, before dismissing any charges based on a finding that the defendant is incompetent.

(c) If working with the forensic navigator or coordinating a referral to services would cause an unreasonable delay in the release of a defendant being held in custody, the court may release the defendant. If a defendant has not been engaged for assessment and referral before release, the court may coordinate with the forensic navigator or any resources available to the court to engage the defendant for up to 90 days after release.

(d) Courts may partner and collaborate with county social services, community-based programs, jails, and any other available resource ~~available to the court~~ to provide referrals to services when a defendant's competency is at issue or a defendant has been found incompetent to proceed.

(e) Counsel for the defendant may bring a motion to dismiss the proceedings in the interest of justice at any stage of the proceedings.

Sec. 15. Minnesota Statutes 2022, section 611.43, subdivision 1, is amended to read:

Subdivision 1. **Competency examination.** (a) If the court orders an examination pursuant to section 611.42, subdivision 3, the court shall appoint a court examiner to examine the defendant and report to the court on the defendant's competency to proceed. A court examiner may obtain from court administration and review the report of any prior or subsequent examination under this section or under Minnesota Rules of Criminal Procedure, rule 20.

(b) If the defendant is not entitled to release, the court shall order the defendant to participate in an examination where the defendant is being held, or the court may order that the defendant be confined in a treatment facility, locked treatment facility, or a state-operated treatment facility until the examination is completed.

(c) If the defendant is entitled to release, the court shall order the defendant to appear for an examination. If the defendant fails to appear at an examination, the court may amend the conditions of release and bail ~~pursuant to Minnesota Rules of Criminal Procedure, rule 6~~.

(d) A competency examination ordered under Minnesota Rules of Criminal Procedure, rule 20.04, shall proceed under ~~subdivision 2~~ this section.

Sec. 16. Minnesota Statutes 2022, section 611.43, subdivision 2, is amended to read:

Subd. 2. **Report of examination.** (a) The ~~court-appointed~~ court examiner's written report shall be filed with the court and ~~served on~~ provided to the prosecutor and defense counsel by the court. The report shall be filed no more than 30 days after the order for examination of a defendant in custody unless extended by the court for good cause. If the defendant is out of custody or confined in a ~~noncorrectional~~ state-operated treatment program or treatment facility, the report shall be filed no more than 60 days after the order for examination, unless extended by the court for good cause. The report shall not include opinions concerning the defendant's mental condition at the time of the alleged offense or any statements made by the defendant regarding the alleged criminal conduct, unless necessary to support the examiner's opinion regarding competence or incompetence.

(b) The report shall include an evaluation of the defendant's mental health, cognition, and the factual basis for opinions about:

(1) any diagnoses made, and the results of any testing conducted with the defendant;

(2) the defendant's competency to stand trial;

(3) the level of care and education required for the defendant to attain, be restored to, or maintain competency;

(4) a recommendation of the least restrictive setting appropriate to meet the defendant's needs for ~~restoration~~ attaining competency and immediate safety;

(5) the impact of any substance use disorder on the defendant, including the defendant's competency, and any recommendations for treatment;

(6) the likelihood the defendant will attain competency in the reasonably foreseeable future;

(7) whether the defendant poses a substantial likelihood of physical harm to self or others; and

(8) if the court examiner's opinion is that the defendant is incompetent to proceed, ~~the report must include an opinion as to~~ whether the defendant possesses capacity to make decisions regarding neuroleptic medication unless the examiner is unable to render an opinion on capacity. If the examiner is unable to render an opinion on capacity, the report must document the reasons why the examiner is unable to render that opinion.

(c) If the court examiner determines that the defendant presents an imminent risk of serious danger to another, is imminently suicidal, or otherwise needs emergency intervention, the examiner must promptly notify the court, prosecutor, defense counsel, and those responsible for the care and custody of the defendant.

(d) If the defendant appears for the examination but does not participate, the court examiner shall submit a report and, if sufficient information is available, may render an opinion on competency and an opinion as to whether the unwillingness to participate resulted from a mental illness, cognitive impairment, or other factors.

(e) If the court examiner determines the defendant would benefit from services for engagement in mental health treatment under section 253B.041 or any other referral to social services, the court examiner may recommend referral of the defendant to services where available.

Sec. 17. Minnesota Statutes 2022, section 611.43, subdivision 3, is amended to read:

Subd. 3. **Additional examination.** If either the prosecutor or defense counsel intends to retain an independent examiner, the party shall provide notice to the court and opposing counsel no later than ten days after the date of receipt of the ~~court-appointed~~ court examiner's report. If an independent examiner is retained, the independent examiner's report shall be filed no more than 30 days after the date a party files notice of intent to retain an independent examiner, unless extended by the court for good cause.

Sec. 18. Minnesota Statutes 2022, section 611.44, subdivision 1, is amended to read:

Subdivision 1. **Request for hearing.** (a) The prosecutor or defense counsel may request a hearing on the ~~court-appointed~~ court examiner's competency report by filing a written objection no later than ten days after the report is filed.

(b) A hearing shall be held as soon as possible but no longer than 30 days after the request, unless extended by agreement of the prosecutor and defense counsel, or by the court for good cause.

(c) If an independent court examiner is retained, the hearing may be continued up to 14 days after the date the independent court examiner's report is filed. The court may continue the hearing for good cause.

Sec. 19. Minnesota Statutes 2022, section 611.44, subdivision 2, is amended to read:

Subd. 2. **Competency hearing.** (a) The court may admit all relevant and reliable evidence at the competency hearing. The ~~court-appointed~~ court examiner is considered the court's witness and may be called and questioned by the court, prosecutor, or defense counsel. The report of the ~~court-appointed~~ court examiner shall be admitted into evidence without further foundation.

(b) Defense counsel may testify, subject to the prosecutor's cross-examination, but shall not violate attorney-client privilege. Testifying does not automatically disqualify defense counsel from continuing to represent the defendant. The court may inquire of defense counsel regarding the attorney-client relationship and the defendant's ability to communicate with counsel. The court shall not require counsel to divulge communications protected by attorney-client privilege, and the prosecutor shall not cross-examine defense counsel concerning responses to the court's inquiry.

Sec. 20. Minnesota Statutes 2022, section 611.45, subdivision 3, is amended to read:

Subd. 3. **Dismissal of criminal charge.** (a) If the court finds the defendant incompetent, and the charge is a misdemeanor other than a targeted misdemeanor, the charge must be dismissed.

(b) In targeted misdemeanor and gross misdemeanor cases, the charges must be dismissed 30 days after the date of the finding of incompetence, unless the prosecutor, before the expiration of the 30-day period, files a written notice of intent to prosecute when the defendant ~~regains~~ attains competency. If a notice has been filed and the charge is a targeted misdemeanor, charges must be dismissed within one year after the finding of incompetency. If a notice has been filed and the charge is a gross misdemeanor, charges must be dismissed within two years after the finding of incompetency.

(c) In felony cases, except as provided in paragraph (d), the charges must be dismissed three years after the date of the finding of incompetency, unless the prosecutor, before the expiration of the three-year period, files a written notice of intent to prosecute when the defendant ~~regains~~ attains competency. If a notice has been filed, charges must be dismissed within five years after the finding of incompetency or ten years if the maximum sentence for the crime with which the defendant is charged is ten years or more.

(d) The requirement that felony charges be dismissed under paragraph (c) does not apply if:

(1) the court orders continuing supervision pursuant to section 611.49~~, subdivision 3~~; or

(2) the defendant is charged with a violation of sections ~~609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree);~~ 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

(e) Nothing in this subdivision requires dismissal of any charge if the court finds the defendant competent and enters an order directing that the criminal proceedings shall resume.

Sec. 21. Minnesota Statutes 2022, section 611.46, subdivision 1, is amended to read:

Subdivision 1. **Order to competency ~~restoration~~ attainment program.** (a) If the court finds the defendant incompetent and the charges have not been dismissed, the court shall order the defendant to participate in a ~~competency restoration~~ program to ~~restore~~ assist the ~~defendant's competence~~ defendant in attaining competency. The court may order participation in a competency ~~restoration~~ attainment program provided outside of a jail, a jail-based competency ~~restoration~~ attainment program, or an alternative program. The court must determine the least-restrictive program appropriate to meet the defendant's needs and public safety. In making this determination, the court must consult with the forensic navigator and consider any recommendations of the court examiner. The court shall not order a defendant to participate in a jail-based program or a state-operated treatment program if the highest criminal charge is a ~~misdemeanor or~~ targeted misdemeanor.

(b) If the court orders the defendant to a locked treatment facility or jail-based program, the court must calculate the defendant's custody credit and cannot order the defendant to a locked treatment facility or jail-based program for a period that would cause the defendant's custody credit to exceed the maximum sentence for the underlying charge.

~~(b)~~ (c) The court may only order the defendant to participate in competency ~~restoration~~ attainment at an inpatient or residential treatment program under this section if the head of the treatment program determines that admission to the program is clinically appropriate and consents to the defendant's admission. The court may only order the defendant to participate in competency ~~restoration~~ attainment at a state-operated treatment facility under

this section if the commissioner of human services or a designee determines that admission of the defendant is clinically appropriate and consents to the defendant's admission. The court may require a ~~certified~~ competency program that qualifies as a locked facility or a state-operated treatment program to notify the court in writing of the basis for refusing consent for admission of the defendant in order to ensure transparency and maintain an accurate record. The court may not require personal appearance of any representative of a ~~certified~~ competency program. The court shall send a written request for notification to the locked facility or state-operated treatment program and the locked facility or state-operated treatment program shall provide a written response to the court within ten days of receipt of the court's request.

~~(c)~~ (d) If the defendant is confined in jail and has not received competency ~~restoration~~ attainment services within 30 days of the finding of incompetency, the court shall review the case with input from the prosecutor and defense counsel and may:

(1) order the defendant to participate in an appropriate competency ~~restoration~~ attainment program that takes place outside of a jail;

(2) ~~conditionally~~ order a conditional release of the defendant~~, including~~ with conditions that include but are not limited to ~~conditions~~ a requirement that the defendant participate in a competency ~~restoration~~ attainment program when one becomes available and accessible;

(3) make a determination as to whether the defendant is likely to attain competency in the reasonably foreseeable future and proceed under section 611.49; or

(4) upon a motion, dismiss the charges in the interest of justice.

~~(d) Upon the order to a competency restoration program or alternative program,~~ (e) The court may order any hospital, treatment facility, or correctional facility that has provided care or supervision to ~~the~~ a defendant in the previous two years to provide copies of the defendant's medical records to the competency ~~restoration~~ attainment program or alternative program in which the defendant was ordered to participate. This information shall be provided in a consistent and timely manner and pursuant to all applicable laws.

~~(e)~~ (f) If at any time the defendant refuses to participate in a competency ~~restoration~~ attainment program or an alternative program, the head of the program shall notify the court and any entity responsible for supervision of the defendant.

~~(f)~~ (g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, and any entity responsible for the supervision of the defendant prior to any planned

discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge if the defendant is not being discharged to jail or a correctional facility. Upon the receipt of notification of discharge or upon the request of either party in response to notification of discharge, the court may order that a defendant who is subject to bail or unmet conditions of release be returned to jail upon being discharged from the program or facility. If the court orders a defendant returned to jail, the court shall notify the parties and head of the program at least one day before the defendant's planned discharge, except in the event of an emergency discharge where one day notice is not possible. The court must hold a review hearing within seven days of the defendant's return to jail. The forensic navigator must be given notice of the hearing and be allowed to participate.

~~(g)~~ (h) If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

Sec. 22. Minnesota Statutes 2022, section 611.46, subdivision 2, is amended to read:

Subd. 2. **Supervision.** (a) Upon a finding of incompetency, if the defendant is entitled to release, the court must determine whether the defendant requires pretrial supervision. The court must weigh public safety risks against the defendant's interests in remaining free from supervision while presumed innocent in the criminal proceedings. The court may use a validated and equitable risk assessment tool to determine whether supervision is necessary.

(b) If the court determines that the defendant requires pretrial supervision, the court shall direct the forensic navigator to conduct pretrial supervision and report violations to the court. The forensic navigator shall be responsible for the supervision of the defendant until ordered otherwise by the court.

(c) Upon application by the prosecutor, ~~the~~ forensic navigator, other entity or its designee assigned to supervise the defendant, or court services alleging that the defendant violated a condition of release and is a risk to public safety, the court shall follow the procedures under Rules of Criminal Procedure, rule 6. Any hearing on the alleged violation of release conditions shall be held no more than 15 days after the date of issuance of a summons or within 72 hours if the defendant is apprehended on a warrant.

(d) If the court finds a violation, the court may revise the conditions of release and bail as appropriate pursuant to Minnesota Rules of Criminal Procedure~~, including but not limited~~

~~to consideration of~~ and must consider the defendant's need for ongoing access to a competency ~~restoration~~ attainment program or alternative program under this section.

(e) The court must review conditions of release and bail on request of any party and may amend the conditions of release or make any other reasonable order upon receipt of information that the pretrial detention of a defendant has interfered with the defendant attaining competency.

Sec. 23. Minnesota Statutes 2022, section 611.46, subdivision 3, is amended to read:

Subd. 3. **~~Certified~~ Competency ~~restoration~~ attainment programs; procedure.** (a) If the court orders a defendant to participate in a competency ~~restoration~~ attainment program that takes place outside of a jail, or an alternative program that the court has determined is providing appropriate competency ~~restoration~~ attainment services to the defendant, the court shall specify whether the program is ~~a community-based treatment program or~~ provided in a locked treatment facility.

(b) If the court finds that the defendant continues to be incompetent at a review hearing held after the initial determination of competency, the court must hold a review hearing pursuant to section 611.49 and consider any changes to the defendant's conditions of release or competency ~~restoration~~ attainment programming to restore the defendant's competency in the least restrictive program appropriate.

~~(c) If the court orders the defendant to a locked treatment facility or jail-based program, the court must calculate the defendant's custody credit and cannot order the defendant to a locked treatment facility or jail-based program for a period that would cause the defendant's custody credit to exceed the maximum sentence for the underlying charge.~~

Sec. 24. Minnesota Statutes 2022, section 611.46, subdivision 4, is amended to read:

Subd. 4. **Jail-based competency ~~restoration~~ attainment programs; procedure.** (a) A defendant is eligible to participate in a jail-based competency ~~restoration~~ attainment program when the underlying charge is a gross misdemeanor or felony and either:

(1) the defendant has been found incompetent, the defendant has not met the conditions of release ordered pursuant to rule 6.02 of Minnesota Rules of Criminal Procedure, including posting bail, and either a ~~court-appointed~~ court examiner has recommended jail-based competency ~~restoration~~ attainment as the least restrictive setting to meet the person's needs, or the court finds that after a reasonable effort by the forensic navigator, there has not been consent by another secure setting to the defendant's placement; or

(2) the defendant is in custody and is ordered to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail, a jail-based competency ~~restoration~~ attainment program is available within a reasonable distance to the county where the defendant is being held, and the court ordered a time-limited placement in a jail-based program until transfer to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail.

(b) A defendant may not be ordered to participate in a jail-based competency ~~restoration~~ attainment program for more than 90 days without a review hearing. If after 90 days of the order to a jail-based program the defendant has not attained competency, the court must review the case with input from the prosecutor and defense counsel and may:

(1) order the defendant to participate in an appropriate ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a locked facility; or

(2) determine whether, after a reasonable effort by the forensic navigator, there is consent to the defendant's placement by another locked facility. If court determines that a locked facility is the least restrictive program appropriate and no appropriate locked facility is available, it may order the defendant to the jail-based program for an additional 90 days.

(c) Nothing in this section prohibits the court from ordering the defendant transferred to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail if the court determines that transition is appropriate, or the defendant satisfies the conditions of release or bail. Before the defendant is ~~transitioned~~ transferred to a ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail or an alternative program, the court shall notify the prosecutor and the defense counsel, and the provisions of subdivision 2 shall apply.

~~(d) The court may require a certified competency program that qualifies as a locked facility to notify the court in writing of the basis for refusing consent of the defendant in order to ensure transparency and maintain an accurate record. The court may not require personal appearance of any representative of a certified competency program.~~

Sec. 25. Minnesota Statutes 2022, section 611.46, subdivision 5, is amended to read:

Subd. 5. **Alternative programs; procedure.** (a) A defendant is eligible to participate in an alternative program if the defendant has been found incompetent, the defendant is entitled to release, and a ~~certified~~ competency ~~restoration~~ attainment program outside of a jail is not available.

(b) As soon as the forensic navigator has reason to believe that no ~~certified~~ competency ~~restoration~~ attainment program outside of a jail will be available within a reasonable time, the forensic navigator shall determine if there are available alternative programs that are likely to assist the defendant in attaining competency. ~~Upon notification by the forensic navigator,~~ The court may order the defendant to participate in an appropriate alternative program identified by the forensic navigator and must notify the prosecutor and the defense counsel of the order.

(c) If at any time while the defendant is participating in an alternative program, an appropriate ~~certified~~ competency ~~restoration~~ attainment program that takes place outside of a jail becomes available, the forensic navigator must notify the court. The court must notify the prosecutor and the defense counsel and must order the defendant to participate in an appropriate ~~certified~~ competency ~~restoration~~ attainment program, unless the court determines that the defendant is receiving appropriate competency ~~restoration~~ attainment services in the alternative program. If appropriate and in the public interest, the court may order the defendant to participate in the ~~certified~~ competency ~~restoration~~ attainment program and an alternative program.

(d) At any time, the head of the alternative program or the forensic navigator may notify the court that the defendant is receiving appropriate competency ~~restoration~~ attainment services in the alternative program, and recommend that remaining in the alternative program is in the best interest of the defendant and the defendant's progress in attaining competency. The court may order the defendant to continue programming in the alternative program and proceed under subdivision 3.

(e) If after 90 days of the order to an alternative program the defendant has not attained competency and the defendant is not participating in a ~~certified~~ competency ~~restoration~~ attainment program, the court must hold a review hearing pursuant to section 611.49.

Sec. 26. Minnesota Statutes 2022, section 611.46, subdivision 6, is amended to read:

Subd. 6. **Reporting to the court.** (a) The court examiner must provide an updated report to the court at least once every six months, unless the court and the parties agree to a longer period that is not more than 12 months, as to the defendant's competency and a description of the efforts made to restore the defendant to competency.

(b) At any time, the head of the program may notify the court and recommend that a court examiner provide an updated competency examination and report.

(c) The court shall ~~furnish~~ provide copies of the report to the prosecutor, defense counsel, and the facility or program where the defendant is being served.

(d) The report may make recommendations for continued services to ensure continued competency. If the defendant is found guilty, these recommendations may be considered by the court in imposing a sentence, including any conditions of probation.

Sec. 27. Minnesota Statutes 2022, section 611.47, is amended to read:

**611.47 ADMINISTRATION OF MEDICATION.**

Subdivision 1. **Motion.** When a court finds that a defendant is incompetent or any time thereafter, upon the motion of the prosecutor or treating medical provider, the court shall hear and determine whether the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication and, if so, whether the conditions and factors weigh in favor of authorizing involuntary administration of neuroleptic medication.

Subd. 2. ~~**Certification report**~~ **Reports.** (a) In making a determination under this section, the court shall consider the report of the court examiner completed pursuant to section 611.43 and any certification report filed by the treating medical practitioner in support of a motion under this section. The court may request a certification report from the defendant's treating medical practitioner.

~~(a)~~ (b) If the defendant's treating medical practitioner is of the opinion that the defendant lacks capacity to make decisions regarding neuroleptic medication, the treating medical practitioner ~~shall~~ may certify in a report that the lack of capacity exists and which conditions under subdivision 3 are applicable. ~~The~~ A certification report ~~shall~~ must contain an assessment of the current mental status of the defendant and the opinion of the treating medical practitioner ~~that~~ as to whether involuntary neuroleptic medication has become medically necessary and appropriate under subdivision 3, paragraph (b), clause (1) or (2), or in the ~~patient's~~ defendant's best medical interest under subdivision 3, paragraph (b), clause (3). The certification report shall be filed with the court when a motion for a hearing is made under this section.

~~(b)~~ (c) A certification report made pursuant to this section shall include a description of the neuroleptic medication proposed to be administered to the defendant, if any, and its likely effects and side effects, including effects on the defendant's condition or behavior that would affect the defendant's ability to understand the nature of the criminal proceedings or to assist counsel in the conduct of a defense in a reasonable manner.

~~(c)~~ (d) Any defendant subject to an order under subdivision 3 of this section or the state may request review of that order.

~~(d)~~ (e) In addition to the court examiner appointed to report to the court on the defendant's competency to proceed, the court may appoint a court examiner to examine the defendant and report to the court and parties as to whether the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication. If the ~~patient~~ defendant refuses to participate in an examination, the court examiner may rely on the ~~patient's~~ defendant's clinically relevant medical records in reaching an opinion.

~~(e)~~ (f) The defendant is entitled to a second court examiner under this section, if requested by the defendant.

Subd. 3. **Determination.** (a) The court shall ~~consider opinions in the reports prepared under subdivision 2 as applicable to the issue of~~ first determine whether the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication ~~and shall proceed under paragraph (b)~~. In making this determination, the court:

(1) must apply a rebuttable presumption that a defendant has the capacity to make decisions regarding administration of neuroleptic medication;

(2) must find that a defendant has the capacity to make decisions regarding the administration of neuroleptic medication if the defendant:

(i) has an awareness of the nature of the defendant's situation and the possible consequences of refusing treatment with neuroleptic medications;

(ii) has an understanding of treatment with neuroleptic medications and the risks, benefits, and alternatives; and

(iii) communicates verbally or nonverbally a clear choice regarding treatment with neuroleptic medications that is a reasoned one not based on a symptom of the defendant's mental illness, even though it may not be in the defendant's best interests; and

(3) must not conclude that a defendant's decision is unreasonable based solely on a disagreement with the medical practitioner's recommendation.

(b) If the court determines that the defendant lacks capacity to make decisions regarding the administration of neuroleptic medication, the court shall hear and determine whether any of the following is true:

(1) ~~the defendant lacks capacity to make decisions regarding neuroleptic medication, as defined in section 253B.092, subdivision 5,~~ the defendant's mental illness requires medical

treatment with neuroleptic medication, and, if the defendant's mental illness is not treated with neuroleptic medication, it is probable that serious harm to the physical or mental health of the ~~patient~~ defendant will result. Probability of serious harm to the physical or mental health of the defendant requires evidence that the defendant is presently suffering adverse effects to the defendant's physical or mental health, or the defendant has previously suffered these effects as a result of a mental illness and the defendant's condition is substantially deteriorating or likely to deteriorate without administration of neuroleptic medication. The fact that a defendant has a diagnosis of a mental illness does not alone establish probability of serious harm to the physical or mental health of the defendant;

(2) ~~the defendant lacks capacity to make decisions regarding neuroleptic medication, as defined in section 253B.092, subdivision 5,~~ neuroleptic medication is medically necessary, and the defendant is a danger to others, in that the defendant has inflicted, attempted to inflict, or made a serious threat of inflicting substantial bodily harm on another while in custody, or the defendant had inflicted, attempted to inflict, or made a serious threat of inflicting substantial bodily harm on another that resulted in being taken into custody, and the defendant presents, as a result of mental illness or cognitive impairment, a demonstrated danger of inflicting substantial bodily harm on others. Demonstrated danger may be based on an assessment of the defendant's present mental condition, including a consideration of past behavior of the defendant and other relevant information; or

(3) ~~the defendant lacks capacity to make decisions regarding neuroleptic medication, as defined in section 253B.092, subdivision 5, and~~ the defendant does not meet the criteria under clause (1) or (2), but the state has shown by clear and convincing evidence that:

(i) the state has charged the defendant with a serious crime against the person or property;

(ii) involuntary administration of neuroleptic medication is substantially likely to render the defendant competent to stand trial;

(iii) the medication is unlikely to have side effects that interfere with the defendant's ability to understand the nature of the criminal proceedings or to assist counsel in the conduct of a defense in a reasonable manner;

(iv) less intrusive treatments are unlikely to have substantially the same results and involuntary medication is necessary; and

(v) neuroleptic medication is in the ~~patient's~~ defendant's best medical interest in light of the ~~patient's~~ defendant's medical condition.

(c) ~~In ruling on a petition under this section, the court shall also take into consideration any evidence on~~ If the conditions described in paragraph (b), clause (1), (2), or (3), exist, the court shall determine whether the following factors weigh in favor of authorizing the involuntary administration of neuroleptic medication:

(1) what the ~~patient~~ defendant would choose to do in the situation if the ~~patient~~ defendant had capacity, including evidence such as a durable power of attorney for health care under chapter 145C;

(2) the defendant's family, community, moral, religious, and social values;

(3) the medical risks, benefits, and alternatives to the proposed treatment;

(4) past efficacy and any extenuating circumstances of past use of neuroleptic medications; and

(5) any other relevant factors.

~~(d) In determining whether the defendant possesses capacity to consent to neuroleptic medications, the court:~~

~~(1) must apply a rebuttable presumption that a defendant has the capacity to make decisions regarding administration of neuroleptic medication;~~

~~(2) must find that a defendant has the capacity to make decisions regarding the administration of neuroleptic medication if the defendant:~~

~~(i) has an awareness of the nature of the defendant's situation and the possible consequences of refusing treatment with neuroleptic medications;~~

~~(ii) has an understanding of treatment with neuroleptic medications and the risks, benefits, and alternatives; and~~

~~(iii) communicates verbally or nonverbally a clear choice regarding treatment with neuroleptic medications that is a reasoned one not based on a symptom of the defendant's mental illness, even though it may not be in the defendant's best interests; and~~

~~(3) must not conclude that a defendant's decision is unreasonable based solely on a disagreement with the medical practitioner's recommendation.~~

~~(e)~~ (d) If ~~consideration of the evidence presented on~~ the factors in paragraph (c) ~~weighs~~ weigh in favor of authorizing involuntary administration of neuroleptic medication, ~~and the court finds any of the conditions described in paragraph (b) to be true,~~ the court shall issue an order authorizing involuntary administration of neuroleptic medication to the defendant when and as prescribed by the defendant's medical practitioner, including administration

by a treatment facility or correctional facility. The court order shall specify which medications are authorized and may limit the maximum dosage of neuroleptic medication that may be administered. The order shall be valid for no more than one year. An order may be renewed by filing another petition under this section and following the process in this section. The order shall terminate no later than the closure of the criminal case in which it is issued. ~~The court shall not order involuntary administration of neuroleptic medication under paragraph (b), clause (3), unless the court has first found that the defendant does not meet the criteria for involuntary administration of neuroleptic medication under paragraph (b), clause (1), and does not meet the criteria under paragraph (b), clause (2).~~

(f) A copy of the order must be given to the defendant, the defendant's attorney, the county attorney, and the treatment facility or correctional facility where the defendant is being served. The treatment facility, correctional facility, or treating medical practitioner may not begin administration of the neuroleptic medication until it notifies the ~~patient~~ defendant of the court's order authorizing the treatment.

Subd. 4. **Emergency administration.** A treating medical practitioner may administer neuroleptic medication to a defendant who does not have capacity to make a decision regarding administration of the medication if the defendant is in an emergency situation. Medication may be administered for so long as the emergency continues to exist, up to 14 days, if the treating medical practitioner determines that the medication is necessary to prevent serious, immediate physical harm to the ~~patient~~ defendant or to others. If a request for authorization to administer medication is made to the court within the 14 days, the treating medical practitioner may continue the medication through the date of the first court hearing, if the emergency continues to exist. The treating medical practitioner shall document the emergency in the defendant's medical record in specific behavioral terms.

Subd. 5. **Administration without judicial review.** Neuroleptic medications may be administered without judicial review under this subdivision if:

(1) the defendant has been prescribed neuroleptic medication prior to admission to a facility or program, but lacks the present capacity to consent to the administration of that neuroleptic medication; continued administration of the medication is in the ~~patient's~~ defendant's best interest; and the defendant does not refuse administration of the medication. In this situation, the previously prescribed neuroleptic medication may be continued for up to 14 days while the treating medical practitioner is requesting a court order authorizing administering neuroleptic medication or an amendment to a current court order authorizing administration of neuroleptic medication. If the treating medical practitioner requests a court order under this section within 14 days, the treating medical practitioner may continue

administering the medication to the ~~patient~~ defendant through the hearing date or until the court otherwise issues an order; or

(2) the defendant does not have the present capacity to consent to the administration of neuroleptic medication, but prepared a health care power of attorney or a health care directive under chapter 145C requesting treatment or authorizing an agent or proxy to request treatment, and the agent or proxy has requested the treatment.

Subd. 6. **Defendants with capacity to make informed decision.** If the court finds that the defendant has the capacity to decide whether to take neuroleptic medication, a facility or program may not administer medication without the ~~patient's~~ defendant's informed written consent or without the declaration of an emergency, or until further review by the court.

Subd. 7. **Procedure when patient defendant refuses medication.** If physical force is required to administer the neuroleptic medication, the facility or program may only use injectable medications. If physical force is needed to administer the medication, medication may only be administered in a setting where the ~~person's~~ defendant's condition can be reassessed and medical personnel qualified to administer medication are available, including in the community or a correctional facility. The facility or program may not use a nasogastric tube to administer neuroleptic medication involuntarily.

Sec. 28. Minnesota Statutes 2022, section 611.48, is amended to read:

**611.48 REVIEW HEARINGS.**

The prosecutor or defense counsel may apply to the court for a hearing to review the defendant's competency ~~restoration~~ attainment programming. All parties are entitled to notice before the hearing. The hearing shall be held no later than 30 days after the date of the request, unless extended upon agreement of the prosecutor and defense counsel or by the court for good cause.

Sec. 29. Minnesota Statutes 2022, section 611.49, is amended to read:

**611.49 LIKELIHOOD TO ATTAIN COMPETENCY.**

Subdivision 1. **Applicability.** (a) The court may hold a hearing on its own initiative or upon request of either party to determine whether the defendant is likely to attain competency in the foreseeable future when the most recent court examiner's report states that the defendant is unlikely to attain competency in the foreseeable future, and either:

(1) the defendant has not ~~been restored to competence~~ attained competency after participating and cooperating with court-ordered competency ~~restoration~~ attainment programming for at least one year; or

(2) the defendant has not received timely competency ~~restoration~~ attainment services under section 611.46 after one year.

(b) The court cannot find a defendant unlikely to attain competency based upon a defendant's refusal to cooperate with or remain at a ~~certified~~ competency program or cooperate with an examination.

(c) The parties are entitled to 30 days of notice prior to the hearing and, unless the parties agree to a longer time period, the court must determine within 30 days after the hearing whether there is a substantial probability that the defendant will attain competency within the foreseeable future.

(d) A party attempting to demonstrate that there is a substantial probability that the defendant will attain competency within the foreseeable future must prove that probability by a preponderance of the evidence.

Subd. 2. **Procedure.** (a) If the court finds that there is a substantial probability that the defendant will attain competency within the reasonably foreseeable future, the court shall find the defendant incompetent and proceed under section 611.46.

(b) If the court finds that there is not a substantial probability the defendant will attain competency within the reasonably foreseeable future, the court may not order the defendant to participate in or continue to participate in a competency ~~restoration~~ attainment program in a locked treatment facility. The court must release the defendant from any custody holds pertaining to the underlying criminal case and require the forensic navigator to develop a bridge plan.

(c) If the court finds that there is not a substantial probability the defendant will attain competency within the foreseeable future, the court may issue an order to the designated agency in the county of financial responsibility or the county where the defendant is present to conduct a prepetition screening pursuant to section 253B.07.

~~(d) If a hearing is held under this subdivision and the criteria pursuant to subdivision 1, paragraphs (a) and (b) are satisfied, a party attempting to demonstrate that there is a substantial probability that the defendant will attain competency within the foreseeable future must prove by a preponderance of the evidence.~~

~~(c)~~ (d) If the court finds that there is not a substantial probability that the defendant will attain competency within the foreseeable future, the court must dismiss the case unless:

(1) the person is charged with a violation of section ~~609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree);~~ 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152; or

(2) there is a showing of a danger to public safety if the matter is dismissed.

~~(f)~~ (e) If the court does not dismiss the charges, the court must order continued supervision under subdivision 3.

Subd. 3. **Continued supervision.** (a) If the court orders the continued supervision of a defendant, any party may request a hearing on the issue of continued supervision by filing a notice no more than ten days after the order for continued supervision.

(b) When continued supervision is ordered, the court must identify the supervisory agency responsible for the supervision of the defendant~~, including but not limited to directing~~ and may identify a forensic navigator as the responsible entity.

(c) Notwithstanding the reporting requirements of section 611.46, subdivision 6, the court examiner must provide an updated report to the court one year after the initial order for continued supervision as to the defendant's competency and a description of the efforts made to ~~restore~~ assist the defendant ~~to~~ in attaining competency. The court shall hold a review hearing within 30 days of receipt of the report.

(d) If continued supervision is ordered at the review hearing under paragraph (c), the court must set a date for a review hearing no later than two years after the most recent order for continuing supervision. The court must order review of the defendant's status, including an updated competency examination and report by the court examiner. The court examiner must submit the updated report to the court. At the review hearing, the court must determine if the defendant has attained competency, whether there is a substantial probability that the defendant will attain competency within the foreseeable future, and whether the absence of continuing supervision of the defendant is a danger to public safety. Notwithstanding

subdivision 2, paragraph ~~(e)~~ (d), the court may hear any motions to dismiss pursuant to the interest of justice at the review hearing.

(e) Continued supervision of a defendant in cases where the most serious charge is a targeted misdemeanor or gross misdemeanor is subject to the limitations established in section 611.45, subdivision 3, paragraph (b).

~~(e)~~ (f) The court may not order continued supervision of a defendant charged with a felony for more than ten years unless the defendant is charged with a violation of section ~~609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree);~~ 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

~~(f)~~ (g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, forensic navigator, and any entity responsible for the supervision of the defendant prior to any planned discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge. If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

~~(g)~~ (h) The court may provide, partner, or contract for pretrial supervision services or continued supervision if the defendant is found incompetent and unlikely to attain competency in the foreseeable future.

Sec. 30. Minnesota Statutes 2022, section 611.51, is amended to read:

**611.51 CREDIT FOR CONFINEMENT.**

If the defendant is convicted, any time spent confined in a ~~secured~~ secure setting while being assessed ~~and restored to~~ or receiving competency attainment services must be credited as time served.

Sec. 31. Minnesota Statutes 2022, section 611.55, is amended to read:

**611.55 FORENSIC NAVIGATOR SERVICES.**

Subdivision 1. **Definition.** As used in this section, "board" means the State Competency ~~Restoration~~ Attainment Board established in section 611.56.

Subd. 2. **Availability of forensic navigator services.** The board must provide or contract for enough forensic navigator services to meet the needs of adult defendants in each judicial district who are found incompetent to proceed.

Subd. 3. **Duties.** (a) Forensic navigators shall assist and supervise defendants when appointed to do so by a court. Forensic navigators shall be impartial in all legal matters relating to the criminal case. Nothing shall be construed to permit the forensic navigator to provide legal counsel as a representative of the court, prosecutor, or defense counsel. ~~Forensic navigators shall be required to report compliance and noncompliance with pretrial supervision and any orders of the court.~~

(b) Forensic navigators shall provide services to assist defendants with mental illnesses and cognitive impairments. Services may include, but are not limited to:

(1) developing bridge plans;

(2) assisting defendants in participating in court-ordered examinations and hearings;

(3) coordinating timely placement in court-ordered competency ~~restoration~~ attainment programs;

(4) providing competency ~~restoration~~ attainment education;

(5) reporting to the court on the progress of defendants found incompetent to stand trial;

(6) providing coordinating services to help defendants access ~~needed~~ mental health services, medical care, stable housing and housing assistance, financial assistance, social services, transportation, precharge and pretrial diversion, and other necessary services provided by other programs and community service providers;

(7) communicating with and offering supportive resources to defendants and family members of defendants; and

(8) providing consultation and education to court officials on emerging issues and innovations in serving defendants with mental illnesses in the court system.

(c) When ordered to supervise a defendant, a forensic navigator shall report to the court on a defendant's compliance or noncompliance with conditions of pretrial supervision and any order of the court.

~~(c)~~ (d) If a defendant's charges are dismissed, the appointed forensic navigator may continue assertive outreach with the individual for up to 90 days to assist in attaining stability in the community.

Subd. 4. **Bridge plans.** (a) ~~The Forensic navigator must prepare bridge plans~~ A forensic navigator must prepare a bridge plan with the defendant and submit ~~them~~ the bridge plan to the court. Bridge plans must be submitted before the time the court makes a competency finding pursuant to section 611.45. ~~The~~ A bridge plan must include:

(1) a confirmed housing address the defendant will use upon release, including but not limited to emergency shelters;

(2) if possible, the dates, times, locations, and contact information for any appointments made to further coordinate support and assistance for the defendant in the community, including but not limited to mental health and substance use disorder treatment, or a list of referrals to services; and

(3) any other referrals, resources, or recommendations the forensic navigator or court deems necessary.

(b) Bridge plans and any supporting records or other data submitted with those plans are not accessible to the public.

Sec. 32. Minnesota Statutes 2022, section 611.56, is amended to read:

**611.56 STATE COMPETENCY ~~RESTORATION~~ ATTAINMENT BOARD.**

Subdivision 1. **Establishment; membership.** (a) The State Competency ~~Restoration~~ Attainment Board is established in the judicial branch. The board is not subject to the administrative control of the judiciary. The board shall consist of seven members, including:

(1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and

(2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency ~~restoration~~ attainment.

(b) The appointing authorities may not appoint an active judge to be a member of the board, but may appoint a retired judge.

(c) All members must demonstrate an interest in maintaining a high quality, independent forensic navigator program and a thorough process for certification of competency ~~restoration~~ attainment programs. Members shall be familiar with the Minnesota Rules of Criminal Procedure, particularly rule 20; chapter 253B; and sections 611.40 to 611.59. Following the initial terms of appointment, at least one member appointed by the supreme court must have previous experience working as a forensic navigator. At least three members of the board shall live outside the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect the chair from among the membership for a term of two years.

Subd. 2. **Duties and responsibilities.** (a) The board shall create and administer a statewide, independent competency ~~restoration~~ attainment system that certifies competency ~~restoration~~ attainment programs and uses forensic navigators to promote prevention and diversion of people with mental illnesses and cognitive impairments from entering the legal system, support defendants with mental illness and cognitive impairments, support defendants in the competency process, and assist courts and partners in coordinating competency ~~restoration~~ attainment services.

(b) The board shall:

(1) approve and recommend to the legislature a budget for the board and the forensic navigator program;

(2) establish procedures for distribution of funding under this section to the forensic navigator program;

(3) establish forensic navigator standards, administrative policies, procedures, and rules consistent with statute, rules of court, and laws that affect a forensic navigator's work;

(4) establish certification requirements for competency ~~restoration~~ attainment programs; and

(5) carry out the programs under sections 611.57, 611.58, and 611.59.

(c) The board may:

(1) adopt standards, policies, or procedures necessary to ensure quality assistance for defendants found incompetent to stand trial and charged with a felony, gross misdemeanor, or targeted misdemeanor, or for defendants found incompetent to stand trial who have recurring incidents;

(2) establish district forensic navigator offices as provided in subdivision 4; and

(3) propose statutory changes to the legislature and rule changes to the supreme court that would facilitate the effective operation of the forensic navigator program.

Subd. 3. **Administrator.** The board shall appoint a program administrator who serves at the pleasure of the board. The program administrator shall attend all meetings of the board and the Certification Advisory Committee, but may not vote, and shall:

(1) carry out all administrative functions necessary for the efficient and effective operation of the board and the program, including but not limited to hiring, supervising, and disciplining program staff and forensic navigators;

(2) implement, as necessary, resolutions, standards, rules, regulations, and policies of the board;

(3) keep the board fully advised as to its financial condition, and prepare and submit to the board the annual program and budget and other financial information as requested by the board;

(4) recommend to the board the adoption of rules and regulations necessary for the efficient operation of the board and the program; and

(5) perform other duties prescribed by the board.

Subd. 4. **District offices.** The board may establish district forensic navigator offices in counties, judicial districts, or other areas where the number of defendants receiving competency ~~restoration~~ attainment services requires more than one full-time forensic navigator and establishment of an office is fiscally responsible and in the best interest of defendants found to be incompetent.

Subd. 5. **Administration.** The board may contract with the Office of State Court Administrator for administrative support services for the fiscal years following fiscal year 2022.

Subd. 6. **Fees and costs; civil actions on contested case.** Sections 15.039 and 15.471 to 15.474 apply to the State Competency ~~Restoration~~ Attainment Board.

Subd. 7. **Access to records.** Access to records of the board is subject to the Rules of Public Access for Records of the Judicial Branch. The board may propose amendments for supreme court consideration.

Sec. 33. Minnesota Statutes 2022, section 611.57, is amended to read:

**611.57 CERTIFICATION ADVISORY COMMITTEE.**

Subdivision 1. **Establishment.** The Certification Advisory Committee is established to provide the State Competency ~~Restoration~~ Attainment Board with advice and expertise related to the certification of competency ~~restoration~~ attainment programs, including jail-based programs.

Subd. 2. **Membership.** (a) The Certification Advisory Committee consists of the following members:

(1) a mental health professional, as defined in section 245I.02, subdivision 27, with community behavioral health experience, appointed by the governor;

(2) a board-certified forensic psychiatrist with experience in competency evaluations, providing competency ~~restoration~~ attainment services, or both, appointed by the governor;

(3) a board-certified forensic psychologist with experience in competency evaluations, providing competency ~~restoration~~ attainment services, or both, appointed by the governor;

(4) the president of the Minnesota Corrections Association or a designee;

(5) the direct care and treatment deputy commissioner or a designee;

(6) the president of the Minnesota Association of County Social Service Administrators or a designee;

(7) the president of the Minnesota Association of Community Mental Health Providers or a designee;

(8) the president of the Minnesota Sheriffs' Association or a designee; and

(9) the executive director of the National Alliance on Mental Illness Minnesota or a designee.

(b) Members of the advisory committee serve without compensation and at the pleasure of the appointing authority. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Meetings.** At its first meeting, the advisory committee shall elect a chair and may elect a vice-chair. The advisory committee shall meet at least monthly or upon the call

the chair. The advisory committee shall meet sufficiently enough to accomplish the tasks identified in this section.

Subd. 4. **Duties.** The Certification Advisory Committee shall consult with the Department of Human Services, the Department of Health, and the Department of Corrections; make recommendations to the State Competency ~~Restoration~~ Attainment Board regarding competency ~~restoration~~ attainment curriculum, certification requirements for competency ~~restoration~~ attainment programs including jail-based programs, and certification of individuals to provide competency ~~restoration~~ attainment services; and provide information and recommendations on other issues relevant to competency ~~restoration~~ attainment as requested by the board.

Sec. 34. Minnesota Statutes 2022, section 611.58, is amended to read:

**611.58 COMPETENCY ~~RESTORATION~~ ATTAINMENT CURRICULUM AND CERTIFICATION.**

Subdivision 1. **Curriculum.** (a) By January 1, 2023, the board must recommend a competency ~~restoration~~ attainment curriculum to educate and assist defendants found incompetent in attaining the ability to:

(1) rationally consult with counsel;

(2) understand the proceedings; and

(3) participate in the defense.

(b) The curriculum must be flexible enough to be delivered in community and correctional settings by individuals with various levels of education and qualifications, including but not limited to professionals in criminal justice, health care, mental health care, and social services. The board must review and update the curriculum as needed.

Subd. 2. **Certification and distribution.** By January 1, 2023, the board must develop a process for certifying individuals to deliver the competency ~~restoration~~ attainment curriculum and make the curriculum available to every ~~certified~~ competency ~~restoration~~ attainment program and forensic navigator in the state. Each competency ~~restoration~~ attainment program in the state must use the competency ~~restoration~~ attainment curriculum under this section as the foundation for delivering competency ~~restoration~~ attainment education and must not substantially alter the content.

Sec. 35. Minnesota Statutes 2022, section 611.59, is amended to read:

**611.59 COMPETENCY ~~RESTORATION~~ ATTAINMENT PROGRAMS.**

Subdivision 1. **Availability and certification.** The board must provide or contract for enough competency ~~restoration~~ attainment services to meet the needs of adult defendants in each judicial district who are found incompetent to proceed and do not have access to competency ~~restoration~~ attainment services as a part of any other programming in which they are ordered to participate. The board, in consultation with the Certification Advisory Committee, shall develop procedures to certify that the standards in this section are met, including procedures for regular recertification of competency ~~restoration~~ attainment programs. The board shall maintain a list of programs it has certified ~~competency restoration programs~~ on the board's website ~~to be updated~~ and shall update the list of competency attainment programs at least once every year.

Subd. 2. **Competency ~~restoration~~ attainment provider standards.** Except for jail-based programs, a competency ~~restoration~~ attainment provider must:

(1) be able to provide the appropriate mental health or substance use disorder treatment ordered by the court, including but not limited to treatment in inpatient, residential, and home-based settings;

(2) ensure that competency ~~restoration~~ attainment education certified by the board is provided to defendants and that regular assessments of defendants' progress in attaining competency are documented;

(3) designate a head of the program knowledgeable in the processes and requirements of the competency to stand trial procedures; and

(4) develop staff procedures or designate a person responsible to ensure timely communication with the court system.

Subd. 3. **Jail-based competency ~~restoration~~ attainment standards.** Jail-based competency ~~restoration~~ attainment programs must be housed in correctional facilities licensed by the Department of Corrections under section 241.021 and must:

(1) have a designated program director who meets minimum qualification standards set by the board, including understanding the requirements of competency to stand trial procedures;

(2) provide minimum mental health services including:

(i) having multidisciplinary staff sufficient to monitor defendants and provide timely assessments, treatment, and referrals as needed, including at least one medical professional licensed to prescribe psychiatric medication;

(ii) prescribing, dispensing, and administering any medication deemed clinically appropriate by qualified medical professionals; and

(iii) having policies and procedures for the administration of involuntary medication;

(3) ensure that competency ~~restoration~~ attainment education certified by the board is provided to defendants and regular assessments of defendants' progress in attaining competency to stand trial are documented;

(4) develop staff procedures or designate a person responsible to ensure timely communication with the court system; and

(5) designate a space in the correctional facility for the program.

Subd. 4. **Program evaluations.** (a) The board shall collect the following data:

(1) the total number of competency examinations ordered in each judicial district separated by county;

(2) the age, race, and number of unique defendants and for whom at least one competency examination was ordered in each judicial district separated by county;

(3) the age, race, and number of unique defendants found incompetent at least once in each judicial district separated by county; and

(4) all available data on the level of charge and adjudication of cases with a defendant found incompetent and whether a forensic navigator was assigned to the case.

(b) By February 15 of each year, the board must report to the legislative committees and divisions with jurisdiction over human services, public safety, and the judiciary on the data collected under this subdivision and may include recommendations for statutory or funding changes related to competency ~~restoration~~ attainment.

Sec. 36. Laws 2022, chapter 99, article 3, section 1, is amended to read:

Section 1. **APPROPRIATION BASE ESTABLISHED; COMPETENCY ~~RESTORATION~~ ATTAINMENT.**

Subdivision 1. **Department of Corrections.** The general fund appropriation base for the commissioner of corrections is $202,000 in fiscal year 2024 and $202,000 in fiscal year 2025 for correctional facilities inspectors.

Subd. 2. **District courts.** The general fund appropriation base for the district courts is $5,042,000 in fiscal year 2024 and $5,042,000 in fiscal year 2025 for costs associated with additional competency examination costs.

Subd. 3. **State Competency ~~Restoration~~ Attainment Board.** The general fund appropriation base for the State Competency ~~Restoration~~ Attainment Board is $11,350,000 in fiscal year 2024 and $10,900,000 in fiscal year 2025 for staffing and other costs needed to establish and perform the duties of the State Competency ~~Restoration~~ Attainment Board, including providing educational services necessary to ~~restore defendants to~~ assist defendants in attaining competency, or contracting or partnering with other organizations to provide those services.

Sec. 37. **COMPETENCY ATTAINMENT BOARD; ESTABLISHMENT; APPROPRIATION.**

$250,000 in fiscal year 2023 is appropriated from the general fund to the State Competency Attainment Board to establish the board, hire an administrator and any other necessary staff, establish appropriate standards and requirements for a forensic navigator program, and establish certifications requirements and procedures for competency attainment curriculum and programs. This is a onetime appropriation.

Sec. 38. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Senator Dibble moved that S.F. No. 1057 be withdrawn from the Committee on State and Local Government and Veterans and re-referred to the Committee on Environment, Climate, and Legacy. The motion prevailed.

Senator Cwodzinski moved that S.F. No. 1090, No. 30 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Maye Quade moved that S.F. No. 1273 be withdrawn from the Committee on Education Finance and re-referred to the Committee on Education Policy. The motion prevailed.

Senator Dibble moved that S.F. No. 1627 be withdrawn from the Committee on State and Local Government and Veterans and re-referred to the Committee on Transportation. The motion prevailed.

Senator Rarick moved that S.F. No. 1654 be withdrawn from the Committee on Taxes and re-referred to the Committee on Health and Human Services. The motion prevailed.

Senator Putnam moved that S.F. No. 1749 be withdrawn from the Committee on State and Local Government and Veterans and re-referred to the Committee on Human Services. The motion prevailed.

Senator Klein moved that S.F. No. 1949 be withdrawn from the Committee on State and Local Government and Veterans and re-referred to the Committee on Commerce and Consumer Protection. The motion prevailed.

Senator Frentz moved that S.F. No. 1984 be withdrawn from the Committee on Education Policy and re-referred to the Committee on Commerce and Consumer Protection. The motion prevailed.

Senator Wiklund moved that S.F. No. 2001 be withdrawn from the Committee on Judiciary and Public Safety and re-referred to the Committee on State and Local Government and Veterans. The motion prevailed.

Senator Port moved that S.F. No. 2200 be withdrawn from the Committee on Jobs and Economic Development and re-referred to the Committee on Agriculture, Broadband, and Rural Development. The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Dziedzic, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 121 and 30.

## SPECIAL ORDER

**H.F. No. 121:** A bill for an act relating to competency attainment; making certain technical changes; appropriating money; amending Minnesota Statutes 2022, sections 611.41, subdivisions 2, 5, 6, 7, 8, 9, 10, 13, 14, 16, by adding a subdivision; 611.42, subdivisions 2, 3, 4; 611.43, subdivisions 1, 2, 3; 611.44, subdivisions 1, 2; 611.45, subdivision 3; 611.46, subdivisions 1, 2, 3,

4, 5, 6; 611.47; 611.48; 611.49; 611.51; 611.55; 611.56; 611.57; 611.58; 611.59; Laws 2022, chapter 99, article 3, section 1.

H.F. No. 121 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Klein | Miller | Rasmusson |
| Anderson | Eichorn | Koran | Mitchell | Rest |
| Boldon | Farnsworth | Kreun | Mohamed | Seeberger |
| Carlson | Fateh | Kunesh | Morrison | Utke |
| Champion | Frentz | Kupec | Murphy | Weber |
| Coleman | Green | Lang | Nelson | Wesenberg |
| Cwodzinski | Gruenhagen | Lieske | Oumou Verbeten | Westlin |
| Dahms | Gustafson | Limmer | Pappas | Westrom |
| Dibble | Hauschild | Mann | Pha | Wiklund |
| Dornink | Hawj | Marty | Port | Xiong |
| Draheim | Hoffman | Mathews | Pratt | |
| Drazkowski | Jasinski | Maye Quade | Putnam | |
| Duckworth | Johnson | McEwen | Rarick | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 30:** A bill for an act relating to public safety; establishing requirements for the purchase of catalytic converters; providing for penalties; appropriating money; amending Minnesota Statutes 2022, sections 325E.21, subdivisions 1b, 2, 4, 5, 6, by adding subdivisions; 609.5316, subdivision 3.

Senator Marty moved to amend H.F. No. 30, as amended pursuant to Rule 45, adopted by the Senate February 27, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 5.)

Page 7, after line 13, insert:

"(e) Paragraphs (c) and (d) do not apply to a scrap metal dealer that purchases or acquires a catalytic converter directly from a different scrap metal dealer that has certified in writing that it has fully complied with paragraphs (c) and (d) with respect to the catalytic converter."

Page 7, line 14, delete "(e)" and insert "(f)"

Page 7, after line 16, insert:

"(g) Notwithstanding paragraph (f), a scrap metal dealer may pay a bona fide business engaged in vehicle dismantling, vehicle demolishing, scrap metal recycling, or automotive repair services at any time for a direct sale of a catalytic converter by the bona fide business to the scrap metal dealer. Payment must be made by check payable to the seller or deposited electronically in a bank account in the seller's name."

# 007. HF 45

**Vote:** 2023-03-22 | **Workbook row:** 12
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Assessment process established to determine if current and former members of the military charged with offenses are eligible for deferred prosecution.

## Included complete bill documents

**1. Introduction, posted 2023-01-04** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/45/versions/0/pdf/

## Original Senate journal context

PDF pages 86-86. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230322039.pdf#page=86

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/45/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 45**


01/04/2023 Authored by Feist, Newton and Wiens
The bill was read for the first time and referred to the Committee on Veterans and Military Affairs Finance and Policy
01/17/2023 Adoption of Report: Re-referred to the Committee on Judiciary Finance and Civil Law
01/30/2023 Adoption of Report: Placed on the General Register
Read for the Second Time
02/20/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
03/23/2023 Passed by the Senate and returned to the House
03/28/2023 Presented to Governor
03/29/2023 Governor Approval


A bill for an act

relating to judiciary; establishing an assessment process to determine if current and former members of the military charged with certain offenses are eligible for deferred prosecution; amending Minnesota Statutes 2022, section 609.1056, subdivision 2, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 609.1056, is amended by adding a subdivision to read:

Subd. 1a. **Eligibility assessment.** (a) At any time before sentencing, a defendant who was, or currently is, a member of the United States military and who is charged with an eligible offense may request that the court determine whether the defendant is eligible for deferred prosecution under this section.

(b) Upon making a request for an eligibility assessment, the defendant shall release or authorize access to military service reports and records relating to an alleged applicable condition stemming from service in the United States military. The court must file the records as confidential, and the records must remain sealed, except as provided in this paragraph. The defendant, through existing records or licensed professional evaluation, shall establish the diagnosis of the applicable condition and the condition's connection to military service. The court, on its motion or the prosecutor's motion with notice to defense counsel, may order the defendant to furnish to the court for in-camera review or to the prosecutor copies of all medical and military service reports and records previously or subsequently made concerning the defendant's condition and its connection to service.

(c) The defendant is eligible for deferred prosecution under this section if the court determines by clear and convincing evidence that:

(1) the defendant suffers from an applicable condition;

(2) the condition stems from service in the United States military; and

(3) the offense was committed as a result of the applicable condition.

(d) If the defendant requests an eligibility assessment before a finding of guilty after trial or entry of a guilty plea, the court may make the finding required under paragraph (c), clause (3), based on the information in a citation or complaint and any accompanying police reports.

(e) Within 15 days of the court's findings, either party may file a challenge and demand a hearing on the defendant's eligibility for deferred prosecution.

Sec. 2. Minnesota Statutes 2022, section 609.1056, subdivision 2, is amended to read:

Subd. 2. **Deferred prosecution.** (a) If the court finds a defendant eligible for deferred prosecution pursuant to subdivision 1a and the defendant is found guilty, after trial or upon a plea of guilty, the court shall defer prosecution ~~for an eligible offense committed by a defendant who was, or currently is, a member of the United States military~~ as provided in this subdivision. ~~The court shall defer prosecution at the request of the defendant upon a finding of guilty after trial or upon a guilty plea.~~

~~(b) A defendant who requests to be sentenced under this section shall release or authorize access to military service reports and records relating to an alleged applicable condition stemming from service in the United States military. The court must file the records as confidential, and the records must remain sealed, except as provided in this paragraph. The defendant, through existing records or licensed professional evaluation, shall establish the diagnosis of the applicable condition and its connection to military service. The court, on its motion or the prosecutor's motion with notice to defense counsel, may order the defendant to furnish to the court for in-camera review or to the prosecutor copies of all medical and military service reports and records previously or subsequently made concerning the defendant's condition and its connection to service.~~

~~(c) Based on the record, the court shall determine, by clear and convincing evidence, whether the defendant suffers from an applicable condition, whether that condition stems from service in the United States military, and whether the offense was committed as a result of the applicable condition. Within 15 days of the court's findings, either party may~~

~~file a challenge to the findings and demand a hearing on the defendant's eligibility under this section.~~

~~(d) If the court makes the determination described~~ (b) Except as provided in paragraph (c), the court shall, without entering a judgment of guilty, defer further proceedings and place ~~the~~ a defendant who is eligible for deferred prosecution on probation upon such reasonable conditions as it may require and for a period not to exceed the maximum period provided by law. A court may extend a defendant's term of probation pursuant to section 609.135, subdivision 2, paragraphs (g) and (h). Conditions ordered by the court must include treatment, services, rehabilitation, and education sufficient so that if completed, the defendant would be eligible for discharge and dismissal under subdivision 3. If the court determines that a defendant suffers from a substance use disorder, the court shall order a Rule 25 assessment under Minnesota Rules, part 9530.6615, and order the defendant to follow the recommendations contained in the assessment. If the court determines that a defendant suffers from posttraumatic stress disorder, sexual trauma, traumatic brain injury, or other mental health conditions, the court shall order a mental health assessment conducted by a licensed mental health professional and follow the recommendations contained in the examiner's report.

~~(e)~~ (c) If the court determines that the defendant is eligible for a deferred sentence but the defendant has previously received a deferred sentence for a felony offense under this subdivision, the court may, but is not required to, impose a deferred sentence. If the court does not impose a deferred sentence, the court may sentence the defendant as otherwise provided in law, including as provided in subdivision 4.

~~(f)~~ (d) Upon violation of a condition of probation, the court may enter an adjudication of guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

~~(g)~~ (e) As a condition of probation, the court may order the defendant to attend a local, state, federal, or private nonprofit treatment program for a period not to exceed the maximum period for which the defendant could have been incarcerated.

~~(h)~~ (f) The court, when issuing an order under this subdivision that a defendant attend an established treatment program, shall give preference to a treatment program that has a history of successfully treating veterans who suffer from applicable conditions caused by military service, including but not limited to programs operated by the United States Department of Defense or Veterans Affairs.

~~(i)~~ (g) The court and any assigned treatment program shall collaborate with, when available, the county veterans service officer and the United States Department of Veterans

Affairs to maximize benefits and services provided to the defendant. If an appropriate treatment provider is not available in the defendant's county of residence or public funding is not available, the Minnesota Department of Veterans Affairs shall coordinate with the United States Department of Veterans Affairs to locate an appropriate treatment program and sources to fund the cost of the defendant's participation in the program.

~~(j)~~ (h) If available in the county or judicial district having jurisdiction over the case, the defendant may be supervised by a veterans treatment court program under subdivision 5. If there is a veterans treatment court that meets the requirements of subdivision 5 in the county in which the defendant resides or works, supervision of the defendant may be transferred to that county or judicial district veterans treatment court program. Upon the defendant's successful or unsuccessful completion of the program, the veterans treatment court program shall communicate this information to the court of original jurisdiction for further action.

~~(k)~~ (i) Sentencing pursuant to this subdivision waives any right to administrative review pursuant to section 169A.53, subdivision 1, or judicial review pursuant to section 169A.53, subdivision 2, for a license revocation or cancellation imposed pursuant to section 169A.52, and also waives any right to administrative review pursuant to section 171.177, subdivision 10, or judicial review pursuant to section 171.177, subdivision 11, for a license revocation or cancellation imposed pursuant to section 171.177, if that license revocation or cancellation is the result of the same incident for which the defendant is being sentenced.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 45 and 244.

## SPECIAL ORDER

**H.F. No. 45:** A bill for an act relating to judiciary; establishing an assessment process to determine if current and former members of the military charged with certain offenses are eligible for deferred prosecution; amending Minnesota Statutes 2022, section 609.1056, subdivision 2, by adding a subdivision.

H.F. No. 45 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Mathews | Pratt |
| Anderson | Eichorn | Johnson | Maye Quade | Putnam |
| Bahr | Farnsworth | Klein | McEwen | Rasmusson |
| Boldon | Fateh | Koran | Miller | Rest |
| Carlson | Frentz | Kreun | Mitchell | Seeberger |
| Champion | Green | Kunesh | Mohamed | Utke |
| Cwodzinski | Gruenhagen | Kupec | Morrison | Weber |
| Dahms | Gustafson | Lang | Murphy | Wesenberg |
| Dibble | Hauschild | Lieske | Nelson | Westlin |
| Dornink | Hawj | Limmer | Oumou Verbeten | Westrom |
| Draheim | Hoffman | Lucero | Pappas | Wiklund |
| Drazkowski | Housley | Mann | Pha | Xiong |
| Duckworth | Howe | Marty | Port | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, Morrison, Pha, and Seeberger.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Westrom.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 244:** A bill for an act relating to uniform laws; adopting the Uniform Electronic Wills Act; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2022, sections 524.1-201; 524.2-504; 524.2-506; 524.2-507; proposing coding for new law in Minnesota Statutes, chapter 524.

Senator Duckworth moved to amend H.F. No. 244, the first unofficial engrossment, as follows:

# 008. HF 244

**Vote:** 2023-03-22 | **Workbook row:** 13
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Uniform Electronic Wills Act adopted; and technical, clarifying, and conforming changes made.

## Included complete bill documents

**1. Introduction, posted 2023-01-10** - 11 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/244/versions/0/pdf/

**2. 1st Unofficial Engrossment, posted 2023-03-09** - 11 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2023/0/HF/244/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 86-92. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230322039.pdf#page=91

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/244/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 244

01/11/2023 Authored by Feist
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
01/19/2023 Adoption of Report: Placed on the General Register
Read for the Second Time
02/09/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to uniform laws; adopting the Uniform Electronic Wills Act; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2022, sections 524.1-201; 524.2-504; 524.2-506; 524.2-507; proposing coding for new law in Minnesota Statutes, chapter 524.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 524.1-201, is amended to read:

**524.1-201 GENERAL DEFINITIONS.**

Subject to additional definitions contained in the subsequent articles which are applicable to specific articles or parts, and unless the context otherwise requires, in chapters 524 and 525:

(1) "Adoptee" means an individual who is adopted.

(2) "Application" means a written request to the registrar for an order of informal probate or appointment under article III, part 3.

(3) "Assisted reproduction" means a method of causing pregnancy other than sexual intercourse.

(4) "Beneficiary," as it relates to trust beneficiaries, includes a person who has any present or future interest, vested or contingent, and also includes the owner of an interest by assignment or other transfer and as it relates to a charitable trust, includes any person entitled to enforce the trust.

(5) "Birth mother" means a woman who gives birth to a child, including a woman who is the child's genetic mother and including a woman who gives birth to a child of assisted

reproduction. "Birth mother" does not include a woman who gives birth pursuant to a gestational agreement.

(6) "Child" includes any individual entitled to take as a child under law by intestate succession from the parent whose relationship is involved and excludes any person who is only a stepchild, a foster child, a grandchild or any more remote descendant.

(7) "Child of assisted reproduction" means a child conceived by means of assisted reproduction by a woman other than a child conceived pursuant to a gestational agreement.

(8) "Claims" includes liabilities of the decedent whether arising in contract or otherwise and liabilities of the estate which arise after the death of the decedent including funeral expenses and expenses of administration. The term does not include taxes, demands or disputes regarding title of a decedent to specific assets alleged to be included in the estate, tort claims, foreclosure of mechanic's liens, or to actions pursuant to section 573.02.

(9) "Court" means the court or branch having jurisdiction in matters relating to the affairs of decedents. This court in this state is known as the district court.

(10) "Conservator" means a person who is appointed by a court to manage the estate of a protected person.

(11) "Descendant" of an individual means all of the individual's descendants of all generations, with the relationship of parent and child at each generation being determined by the definition of child and parent contained in this section.

(12) "Devise," when used as a noun, means a testamentary disposition of real or personal property and when used as a verb, means to dispose of real or personal property by will.

(13) "Devisee" means any person designated in a will to receive a devise. In the case of a devise to an existing trust or trustee, or to a trustee on trust described by will, the trust or trustee is the devisee and the beneficiaries are not devisees.

(14) "Disability" means cause for appointment of a conservator as described in section 524.5-401, or a protective order as described in section 524.5-412.

(15) "Distributee" means any person who has received or who will receive property of a decedent from the decedent's personal representative other than as a creditor or purchaser. A testamentary trustee is a distributee with respect to property which the trustee has received from a personal representative only to the extent of distributed assets or their increment remaining in the trustee's hands. A beneficiary of a testamentary trust to whom the trustee has distributed property received from a personal representative is a distributee of the

personal representative. For purposes of this provision, "testamentary trustee" includes a trustee to whom assets are transferred by will, to the extent of the devised assets.

(16) "Divorce" includes an annulment, dissolution, and declaration of invalidity of marriage.

(17) "Electronic will" means a will or codicil that (i) is created, signed, and/or maintained in an electronic, digital, magnetic, wireless, optical, electromagnetic, or other similar medium, (ii) is retrievable in perceivable form, and (iii) is capable of verification that the writing of the electronic will has not been altered after its signing.

~~(17)~~ (18) "Estate" includes all of the property of the decedent, trust, or other person whose affairs are subject to this chapter as originally constituted and as it exists from time to time during administration.

~~(18)~~ (19) "Fiduciary" includes personal representative, guardian, conservator and trustee.

~~(19)~~ (20) "Foreign personal representative" means a personal representative of another jurisdiction.

~~(20)~~ (21) "Formal proceedings" means those conducted before a judge with notice to interested persons.

~~(21)~~ (22) "Functioned as a parent of the child" means behaving toward a child in a manner consistent with being the child's parent and performing functions that are customarily performed by a parent, including fulfilling parental responsibilities toward the child, recognizing or holding out the child as the individual's child, materially participating in the child's upbringing, and residing with the child in the same household as a regular member of that household.

~~(22)~~ (23) "Genetic father" means the man whose sperm fertilized the egg of a child's genetic mother. If the father-child relationship is established under the presumption of paternity under chapter 257, "genetic father" means only the man for whom that relationship is established.

~~(23)~~ (24) "Genetic mother" means the woman whose egg was fertilized by the sperm of a child's genetic father.

~~(24)~~ (25) "Genetic parent" means a child's genetic father or genetic mother.

~~(25)~~ (26) "Gestational agreement" means an agreement for assisted reproduction in which a woman agrees to carry a child to birth for an intended parent or intended parents.

~~(26)~~ (27) "Governing instrument" means a deed; will; trust; insurance or annuity policy; account with POD designation; security registered in beneficiary form (TOD); transfer on death (TOD) deed; pension, profit-sharing, retirement, or similar benefit plan; instrument creating or exercising a power of appointment or a power of attorney; or a dispositive, appointive, or nominative instrument of any similar type.

~~(27)~~ (28) "Guardian" means a person who has qualified as a guardian of a minor or incapacitated person pursuant to testamentary or court appointment, but excludes one who is merely a guardian ad litem.

~~(28)~~ (29) "Heirs" means those persons, including the surviving spouse, who are entitled under the statutes of intestate succession to the property of a decedent.

~~(29)~~ (30) "Incapacitated person" is as described in section 524.5-102, subdivision 6, other than a minor.

~~(30)~~ (31) "Incapacity" when used in sections 524.2-114 to 524.2-120 means the inability of an individual to function as a parent of a child because of the individual's physical or mental condition.

~~(31)~~ (32) "Informal proceedings" means those conducted by the judge, the registrar, or the person or persons designated by the judge for probate of a will or appointment of a personal representative in accordance with sections 524.3-301 to 524.3-311.

~~(32)~~ (33) "Intended parent" means an individual who entered into a gestational agreement providing that the individual will be the parent of a child born to a woman by means of assisted reproduction, including an individual who has a genetic relationship with the child.

~~(33)~~ (34) "Interested person" includes heirs, devisees, children, spouses, creditors, beneficiaries and any others having a property right in or claim against the estate of a decedent, ward or protected person which may be affected by the proceeding. It also includes persons having priority for appointment as personal representative, and other fiduciaries representing interested persons. The meaning as it relates to particular persons may vary from time to time and must be determined according to the particular purposes of, and matter involved in, any proceeding.

~~(34)~~ (35) "Lease" includes an oil, gas, or other mineral lease.

~~(35)~~ (36) "Letters" includes letters testamentary, letters of guardianship, letters of administration, and letters of conservatorship.

~~(36)~~ (37) "Mortgage" means any conveyance, agreement or arrangement in which property is used as security.

~~(37)~~ (38) "Nonresident decedent" means a decedent who was domiciled in another jurisdiction at the time of death.

~~(38)~~ (39) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal entity.

~~(39)~~ (40) "Person" means an individual, a corporation, an organization, or other legal entity.

~~(40)~~ (41) "Personal representative" includes executor, administrator, successor personal representative, special administrator, and persons who perform substantially the same function under the law governing their status. "General personal representative" excludes special administrator.

~~(41)~~ (42) "Petition" means a written request to the court for an order after notice.

(43) "Presence" or "conscious presence" for purposes of sections 524.2-501 to 524.2-517 means either:

(i) an individual being in a physical location in relation to the testator that allows the individual to see and hear the testator; or

(ii) an individual being in a state and communicating simultaneously with the testator by means of an electronic device or process by sight and sound to substantially the same extent as if the individual were in a physical location in relation to the testator that would allow an individual to see and hear the testator, allowing for reasonable accommodation for individuals with hearing, vision, or speech impairments as necessary.

~~(42)~~ (44) "Proceeding" includes action at law and suit in equity.

~~(43)~~ (45) "Property" includes both real and personal property or any interest therein and means anything that may be the subject of ownership.

~~(44)~~ (46) "Protected person" is as described in section 524.5-102, subdivision 14.

~~(45)~~ (47) "Registrar" refers to the judge of the court or the person designated by the court to perform the functions of registrar as provided in section 524.1-307.

~~(46)~~ (48) "Relative" means a grandparent or a descendant of a grandparent.

~~(47)~~ (49) "Security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate or, in general, any interest or instrument commonly

known as a security, or any certificate of interest or participation, any temporary or interim certificate, receipt or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing.

~~(48)~~ (50) "Settlement," in reference to a decedent's estate, includes the full process of administration, distribution and closing.

(51) "Signed" or "signing" for testators and witnesses for purposes of sections 524.2-501 to 524.2-517 means either:

(i) the physical act of applying a signature or mark on the tangible medium upon which a writing is located; or

(ii) to affix to or to logically associate with a writing an electronic symbol, signature, mark, or process with the intent to execute, witness, or authenticate the writing.

~~(49)~~ (52) "Special administrator" means a personal representative as described by sections 524.3-614 to 524.3-618.

~~(50)~~ (53) "State" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States.

~~(51)~~ (54) "Successor personal representative" means a personal representative, other than a special administrator, who is appointed to succeed a previously appointed personal representative.

~~(52)~~ (55) "Successors" means those persons, other than creditors, who are entitled to property of a decedent under the decedent's will, this chapter or chapter 525. "Successors" also means a funeral director or county government that provides the funeral and burial of the decedent, or a state or county agency with a claim authorized under section 256B.15.

~~(53)~~ (56) "Supervised administration" refers to the proceedings described in sections 524.3-501 to 524.3-505.

~~(54)~~ (57) "Testacy proceeding" means a proceeding to establish a will or determine intestacy.

~~(55)~~ (58) "Third-party donor" means an individual who produces eggs or sperm used for assisted reproduction, whether or not for consideration. The term does not include:

(i) a husband who provides sperm, or a wife who provides eggs, that are used for assisted reproduction by the wife;

(ii) the birth mother of a child of assisted reproduction; or

(iii) a man who has been determined under section 524.2-120, subdivision 4 or 5, to have a parent-child relationship with a child of assisted reproduction.

~~(56)~~ (59) "Trust" includes any express trust, private or charitable, with additions thereto, wherever and however created. It also includes a trust created or determined by judgment or decree under which the trust is to be administered in the manner of an express trust. "Trust" excludes other constructive trusts, and it excludes resulting trusts, conservatorships, personal representatives, trust accounts as defined in chapter 528, custodial arrangements pursuant to sections 149A.97, 318.01 to 318.06, 527.21 to 527.44, business trusts providing for certificates to be issued to beneficiaries, common trust funds, voting trusts, security arrangements, liquidation trusts, and trusts for the primary purpose of paying debts, dividends, interest, salaries, wages, profits, pensions, or employee benefits of any kind, and any arrangement under which a person is nominee or escrowee for another.

~~(57)~~ (60) "Trustee" includes an original, additional, or successor trustee, whether or not appointed or confirmed by court.

~~(58)~~ (61) "Ward" is as described in section 524.5-102, subdivision 17.

~~(59)~~ (62) "Will" includes an electronic will, any codicil to a will or electronic will, and any testamentary instrument which merely appoints an executor or revokes or revises another will, electronic will, or codicil.

(63) "Witnessing" for purposes of sections 524.2-501 to 524.2-517 means observing or authenticating the testator's signing or acknowledgment of signing a will by individuals in the presence of the testator at the time of the testator's signing or acknowledgment of signing the will.

(64) "Writing," "written instrument," or "written statement," for purposes of sections 524.1-201 and 524.2-501 to 524.2-517, means any reasonably permanent record that is readable as text at the time of signing and is retrievable in perceivable form, including any information that is: (i) inscribed on a tangible medium; or (ii) stored in an electronic, digital, magnetic, wireless, optical, electromagnetic, or other similar medium.

Sec. 2. Minnesota Statutes 2022, section 524.2-504, is amended to read:

**524.2-504 SELF-PROVED WILL.**

(a) A will may be contemporaneously executed, attested, and made self-proved, by acknowledgment thereof by the testator and affidavits of the witnesses, each made ~~before~~ in the presence of an officer authorized to administer oaths under the laws of the state in

which execution occurs and evidenced by the officer's certificate, under official seal, in substantially the following form:

I, ....., the testator, sign my name to this instrument this ..... day of ....., and being first duly sworn, do hereby declare to the undersigned authority that I sign and execute this instrument as my will and that I sign it willingly (or willingly direct another to sign for me), that I execute it as my free and voluntary act for the purposes therein expressed, and that I am 18 years of age or older, of sound mind, and under no constraint or undue influence.

.....

Testator

We, ....., ....., the witnesses, sign our names to this instrument, being first duly sworn, and do hereby declare to the undersigned authority that the testator signs and executes this instrument as the testator's will and that the testator signs it willingly (or willingly directs another to sign for the testator), and that each of us, in the presence and hearing of the testator, hereby signs this will as witness to the testator's signing, and that to the best of our knowledge the testator is 18 years of age or older, of sound mind, and under no constraint or undue influence.

.....

Witness

.....

Witness

State of.....

County of.....

Subscribed, sworn to, and acknowledged ~~before me~~ in my presence by ....., the testator, and subscribed and sworn to ~~before me~~ in my presence by ....., and ....., witnesses, this ..... day of ....., .....

(Seal)

(Signed) .....

.....

(Official capacity of officer)

(b) An attested will may be made self-proved at any time after its execution by the acknowledgment thereof by the testator and the affidavits of the witnesses, each made ~~before~~ in the presence of an officer authorized to administer oaths under the laws of the state in

which the acknowledgment occurs and evidenced by the officer's certificate, under the official seal, attached or annexed to the will in substantially the following form:

State of.....

County of.....

We, ....., ....., and ....., the testator and the witnesses, respectively, whose names are signed to the attached or foregoing instrument, being first duly sworn, do hereby declare to the undersigned authority that the testator signed and executed the instrument as the testator's will and that the testator had signed willingly (or willingly directed another to sign for the testator), and that the testator executed it as the testator's free and voluntary act for the purposes therein expressed, and each of the witnesses, in the presence and hearing of the testator, signed the will as witness and that to the best of the witness' knowledge the testator was at the time 18 years of age or older, of sound mind, and under no constraint or undue influence.

.....

Testator

.....

Witness

.....

Witness

Subscribed, sworn to, and acknowledged ~~before me~~ in my presence by ....., the testator, and subscribed and sworn to ~~before me~~ in my presence by ....., and ....., witnesses, this ..... day of ....., .....

(Seal)

(Signed) .....

.....

(Official capacity of officer)

(c) A signature affixed to a self-proving affidavit attached to a will is considered a signature affixed to the will, if necessary to prove the will's due execution.

Sec. 3. Minnesota Statutes 2022, section 524.2-506, is amended to read:

**524.2-506 CHOICE OF LAW AS TO EXECUTION.**

A ~~written~~ will is valid if executed in compliance with section 524.2-502 or if its execution complies with the law at the time of execution of the place where the testator executes the

will ~~is executed~~, or of the law of the place where at the time of execution or at the time of death the testator is domiciled, has a place of abode, or is a national.

Sec. 4. Minnesota Statutes 2022, section 524.2-507, is amended to read:

**524.2-507 REVOCATION BY WRITING OR BY ACT.**

(a) A will or any part thereof is revoked:

(1) by executing a subsequent will that revokes the previous will or part expressly or by inconsistency; or

(2) by performing a revocatory act ~~on the will~~, if the testator performed the act with the intent and for the purpose of revoking the will or part or if another individual performed the act in the testator's conscious presence and by the testator's direction. For purposes of this clause, "revocatory act ~~on the will~~" includes burning, tearing, canceling, obliterating, or destroying the will or any part of it. A burning, tearing, or canceling may be a "revocatory act ~~on the will~~," whether or not the burn, tear, or cancellation touched any of the words on the will.

(b) If a subsequent will does not expressly revoke a previous will, the execution of the subsequent will wholly revokes the previous will by inconsistency if the testator intended the subsequent will to replace rather than supplement the previous will.

(c) The testator is presumed to have intended a subsequent will to replace rather than supplement a previous will if the subsequent will makes a complete disposition of the testator's estate. If this presumption arises and is not rebutted by clear and convincing evidence, the previous will is revoked; only the subsequent will is operative on the testator's death.

(d) The testator is presumed to have intended a subsequent will to supplement rather than replace a previous will if the subsequent will does not make a complete disposition of the testator's estate. If this presumption arises and is not rebutted by clear and convincing evidence, the subsequent will revokes the previous will only to the extent the subsequent will is inconsistent with the previous will; each will is fully operative on the testator's death to the extent they are not inconsistent.

Sec. 5. **[524.2-518] CERTIFICATION OF PAPER COPY.**

An individual may create a certified paper copy of an electronic will by affirming under penalty of perjury that a paper copy of the electronic will is a complete, true, and accurate copy of the electronic will. If the electronic will is made self-proving, the certified paper

copy of the will must include the self-proving affidavits. A certified paper copy of an electronic will may be substituted for an original will when an original will is required by this chapter.

A bill for an act

relating to uniform laws; adopting the Uniform Electronic Wills Act; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2022, sections 524.1-201; 524.2-504; 524.2-506; 524.2-507; proposing coding for new law in Minnesota Statutes, chapter 524.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 524.1-201, is amended to read:

**524.1-201 GENERAL DEFINITIONS.**

Subject to additional definitions contained in the subsequent articles which are applicable to specific articles or parts, and unless the context otherwise requires, in chapters 524 and 525:

(1) "Adoptee" means an individual who is adopted.

(2) "Application" means a written request to the registrar for an order of informal probate or appointment under article III, part 3.

(3) "Assisted reproduction" means a method of causing pregnancy other than sexual intercourse.

(4) "Beneficiary," as it relates to trust beneficiaries, includes a person who has any present or future interest, vested or contingent, and also includes the owner of an interest by assignment or other transfer and as it relates to a charitable trust, includes any person entitled to enforce the trust.

(5) "Birth mother" means a woman who gives birth to a child, including a woman who is the child's genetic mother and including a woman who gives birth to a child of assisted

reproduction. "Birth mother" does not include a woman who gives birth pursuant to a gestational agreement.

(6) "Child" includes any individual entitled to take as a child under law by intestate succession from the parent whose relationship is involved and excludes any person who is only a stepchild, a foster child, a grandchild or any more remote descendant.

(7) "Child of assisted reproduction" means a child conceived by means of assisted reproduction by a woman other than a child conceived pursuant to a gestational agreement.

(8) "Claims" includes liabilities of the decedent whether arising in contract or otherwise and liabilities of the estate which arise after the death of the decedent including funeral expenses and expenses of administration. The term does not include taxes, demands or disputes regarding title of a decedent to specific assets alleged to be included in the estate, tort claims, foreclosure of mechanic's liens, or to actions pursuant to section 573.02.

(9) "Court" means the court or branch having jurisdiction in matters relating to the affairs of decedents. This court in this state is known as the district court.

(10) "Conservator" means a person who is appointed by a court to manage the estate of a protected person.

(11) "Descendant" of an individual means all of the individual's descendants of all generations, with the relationship of parent and child at each generation being determined by the definition of child and parent contained in this section.

(12) "Devise," when used as a noun, means a testamentary disposition of real or personal property and when used as a verb, means to dispose of real or personal property by will.

(13) "Devisee" means any person designated in a will to receive a devise. In the case of a devise to an existing trust or trustee, or to a trustee on trust described by will, the trust or trustee is the devisee and the beneficiaries are not devisees.

(14) "Disability" means cause for appointment of a conservator as described in section 524.5-401, or a protective order as described in section 524.5-412.

(15) "Distributee" means any person who has received or who will receive property of a decedent from the decedent's personal representative other than as a creditor or purchaser. A testamentary trustee is a distributee with respect to property which the trustee has received from a personal representative only to the extent of distributed assets or their increment remaining in the trustee's hands. A beneficiary of a testamentary trust to whom the trustee has distributed property received from a personal representative is a distributee of the

personal representative. For purposes of this provision, "testamentary trustee" includes a trustee to whom assets are transferred by will, to the extent of the devised assets.

(16) "Divorce" includes an annulment, dissolution, and declaration of invalidity of marriage.

(17) "Electronic will" means a will or codicil that (i) is created, signed, or maintained in an electronic, digital, magnetic, wireless, optical, electromagnetic, or other similar medium, (ii) is retrievable in perceivable form, and (iii) is capable of verification that the writing of the electronic will has not been altered after its signing.

~~(17)~~ (18) "Estate" includes all of the property of the decedent, trust, or other person whose affairs are subject to this chapter as originally constituted and as it exists from time to time during administration.

~~(18)~~ (19) "Fiduciary" includes personal representative, guardian, conservator and trustee.

~~(19)~~ (20) "Foreign personal representative" means a personal representative of another jurisdiction.

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~~(21)~~ (22) "Functioned as a parent of the child" means behaving toward a child in a manner consistent with being the child's parent and performing functions that are customarily performed by a parent, including fulfilling parental responsibilities toward the child, recognizing or holding out the child as the individual's child, materially participating in the child's upbringing, and residing with the child in the same household as a regular member of that household.

~~(22)~~ (23) "Genetic father" means the man whose sperm fertilized the egg of a child's genetic mother. If the father-child relationship is established under the presumption of paternity under chapter 257, "genetic father" means only the man for whom that relationship is established.

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~~(26)~~ (27) "Governing instrument" means a deed; will; trust; insurance or annuity policy; account with POD designation; security registered in beneficiary form (TOD); transfer on death (TOD) deed; pension, profit-sharing, retirement, or similar benefit plan; instrument creating or exercising a power of appointment or a power of attorney; or a dispositive, appointive, or nominative instrument of any similar type.

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~~(30)~~ (31) "Incapacity" when used in sections 524.2-114 to 524.2-120 means the inability of an individual to function as a parent of a child because of the individual's physical or mental condition.

~~(31)~~ (32) "Informal proceedings" means those conducted by the judge, the registrar, or the person or persons designated by the judge for probate of a will or appointment of a personal representative in accordance with sections 524.3-301 to 524.3-311.

~~(32)~~ (33) "Intended parent" means an individual who entered into a gestational agreement providing that the individual will be the parent of a child born to a woman by means of assisted reproduction, including an individual who has a genetic relationship with the child.

~~(33)~~ (34) "Interested person" includes heirs, devisees, children, spouses, creditors, beneficiaries and any others having a property right in or claim against the estate of a decedent, ward or protected person which may be affected by the proceeding. It also includes persons having priority for appointment as personal representative, and other fiduciaries representing interested persons. The meaning as it relates to particular persons may vary from time to time and must be determined according to the particular purposes of, and matter involved in, any proceeding.

~~(34)~~ (35) "Lease" includes an oil, gas, or other mineral lease.

~~(35)~~ (36) "Letters" includes letters testamentary, letters of guardianship, letters of administration, and letters of conservatorship.

~~(36)~~ (37) "Mortgage" means any conveyance, agreement or arrangement in which property is used as security.

~~(37)~~ (38) "Nonresident decedent" means a decedent who was domiciled in another jurisdiction at the time of death.

~~(38)~~ (39) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal entity.

~~(39)~~ (40) "Person" means an individual, a corporation, an organization, or other legal entity.

~~(40)~~ (41) "Personal representative" includes executor, administrator, successor personal representative, special administrator, and persons who perform substantially the same function under the law governing their status. "General personal representative" excludes special administrator.

~~(41)~~ (42) "Petition" means a written request to the court for an order after notice.

(43) "Presence" or "conscious presence" for purposes of sections 524.2-501 to 524.2-517 means either:

(i) an individual being in a physical location in relation to the testator that allows the individual to see and hear the testator; or

(ii) an individual being in a state and communicating simultaneously with the testator by means of an electronic device or process by sight and sound to substantially the same extent as if the individual were in a physical location in relation to the testator that would allow an individual to see and hear the testator, allowing for reasonable accommodation for individuals with hearing, vision, or speech impairments as necessary.

~~(42)~~ (44) "Proceeding" includes action at law and suit in equity.

~~(43)~~ (45) "Property" includes both real and personal property or any interest therein and means anything that may be the subject of ownership.

~~(44)~~ (46) "Protected person" is as described in section 524.5-102, subdivision 14.

~~(45)~~ (47) "Registrar" refers to the judge of the court or the person designated by the court to perform the functions of registrar as provided in section 524.1-307.

~~(46)~~ (48) "Relative" means a grandparent or a descendant of a grandparent.

~~(47)~~ (49) "Security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate or, in general, any interest or instrument commonly

known as a security, or any certificate of interest or participation, any temporary or interim certificate, receipt or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing.

~~(48)~~ (50) "Settlement," in reference to a decedent's estate, includes the full process of administration, distribution and closing.

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(ii) to affix to or to logically associate with a writing an electronic symbol, signature, mark, or process with the intent to execute, witness, or authenticate the writing.

~~(49)~~ (52) "Special administrator" means a personal representative as described by sections 524.3-614 to 524.3-618.

~~(50)~~ (53) "State" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States.

~~(51)~~ (54) "Successor personal representative" means a personal representative, other than a special administrator, who is appointed to succeed a previously appointed personal representative.

~~(52)~~ (55) "Successors" means those persons, other than creditors, who are entitled to property of a decedent under the decedent's will, this chapter or chapter 525. "Successors" also means a funeral director or county government that provides the funeral and burial of the decedent, or a state or county agency with a claim authorized under section 256B.15.

~~(53)~~ (56) "Supervised administration" refers to the proceedings described in sections 524.3-501 to 524.3-505.

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(i) a husband who provides sperm, or a wife who provides eggs, that are used for assisted reproduction by the wife;

(ii) the birth mother of a child of assisted reproduction; or

(iii) a man who has been determined under section 524.2-120, subdivision 4 or 5, to have a parent-child relationship with a child of assisted reproduction.

~~(56)~~ (59) "Trust" includes any express trust, private or charitable, with additions thereto, wherever and however created. It also includes a trust created or determined by judgment or decree under which the trust is to be administered in the manner of an express trust. "Trust" excludes other constructive trusts, and it excludes resulting trusts, conservatorships, personal representatives, trust accounts as defined in chapter 528, custodial arrangements pursuant to sections 149A.97, 318.01 to 318.06, 527.21 to 527.44, business trusts providing for certificates to be issued to beneficiaries, common trust funds, voting trusts, security arrangements, liquidation trusts, and trusts for the primary purpose of paying debts, dividends, interest, salaries, wages, profits, pensions, or employee benefits of any kind, and any arrangement under which a person is nominee or escrowee for another.

~~(57)~~ (60) "Trustee" includes an original, additional, or successor trustee, whether or not appointed or confirmed by court.

~~(58)~~ (61) "Ward" is as described in section 524.5-102, subdivision 17.

~~(59)~~ (62) "Will" includes an electronic will, any codicil to a will or electronic will, and any testamentary instrument which merely appoints an executor or revokes or revises another will, electronic will, or codicil.

(63) "Witnessing" for purposes of sections 524.2-501 to 524.2-517 means observing or authenticating the testator's signing or acknowledgment of signing a will by individuals in the presence of the testator at the time of the testator's signing or acknowledgment of signing the will.

(64) "Writing," "written instrument," or "written statement," for purposes of sections 524.1-201 and 524.2-501 to 524.2-517, means any reasonably permanent record that is readable as text at the time of signing and is retrievable in perceivable form, including any information that is: (i) inscribed on a tangible medium; or (ii) stored in an electronic, digital, magnetic, wireless, optical, electromagnetic, or other similar medium.

Sec. 2. Minnesota Statutes 2022, section 524.2-504, is amended to read:

**524.2-504 SELF-PROVED WILL.**

(a) A will may be contemporaneously executed, attested, and made self-proved, by acknowledgment thereof by the testator and affidavits of the witnesses, each made ~~before~~ in the presence of an officer authorized to administer oaths under the laws of the state in

which execution occurs and evidenced by the officer's certificate, under official seal, in substantially the following form:

I, ....., the testator, sign my name to this instrument this ..... day of ....., and being first duly sworn, do hereby declare to the undersigned authority that I sign and execute this instrument as my will and that I sign it willingly (or willingly direct another to sign for me), that I execute it as my free and voluntary act for the purposes therein expressed, and that I am 18 years of age or older, of sound mind, and under no constraint or undue influence.

.....

Testator

We, ....., ....., the witnesses, sign our names to this instrument, being first duly sworn, and do hereby declare to the undersigned authority that the testator signs and executes this instrument as the testator's will and that the testator signs it willingly (or willingly directs another to sign for the testator), and that each of us, in the presence and hearing of the testator, hereby signs this will as witness to the testator's signing, and that to the best of our knowledge the testator is 18 years of age or older, of sound mind, and under no constraint or undue influence.

.....

Witness

.....

Witness

State of.....

County of.....

Subscribed, sworn to, and acknowledged ~~before me~~ in my presence by ....., the testator, and subscribed and sworn to ~~before me~~ in my presence by ....., and ....., witnesses, this ..... day of ....., .....

(Seal)

(Signed) .....

.....

(Official capacity of officer)

(b) An attested will may be made self-proved at any time after its execution by the acknowledgment thereof by the testator and the affidavits of the witnesses, each made ~~before~~ in the presence of an officer authorized to administer oaths under the laws of the state in

which the acknowledgment occurs and evidenced by the officer's certificate, under the official seal, attached or annexed to the will in substantially the following form:

State of.....

County of.....

We, ....., ....., and ....., the testator and the witnesses, respectively, whose names are signed to the attached or foregoing instrument, being first duly sworn, do hereby declare to the undersigned authority that the testator signed and executed the instrument as the testator's will and that the testator had signed willingly (or willingly directed another to sign for the testator), and that the testator executed it as the testator's free and voluntary act for the purposes therein expressed, and each of the witnesses, in the presence and hearing of the testator, signed the will as witness and that to the best of the witness' knowledge the testator was at the time 18 years of age or older, of sound mind, and under no constraint or undue influence.

.....

Testator

.....

Witness

.....

Witness

Subscribed, sworn to, and acknowledged ~~before me~~ in my presence by ....., the testator, and subscribed and sworn to ~~before me~~ in my presence by ....., and ....., witnesses, this ..... day of ....., .....

(Seal)

(Signed) .....

.....

(Official capacity of officer)

(c) A signature affixed to a self-proving affidavit attached to a will is considered a signature affixed to the will, if necessary to prove the will's due execution.

Sec. 3. Minnesota Statutes 2022, section 524.2-506, is amended to read:

**524.2-506 CHOICE OF LAW AS TO EXECUTION.**

A ~~written~~ will is valid if executed in compliance with section 524.2-502 or if its execution complies with the law at the time of execution of the place where the testator executes the

will ~~is executed~~, or of the law of the place where at the time of execution or at the time of death the testator is domiciled, has a place of abode, or is a national.

Sec. 4. Minnesota Statutes 2022, section 524.2-507, is amended to read:

**524.2-507 REVOCATION BY WRITING OR BY ACT.**

(a) A will or any part thereof is revoked:

(1) by executing a subsequent will that revokes the previous will or part expressly or by inconsistency; or

(2) by performing a revocatory act ~~on the will~~, if the testator performed the act with the intent and for the purpose of revoking the will or part or if another individual performed the act in the testator's conscious presence and by the testator's direction. For purposes of this clause, "revocatory act ~~on the will~~" includes burning, tearing, canceling, obliterating, or destroying the will or any part of it. A burning, tearing, or canceling may be a "revocatory act ~~on the will~~," whether or not the burn, tear, or cancellation touched any of the words on the will.

(b) If a subsequent will does not expressly revoke a previous will, the execution of the subsequent will wholly revokes the previous will by inconsistency if the testator intended the subsequent will to replace rather than supplement the previous will.

(c) The testator is presumed to have intended a subsequent will to replace rather than supplement a previous will if the subsequent will makes a complete disposition of the testator's estate. If this presumption arises and is not rebutted by clear and convincing evidence, the previous will is revoked; only the subsequent will is operative on the testator's death.

(d) The testator is presumed to have intended a subsequent will to supplement rather than replace a previous will if the subsequent will does not make a complete disposition of the testator's estate. If this presumption arises and is not rebutted by clear and convincing evidence, the subsequent will revokes the previous will only to the extent the subsequent will is inconsistent with the previous will; each will is fully operative on the testator's death to the extent they are not inconsistent.

Sec. 5. **[524.2-518] CERTIFICATION OF PAPER COPY.**

An individual may create a certified paper copy of an electronic will by affirming under penalty of perjury that a paper copy of the electronic will is a complete, true, and accurate copy of the electronic will. If the electronic will is made self-proving, the certified paper

copy of the will must include the self-proving affidavits. A certified paper copy of an electronic will may be substituted for an original will when an original will is required by this chapter.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 45 and 244.

## SPECIAL ORDER

**H.F. No. 45:** A bill for an act relating to judiciary; establishing an assessment process to determine if current and former members of the military charged with certain offenses are eligible for deferred prosecution; amending Minnesota Statutes 2022, section 609.1056, subdivision 2, by adding a subdivision.

H.F. No. 45 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Mathews | Pratt |
| Anderson | Eichorn | Johnson | Maye Quade | Putnam |
| Bahr | Farnsworth | Klein | McEwen | Rasmusson |
| Boldon | Fateh | Koran | Miller | Rest |
| Carlson | Frentz | Kreun | Mitchell | Seeberger |
| Champion | Green | Kunesh | Mohamed | Utke |
| Cwodzinski | Gruenhagen | Kupec | Morrison | Weber |
| Dahms | Gustafson | Lang | Murphy | Wesenberg |
| Dibble | Hauschild | Lieske | Nelson | Westlin |
| Dornink | Hawj | Limmer | Oumou Verbeten | Westrom |
| Draheim | Hoffman | Lucero | Pappas | Wiklund |
| Drazkowski | Housley | Mann | Pha | Xiong |
| Duckworth | Howe | Marty | Port | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, Morrison, Pha, and Seeberger.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Westrom.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 244:** A bill for an act relating to uniform laws; adopting the Uniform Electronic Wills Act; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2022, sections 524.1-201; 524.2-504; 524.2-506; 524.2-507; proposing coding for new law in Minnesota Statutes, chapter 524.

Senator Duckworth moved to amend H.F. No. 244, the first unofficial engrossment, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security benefits.** ~~(a) A portion~~ The amount of ~~taxable~~ Social Security benefits received by a taxpayer in the taxable year is allowed as a subtraction. ~~The subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction subject to the limits under paragraphs (b), (c), and (d).~~

~~(b) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction equals $5,150. The maximum subtraction is reduced by 20 percent of provisional income over $78,180. In no case is the subtraction less than zero.~~

~~(c) For single or head-of-household taxpayers, the maximum subtraction equals $4,020. The maximum subtraction is reduced by 20 percent of provisional income over $61,080. In no case is the subtraction less than zero.~~

~~(d) For married taxpayers filing separate returns, the maximum subtraction equals one-half the maximum subtraction for joint returns under paragraph (b). The maximum subtraction is reduced by 20 percent of provisional income over one-half the threshold amount specified in paragraph (b). In no case is the subtraction less than zero.~~

~~(e) For purposes of this subdivision, "provisional income" means modified adjusted gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the taxable Social Security benefits received during the taxable year, and "Social Security benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year 2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest $10 amount. If the amount ends in $5, the amount is rounded up to the nearest $10 amount.~~

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022.

Sec. 2. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 31. **Public pension income subtraction.** (a) The amount of a taxpayer's public pension exclusion is a subtraction.

(b) The amount of a taxpayer's federal exclusion is determined as follows:

(1) for a taxpayer whose provisional income is less than or equal to the base amount, the federal exclusion equals 100 percent of qualified benefits received during the taxable year;

(2) for a taxpayer whose provisional income exceeds the base amount, but is less than or equal to the adjusted base amount, the federal exclusion equals the greater of:

(i) 50 percent of qualified benefits received during the taxable year; or

(ii) the amount of qualified benefits minus 50 percent of the difference between provisional income and the base amount; and

(3) for a taxpayer whose provisional income exceeds the adjusted base amount, the federal exclusion equals the greater of:

(i) qualified benefits minus:

(A) 85 percent of provisional income in excess of the adjusted base amount; plus

(B) 50 percent of the difference between the base amount and the adjusted base amount; or

(ii) 15 percent of qualified benefits received during the taxable year.

(c) The amount of a taxpayer's state exclusion equals the lesser of:

(1) the amount of qualified benefits in excess of the taxpayer's federal exclusion; or

(2) the maximum exclusion for a taxpayer determined under paragraph (d).

(d) The maximum state exclusion equals $5,450 for a joint return, half that amount for a married taxpayer filing a separate return, and $4,260 for all other taxpayers. The maximum subtraction is reduced by 20 percent of provisional income in excess of:

(1) $82,770 for a joint return;

(2) half the amount in clause (1) for a married taxpayer filing a separate return; and

(3) $64,670 for all other filers.

(e) For the purposes of this subdivision:

(1) "base amount" has the meaning given in section 86(c)(1) of the Internal Revenue Code and "adjusted base amount" has the meaning given in section 86(c)(2) of the Internal Revenue Code;

(2) "provisional income" has the meaning given in section 290.0132, subdivision 26, paragraph (e);

(3) "public pension exclusion" means the sum of the federal exclusion calculated under paragraph (b) and the state exclusion calculated under paragraphs (c) and (d); and

(4) "qualified benefits" means any amount received:

(i) by a basic member of any pension plan governed by chapter 3A, 352B, 353, 354, or 354A, or the basic member's survivor, provided that the annuity or benefit is based on service for which the member or survivor is not also receiving Social Security benefits;

(ii) from any retirement system administered by the federal government that is based on service for which the recipient or the recipient's survivor is not also receiving Social Security benefits; or

(iii) from a public retirement system of or created by another state or any of its political subdivisions if the income tax laws of the other state permit a similar deduction or exemption or a reciprocal deduction or exemption of a retirement or pension benefit received from a public retirement system of or created by this state or any political subdivision of this state.

(f) The commissioner must adjust the maximum exclusion and phaseout threshold amounts in paragraph (d) as provided in section 270C.22. The statutory year is taxable year 2023. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest $10 amount. If the amount ends in $5, the amount is rounded up to the nearest $10 amount.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022.

Sec. 3. Minnesota Statutes 2022, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given.

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a person with a disability;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2;

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

(7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent not included in the addition required under clause (6); and

(8) to the extent not included in federal alternative minimum taxable income, the amount of foreign-derived intangible income deducted under section 250 of the Internal Revenue Code;

less the sum of the amounts determined under the following:

(i) interest income as defined in section 290.0132, subdivision 2;

(ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, ~~and~~ 26 to 29, and 31;

(v) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c); and

(vi) the amount allowable as a Minnesota itemized deduction under section 290.0122, subdivision 7.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code, except alternative minimum taxable income must be increased by the addition in section 290.0131, subdivision 16.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Westlin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Pratt appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, Morrison, Pha, and Seeberger.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Westrom.

So the decision of the President was sustained.

H.F. No. 244 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Howe | Mann | Pha |
| Anderson | Dziedzic | Jasinski | Marty | Port |
| Bahr | Eichorn | Johnson | Mathews | Pratt |
| Boldon | Farnsworth | Klein | Maye Quade | Putnam |
| Carlson | Fateh | Koran | McEwen | Rarick |
| Champion | Frentz | Kreun | Miller | Rasmusson |
| Coleman | Green | Kunesh | Mitchell | Rest |
| Cwodzinski | Gruenhagen | Kupec | Mohamed | Seeberger |
| Dahms | Gustafson | Lang | Morrison | Utke |
| Dibble | Hauschild | Latz | Murphy | Weber |
| Dornink | Hawj | Lieske | Nelson | Wesenberg |
| Draheim | Hoffman | Limmer | Oumou Verbeten | Westlin |
| Drazkowski | Housley | Lucero | Pappas | Westrom |

Wiklund Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, Morrison, Pha, and Seeberger.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Westrom.

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Senator Latz moved that S.F. No. 1824 be withdrawn from the Committee on Finance and re-referred to the Committee on Judiciary and Public Safety. The motion prevailed.

## MEMBERS EXCUSED

Senator Latz was excused from the Session of today from 11:00 to 11:20 a.m. Senator Rarick was excused from the Session of today from 11:00 to 11:20 a.m. Senator Coleman was excused from the Session of today from 11:15 to 11:25 a.m.

## ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 12:00 noon, Thursday, March 23, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 009. HF 42

**Vote:** 2023-04-12 | **Workbook row:** 14
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Labor trafficking definitions amended, penalties enhanced, conforming changes made relating to statewide human trafficking assessment, and Sentence Guidelines Commission required to consider assigning a severity level ranking to the labor trafficking crime.

## Included complete bill documents

**1. 1st Engrossment, posted 2023-01-19** - 7 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/42/versions/1/pdf/

## Original Senate journal context

PDF pages 523-523. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230412047.pdf#page=523

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/42/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 42**

01/04/2023 Authored by Feist, Curran, Becker-Finn, Huot and Berg
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
01/19/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
02/16/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to public safety; amending definitions of labor trafficking; establishing enhanced penalties for labor trafficking when the trafficking occurs over an extended period of time or when a victim dies or suffers great bodily harm; including coerced labor or services as aggravating factor to penalty for sex trafficking; making conforming changes related to the statewide human trafficking assessment; amending Minnesota Statutes 2022, sections 299A.78, subdivision 1; 299A.79, subdivision 3; 609.281, subdivisions 3, 4, 5; 609.282, subdivision 1, by adding a subdivision; 609.321, by adding subdivisions; 609.322, subdivision 1; repealing Minnesota Statutes 2022, section 609.281, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 299A.78, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 299A.78 to 299A.795, the following definitions apply:

(a) "Commissioner" means the commissioner of the Department of Public Safety.

(b) "Nongovernmental organizations" means nonprofit, nongovernmental organizations that provide legal, social, or other community services.

~~(c) "Blackmail" has the meaning given in section 609.281, subdivision 2.~~

~~(d)~~ (c) "Debt bondage" has the meaning given in section 609.281, subdivision 3.

~~(e)~~ (d) "Forced or coerced labor or services" has the meaning given in section 609.281, subdivision 4.

~~(f)~~ (e) "Labor trafficking" has the meaning given in section 609.281, subdivision 5.

~~(g)~~ (f) "Labor trafficking victim" has the meaning given in section 609.281, subdivision 6.

~~(h)~~ (g) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

~~(i)~~ (h) "Sex trafficking victim" has the meaning given in section 609.321, subdivision 7b.

~~(j)~~ (i) "Trafficking" includes "labor trafficking" and "sex trafficking."

~~(k)~~ (j) "Trafficking victim" includes "labor trafficking victim" and "sex trafficking victim."

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 2. Minnesota Statutes 2022, section 299A.79, subdivision 3, is amended to read:

Subd. 3. **Public awareness initiative.** The public awareness initiative required in subdivision 1 must address, at a minimum, the following subjects:

(1) the risks of becoming a trafficking victim;

(2) common recruitment techniques; use of debt bondage, ~~blackmail,~~ forced or coerced labor ~~and~~ or services, prostitution, and other coercive tactics; and risks of assault, criminal sexual conduct, exposure to sexually transmitted diseases, and psychological harm;

(3) crime victims' rights; and

(4) reporting recruitment activities involved in trafficking.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 609.281, subdivision 3, is amended to read:

Subd. 3. **Debt bondage.** "Debt bondage" ~~means the status or condition of a debtor arising from a pledge by the debtor of the debtor's personal~~ occurs when a person provides labor or services ~~or those~~ of any kind to pay a real or alleged debt of ~~a~~ the person ~~under the debtor's control as a security for debt~~ or another, if the value of ~~those~~ the labor or services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of ~~those~~ the labor or services are not respectively limited and defined.

**EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2022, section 609.281, subdivision 4, is amended to read:

Subd. 4. **Forced or coerced labor or services.** "Forced or coerced labor or services" means labor or services of any kind that are performed or provided by another person and are obtained or maintained through an actor's:

(1) threat, either implicit or explicit, scheme, plan, ~~or~~ pattern, or other action or statement intended to cause a person to believe that, if the person did not perform or provide the labor or services, that person or another ~~person~~ would suffer ~~bodily harm or~~ physical restraint; sexual contact, as defined in section 609.341, subdivision 11, paragraph (b); or bodily, psychological, economic, or reputational harm;

(2) ~~physically restraining or threatening to physically restrain~~ sexual contact, as defined in section 609.341, subdivision 11, paragraph (b), with a person;

(3) physical restraint of a person;

(4) infliction of bodily, psychological, economic, or reputational harm;

~~(3)~~ (5) abuse or threatened abuse of the legal process, including the use or threatened use of a law or legal process, whether administrative, civil, or criminal; or

~~(4) knowingly destroying, concealing, removing, confiscating, or possessing~~ (6) destruction, concealment, removal, confiscation, withholding, or possession of any actual or purported passport or other immigration document, or any other actual or purported government identification document, of another person~~; or~~.

~~(5) use of blackmail.~~

**EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2022, section 609.281, subdivision 5, is amended to read:

Subd. 5. **Labor trafficking.** "Labor trafficking" means:

(1) the recruitment, transportation, transfer, harboring, enticement, provision, obtaining, or receipt of a person by any means, ~~for the purpose~~ in furtherance of:

(i) debt bondage ~~or~~;

(ii) forced or coerced labor or services;

~~(ii)~~ (iii) slavery or practices similar to slavery; or

~~(iii)~~ (iv) the removal of organs through the use of coercion or intimidation; or

(2) receiving profit or anything of value, knowing or having reason to know it is derived from an act described in clause (1).

**EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2022, section 609.282, subdivision 1, is amended to read:

Subdivision 1. ~~**Individuals under age 18**~~ **Labor trafficking resulting in death.** Whoever knowingly engages in the labor trafficking of an individual ~~who is under the age of 18~~ is guilty of a crime and may be sentenced to imprisonment for not more than ~~20~~ 25 years or to payment of a fine of not more than $40,000, or both if the labor trafficking victim dies and the death arose out of and in the course of the labor trafficking or the labor and services related to the labor trafficking.

**EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2022, section 609.282, is amended by adding a subdivision to read:

Subd. 1a. **Individuals under age 18; extended period of time; great bodily harm.** Whoever knowingly engages in the labor trafficking of an individual is guilty of a crime and may be sentenced to imprisonment for not more than 20 years or to a payment of a fine of not more than $40,000, or both if any of the following circumstances exist:

(1) the labor trafficking victim is under the age of 18;

(2) the labor trafficking occurs over an extended period of time; or

(3) the labor trafficking victim suffers great bodily harm and the great bodily harm arose out of and in the course of the labor trafficking or the labor and services related to the labor trafficking.

**EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2022, section 609.321, is amended by adding a subdivision to read:

Subd. 15. **Debt bondage.** "Debt bondage" has the meaning given in section 609.281, subdivision 3.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 9. Minnesota Statutes 2022, section 609.321, is amended by adding a subdivision to read:

Subd. 16. **Forced or coerced labor or services.** "Forced or coerced labor or services" has the meaning given in section 609.281, subdivision 4.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 10. Minnesota Statutes 2022, section 609.321, is amended by adding a subdivision to read:

Subd. 17. **Labor trafficking.** "Labor trafficking" has the meaning given in section 609.281, subdivision 5.

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

Sec. 11. Minnesota Statutes 2022, section 609.321, is amended by adding a subdivision to read:

Subd. 18. **Labor trafficking victim.** "Labor trafficking victim" has the meaning given in section 609.281, subdivision 6.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 12. Minnesota Statutes 2022, section 609.321, is amended by adding a subdivision to read:

Subd. 19. **Trafficking.** "Trafficking" includes labor trafficking and sex trafficking.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 13. Minnesota Statutes 2022, section 609.321, is amended by adding a subdivision to read:

Subd. 20. **Trafficking victim.** "Trafficking victim" includes a labor trafficking victim and a sex trafficking victim.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 14. Minnesota Statutes 2022, section 609.322, subdivision 1, is amended to read:

Subdivision 1. **Solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree.** (a) Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than $50,000, or both:

(1) solicits or induces an individual under the age of 18 years to practice prostitution;

(2) promotes the prostitution of an individual under the age of 18 years;

(3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of 18 years; or

(4) engages in the sex trafficking of an individual under the age of 18 years.

(b) Whoever violates paragraph (a) or subdivision 1a may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than $60,000, or both, if one or more of the following aggravating factors are present:

(1) the offender has committed a prior qualified human trafficking-related offense;

(2) the offense involved a sex trafficking victim who suffered bodily harm during the commission of the offense;

(3) the time period that a sex trafficking victim was held in debt bondage or forced or coerced labor or services exceeded 180 days; or

(4) the offense involved more than one sex trafficking victim.

**EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 15. **REPEALER.**

Minnesota Statutes 2022, section 609.281, subdivision 2, is repealed.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

**609.281 DEFINITIONS.**

Subd. 2. **Blackmail.** "Blackmail" means a threat to expose any fact or alleged fact tending to cause shame or to subject any person to hatred, contempt, or ridicule.

**Senators Drazkowski, Wesenberg, Mathews, and Bahr introduced --**

**Senate Concurrent Resolution No. 5:** A Senate concurrent resolution denouncing the horrors of socialism.

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 42 and 1581.

## SPECIAL ORDER

**H.F. No. 42:** A bill for an act relating to public safety; amending definitions of labor trafficking; establishing enhanced penalties for labor trafficking when the trafficking occurs over an extended period of time or when a victim dies or suffers great bodily harm; including coerced labor or services as aggravating factor to penalty for sex trafficking; making conforming changes related to the statewide human trafficking assessment; amending Minnesota Statutes 2022, sections 299A.78, subdivision 1; 299A.79, subdivision 3; 609.281, subdivisions 3, 4, 5; 609.282, subdivision 1, by adding a subdivision; 609.321, by adding subdivisions; 609.322, subdivision 1; repealing Minnesota Statutes 2022, section 609.281, subdivision 2.

H.F. No. 42 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Marty | Port |
| Anderson | Eichorn | Johnson | Mathews | Pratt |
| Bahr | Farnsworth | Klein | Maye Quade | Putnam |
| Boldon | Fateh | Koran | McEwen | Rarick |
| Carlson | Frentz | Kreun | Miller | Rasmusson |
| Champion | Green | Kunesh | Mitchell | Rest |
| Coleman | Gruenhagen | Kupec | Mohamed | Seeberger |
| Cwodzinski | Gustafson | Lang | Morrison | Utke |
| Dahms | Hauschild | Latz | Murphy | Weber |
| Dibble | Hawj | Lieske | Nelson | Wesenberg |
| Dornink | Hoffman | Limmer | Oumou Verbeten | Westlin |
| Draheim | Housley | Lucero | Pappas | Wiklund |
| Drazkowski | Howe | Mann | Pha | Xiong |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

So the bill passed and its title was agreed to.

# 010. HF 1581

**Vote:** 2023-04-12 | **Workbook row:** 15
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 1 nays

**Workbook subject:** Legislative enactments; miscellaneous and technical corrections made to laws and statutes; erroneous, obsolete, and omitted text and references corrected; and redundant, conflicting, and superseded provisions removed.

## Included complete bill documents

**1. 1st Engrossment, posted 2023-03-09** - 156 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/1581/versions/1/pdf/

## Original Senate journal context

PDF pages 524-525. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230412047.pdf#page=525

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/1581/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 1581

02/09/2023 Authored by Becker-Finn
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
03/09/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/03/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/12/2023 Passed by the Senate and returned to the House
04/17/2023 Presented to Governor
04/18/2023 Governor Approval

A bill for an act

relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2022, sections 3.8854; 13.46, subdivision 7; 16A.151, subdivision 2; 17.81, subdivision 3; 62A.307, subdivision 2; 62A.3091, subdivision 2; 62J.581, subdivision 1; 62M.02, subdivision 4; 62U.03, subdivisions 2, 3; 84.83, subdivision 3; 85.34, subdivision 3; 86A.05, subdivisions 2, 4, 9, 11, 12; 86A.21; 92.70, subdivision 3; 93.52; 103A.43; 103B.211, subdivision 1; 103F.405, subdivision 1; 103F.511, subdivision 10; 103F.705; 103F.711, subdivision 6; 103F.715; 103G.005, subdivision 19; 115.55, subdivision 1; 115A.192, subdivision 1; 115A.33; 115A.38, subdivision 1; 115A.39; 115A.54, subdivision 2a; 115A.918, subdivision 2; 116.07, subdivision 4a; 116D.04, subdivision 5a; 119B.011, subdivision 20; 119B.03, subdivision 3; 119B.13, subdivisions 3a, 6; 122A.20, subdivision 2; 124D.19, subdivision 3; 124D.68, subdivision 3; 125A.02, subdivision 1; 144.55, subdivision 2; 144.608, subdivision 1; 144A.471, subdivision 7; 147A.09, subdivision 2; 147D.27, subdivision 6; 148.211, subdivision 1a; 148.724, subdivision 1; 148B.06, subdivision 2; 148B.5301, subdivision 1; 148E.130, subdivision 1a; 160.10, subdivision 8; 161.14, subdivision 89; 167.60; 168.013, subdivisions 1a, 1e, 3, 18, 23; 168.04, subdivision 2; 168.1253, subdivision 2; 168.1256, subdivision 1; 168.1296, subdivision 1; 168.187, subdivisions 2, 7, 9, 10, 11, 12, 27; 168.61, subdivision 2; 168A.09, subdivision 1; 168A.24, subdivision 2; 168B.09, subdivision 2; 169.09, subdivision 13; 169.223, subdivision 4; 169.4581; 169.64, subdivision 9; 169.751; 169A.25, subdivision 1; 169A.26, subdivision 1; 169A.27, subdivision 1; 169A.28, subdivision 2; 169A.46, subdivision 1; 171.0701, subdivisions 1, 1a; 171.0705, subdivisions 2, 3, 4, 5, 7, 8; 171.26, subdivision 1; 173.02, subdivision 6; 173.13, subdivision 6; 174.03, subdivision 3; 174.30, subdivision 3; 174.75, subdivision 3; 174.84, subdivision 1; 176.101, subdivision 4; 214.40, subdivision 1; 219.073; 219.165; 219.18; 219.501, subdivision 1; 219.551, subdivision 6; 219.561, subdivision 1; 221.031, subdivision 9; 221.0314, subdivision 3a; 221.221, subdivision 2; 221.81, subdivision 3e; 245.4661, subdivisions 2, 6; 245.4885, subdivision 1a; 245.814, subdivision 1; 245.91, subdivision 5; 245A.02, subdivision 5a; 245A.04, subdivision 7; 245A.14, subdivision 4; 245A.16, subdivision 1; 245A.52, subdivision 1; 245C.04, subdivision 10; 245D.03, subdivision 1; 245I.02, subdivision 5; 245I.04, subdivision 5; 246.18, subdivision 2a; 254A.19, subdivision 4; 254B.04, subdivision 1; 254B.09, subdivision 2; 256.0112, subdivision 7; 256.975, subdivision 10; 256B.04, subdivision 1b; 256B.0575, subdivision 2; 256B.0625, subdivisions 17,

57; 256B.0671; 256B.0943, subdivision 1; 256B.0947, subdivision 3a; 256B.4912, subdivision 4; 256B.50, subdivision 1; 256B.76, subdivision 1; 256G.08, subdivision 1; 256J.54, subdivision 1; 256L.07, subdivision 4; 268.136, subdivision 3; 272.02, subdivisions 49, 102, 103; 273.1387, subdivision 2; 273.165, subdivision 1; 290.067, subdivision 1; 290.0671, subdivision 1; 290.0677, subdivisions 1, 2; 290.068, subdivision 3; 290.9705, subdivision 3; 297A.70, subdivision 2; 297A.71, subdivision 44; 297B.10; 297B.12; 297E.021, subdivision 3; 297F.01, subdivision 22b; 297I.20, subdivision 1; 327C.015, subdivision 11; 349.12, subdivision 25; 352.91, subdivision 3f; 360.013, subdivision 50; 360.0161, subdivision 2; 360.061, subdivision 1; 360.067, subdivision 4; 360.511, subdivision 24; 383B.058; 402.02, subdivision 2; 403.03, subdivision 2; 403.11, subdivisions 1, 6; 403.15, subdivision 3; 403.161, subdivision 7; 473H.02, subdivision 4; 477C.03, subdivision 3; 504B.371, subdivision 7; 507.24, subdivision 2; 609.035, subdivision 2; 626.892, subdivision 7; repealing Minnesota Statutes 2022, sections 13.461, subdivision 4; 13.7191, subdivision 16; 147D.27, subdivision 5; 160.165, subdivision 3; 165.14; 168.013, subdivision 16; 168.271, subdivision 2; 174.285, subdivision 7; 219.662, subdivision 2; 256B.051, subdivision 7; 256B.439, subdivision 3b; 290.068, subdivisions 6a, 7; 295.50, subdivision 10b; 297B.04; 297B.05; 299F.851, subdivision 7; Laws 2021, chapter 30, article 17, section 16; Minnesota Rules, parts 5530.1000; 7805.0300; 8810.4100.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 3.8854, is amended to read:

**3.8854 LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.**

(a) The Legislative Budget Office Oversight Commission consists of:

(1) two members of the senate appointed by the senate majority leader;

(2) two members of the senate appointed by the senate minority leader;

(3) two members of the house of representatives appointed by the speaker of the house; and

(4) two members of the house of representatives appointed by the minority leader.

The director of the Legislative Budget Office is the executive secretary of the commission. The chief nonpartisan fiscal analyst of the house of representatives, the ~~lead~~ principal nonpartisan fiscal analyst of the senate, the commissioner of management and budget or a designee, and the legislative auditor are ex-officio, nonvoting members of the commission.

(b) Members serve at the pleasure of the appointing authority, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

(c) The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives. The commission shall meet at the call of the chair. The members shall serve without compensation but may

be reimbursed for their reasonable expenses consistent with the rules of the legislature governing expense reimbursement.

(d) The commission shall review the work of the Legislative Budget Office and make recommendations, as the commission determines necessary, to improve the office's ability to fulfill its duties, and shall perform other functions as directed by this section, and sections 3.8853 and 3.98.

Sec. 2. Minnesota Statutes 2022, section 13.46, subdivision 7, is amended to read:

Subd. 7. **Mental health data.** (a) Mental health data are private data on individuals and shall not be disclosed, except:

(1) pursuant to section 13.05, as determined by the responsible authority for the community mental health center, mental health division, or provider;

(2) pursuant to court order;

(3) pursuant to a statute specifically authorizing access to or disclosure of mental health data or as otherwise provided by this subdivision;

(4) to personnel of the welfare system working in the same program or providing services to the same individual or family to the extent necessary to coordinate services, provided that a health record may be disclosed only as provided under section 144.293;

(5) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services; or

(6) with the consent of the client or patient.

(b) An agency of the welfare system may not require an individual to consent to the release of mental health data as a condition for receiving services or for reimbursing a community mental health center, mental health division of a county, or provider under contract to deliver mental health services.

(c) Notwithstanding ~~section 245.69, subdivision 2, paragraph (f), or~~ any other law to the contrary, a community mental health center, mental health division of a county, or a mental health provider must disclose mental health data to a law enforcement agency if the law enforcement agency provides the name of a client or patient and communicates that the:

(1) client or patient is currently involved in a mental health crisis as defined in section 256B.0624, subdivision 2, paragraph (j), to which the law enforcement agency has responded; and

(2) data is necessary to protect the health or safety of the client or patient or of another person.

The scope of disclosure under this paragraph is limited to the minimum necessary for law enforcement to safely respond to the mental health crisis. Disclosure under this paragraph may include the name and telephone number of the psychiatrist, psychologist, therapist, mental health professional, practitioner, or case manager of the client or patient, if known; and strategies to address the mental health crisis. A law enforcement agency that obtains mental health data under this paragraph shall maintain a record of the requestor, the provider of the data, and the client or patient name. Mental health data obtained by a law enforcement agency under this paragraph are private data on individuals and must not be used by the law enforcement agency for any other purpose. A law enforcement agency that obtains mental health data under this paragraph shall inform the subject of the data that mental health data was obtained.

(d) In the event of a request under paragraph (a), clause (6), a community mental health center, county mental health division, or provider must release mental health data to Criminal Mental Health Court personnel in advance of receiving a copy of a consent if the Criminal Mental Health Court personnel communicate that the:

(1) client or patient is a defendant in a criminal case pending in the district court;

(2) data being requested is limited to information that is necessary to assess whether the defendant is eligible for participation in the Criminal Mental Health Court; and

(3) client or patient has consented to the release of the mental health data and a copy of the consent will be provided to the community mental health center, county mental health division, or provider within 72 hours of the release of the data.

For purposes of this paragraph, "Criminal Mental Health Court" refers to a specialty criminal calendar of the Hennepin County District Court for defendants with mental illness and brain injury where a primary goal of the calendar is to assess the treatment needs of the defendants and to incorporate those treatment needs into voluntary case disposition plans. The data released pursuant to this paragraph may be used for the sole purpose of determining whether the person is eligible for participation in mental health court. This paragraph does not in any way limit or otherwise extend the rights of the court to obtain the release of mental health data pursuant to court order or any other means allowed by law.

Sec. 3. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement

account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph ~~(d)~~ (e).

Sec. 4. Minnesota Statutes 2022, section 17.81, subdivision 3, is amended to read:

Subd. 3. **Agricultural land.** "Agricultural land" means land which is in agricultural use, and which has been identified as agricultural land by a local unit of government pursuant to Minnesota Statutes 2020, sections 366.10 to 366.181, or sections 394.21 to 394.37, 462.351 to 462.364, ~~366.10 to 366.181~~ or 473H.04, or which is composed of predominantly class I, II, III, or IV soils as identified in the land capability classification system of the United States Department of Agriculture Natural Resources Conservation Service and the county soil survey, if completed.

Sec. 5. Minnesota Statutes 2022, section 62A.307, subdivision 2, is amended to read:

Subd. 2. **Requirement.** Coverage described in subdivision 1 that covers prescription drugs must provide the same coverage for a prescription written by a health care provider authorized to prescribe the particular drug covered by the health coverage described in subdivision 1, regardless of the type of health care provider that wrote the prescription. This section is intended to prohibit denial of coverage based on the prescription having been written by an advanced practice registered nurse under section 148.235, a physician assistant under section 147A.185, or any other nonphysician health care provider authorized to prescribe the particular drug.

Sec. 6. Minnesota Statutes 2022, section 62A.3091, subdivision 2, is amended to read:

Subd. 2. **Requirement.** Coverage described in subdivision 1 that covers laboratory tests, diagnostic tests, and x-rays must provide the same coverage, without requiring additional signatures, for all such tests ordered by an advanced practice registered nurse operating pursuant to chapter 148 or a physician assistant practicing pursuant to chapter 147A. Nothing in this section shall be construed to interfere with any written agreement between a physician and an advanced practice registered nurse or between a physician and a physician assistant.

Sec. 7. Minnesota Statutes 2022, section 62J.581, subdivision 1, is amended to read:

Subdivision 1. **Minnesota uniform remittance advice.** All group purchasers shall provide a uniform claim payment/advice transaction to health care providers when a claim is adjudicated. The uniform claim payment/advice transaction shall comply with section 62J.536, subdivision ~~1b~~ 1, paragraph (b), and rules adopted under section 62J.536, subdivision 2.

Sec. 8. Minnesota Statutes 2022, section 62M.02, subdivision 4, is amended to read:

Subd. 4. **Attending health care professional.** "Attending health care professional" means the health care professional providing care within the scope of the professional's practice and with primary responsibility for the care provided to an enrollee. Attending health care professional shall include only physicians; chiropractors; dentists; mental health professionals as defined in section 245.462, subdivision 18, or 245.4871, subdivision 27; podiatrists; and advanced practice registered nurses.

Sec. 9. Minnesota Statutes 2022, section 62U.03, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

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

(c) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(d) "Personal clinician" means a physician licensed under chapter 147, a physician assistant licensed and practicing under chapter 147A, or an advanced practice registered nurse licensed and registered to practice under chapter 148.

Sec. 10. Minnesota Statutes 2022, section 62U.03, subdivision 3, is amended to read:

Subd. 3. **Development and implementation of standards.** (a) The commissioner of health shall develop and implement standards of certification for health care homes. In developing these standards, the commissioner shall consider existing standards developed by national independent accrediting and medical home organizations. The standards developed by the commissioner must meet the following criteria:

(1) emphasize, enhance, and encourage the use of primary care, and include the use of primary care physicians, advanced practice registered nurses, and physician assistants as personal clinicians;

(2) focus on delivering high-quality, efficient, and effective health care services;

(3) encourage patient-centered care, including active participation by the patient and family or a legal guardian, or a health care agent as defined in chapter 145C, as appropriate in decision making and care plan development, and providing care that is appropriate to the patient's race, ethnicity, and language;

(4) provide patients with a consistent, ongoing contact with a personal clinician or team of clinical professionals to ensure continuous and appropriate care for the patient's condition;

(5) ensure that health care homes develop and maintain appropriate comprehensive care plans for their patients with complex or chronic conditions, including an assessment of health risks and chronic conditions;

(6) enable and encourage utilization of a range of qualified health care professionals, including dedicated care coordinators, in a manner that enables providers to practice to the fullest extent of their license;

(7) focus initially on patients who have or are at risk of developing chronic health conditions;

(8) incorporate measures of quality, resource use, cost of care, and patient experience;

(9) ensure the use of health information technology and systematic follow-up, including the use of patient registries; and

(10) encourage the use of scientifically based health care, patient decision-making aids that provide patients with information about treatment options and their associated benefits, risks, costs, and comparative outcomes, and other clinical decision support tools.

(b) In developing these standards, the commissioner shall consult with national and local organizations working on health care home models, physicians, relevant state agencies, health plan companies, hospitals, other providers, patients, and patient advocates.

(c) For the purposes of developing and implementing these standards, the commissioner may use the expedited rulemaking process under section 14.389.

Sec. 11. Minnesota Statutes 2022, section 84.83, subdivision 3, is amended to read:

Subd. 3. **Purposes; allocation.** (a) The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails that are determined by the commissioner to be part of the state's grant-in-aid system, including maintenance of trails on lands and waters of

Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion; and on the following lakes in Cook County: Devil Track and Hungry Jack. The commissioner may establish a performance-based funding formula for annual grants-in-aid. The procedures and criteria for grants-in-aid are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. In administering the performance-based grants-in-aid, the commissioner must:

(i) determine annual grant amounts based on a funding formula that includes consideration of historical costs, snowfall, use, and tourism;

(ii) make grant payments based on:

(A) successful completion of performance benchmarks;

(B) reimbursement of eligible expenditures; or

(C) a combination of subitems (A) and (B); and

(iii) assess penalties to nonperforming grant-in-aid recipients, which may include withholding grant payments or making the grantee or trail system ineligible for future grant-in-aid funding;

(2) to acquire, develop, and maintain state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) to administer and enforce sections 84.81 to ~~84.91~~ 84.9011 and appropriated grants to local law enforcement agencies.

(b) No less than 60 percent of revenue collected from snowmobile registration and snowmobile state trail sticker fees must be expended for grants-in-aid to develop, maintain, and groom trails and acquire easements.

Sec. 12. Minnesota Statutes 2022, section 85.34, subdivision 3, is amended to read:

Subd. 3. **Sale of intoxicating liquor.** The commissioner of public safety with the approval of the Executive Council may issue to the lessee or developer of the property leased pursuant to subdivision 1, an on-sale license for the sale of intoxicating liquor upon the leased property. The annual fee for the license issued pursuant to this subdivision shall be set by the commissioner of public safety at an amount comparable to the fee charged by municipalities in the surrounding area for a similar license. All provisions of chapter ~~340~~ 340A shall apply to the sale of intoxicating liquor upon the leased property.

Sec. 13. Minnesota Statutes 2022, section 86A.05, subdivision 2, is amended to read:

Subd. 2. **State park; purpose; resource and site qualifications; administration.** (a) A state park shall be established to protect and perpetuate extensive areas of the state possessing those resources which illustrate and exemplify Minnesota's natural phenomena and to provide for the use, enjoyment, and understanding of such resources without impairment for the enjoyment and recreation of future generations.

(b) No unit shall be authorized as a state park unless its proposed location substantially satisfies the following criteria:

(1) exemplifies the natural characteristics of the major landscape regions of the state, as shown by accepted classifications, in an essentially unspoiled or restored condition or in a condition that will permit restoration in the foreseeable future; or contains essentially unspoiled natural resources of sufficient extent and importance to meaningfully contribute to the broad illustration of the state's natural phenomena; ~~and~~

(2) contains natural resources, sufficiently diverse and interesting to attract people from throughout the state; and

(3) is sufficiently large to permit protection of the plant and animal life and other natural resources which give the park its qualities and provide for a broad range of opportunities for human enjoyment of these qualities.

(c) State parks shall be administered by the commissioner of natural resources in a manner which is consistent with the purposes of this subdivision to preserve, perpetuate, and interpret natural features that existed in the area of the park prior to settlement and other significant natural, scenic, scientific, or historic features that are present. Management shall seek to maintain a balance among the plant and animal life of the park and to reestablish desirable plants and animals that were formerly indigenous to the park area but are now missing. Programs to interpret the natural features of the park shall be provided. Outdoor recreation activities to utilize the natural features of the park that can be accommodated without material disturbance of the natural features of the park or the introduction of undue artificiality into the natural scene may be permitted. Park use shall be primarily for aesthetic, cultural, and educational purposes, and shall not be designed to accommodate all forms or unlimited volumes of recreational use. Physical development shall be limited to those facilities necessary to complement the natural features and the values being preserved.

Sec. 14. Minnesota Statutes 2022, section 86A.05, subdivision 4, is amended to read:

Subd. 4. **State trail; purpose; resource and site qualifications; administration; designation.** (a) A state trail shall be established to provide a recreational travel route which connects units of the outdoor recreation system or the national trail system, provides access to or passage through other areas which have significant scenic, historic, scientific, or recreational qualities or reestablishes or permits travel along an historically prominent travel route or which provides commuter transportation.

(b) No unit shall be authorized as a state trail unless its proposed location substantially satisfies the following criteria:

(1) permits travel in an appropriate manner along a route which provides at least one of the following recreational opportunities:

(i) travel along a route which connects areas or points of natural, scientific, cultural, and historic interest;

(ii) travel through an area which possesses outstanding scenic beauty;

(iii) travel over a route designed to enhance and utilize the unique qualities of a particular manner of travel in harmony with the natural environment;

(iv) travel along a route which is historically significant as a route of migration, commerce, or communication; or

(v) travel between units of the state outdoor recreation system or the national trail system; and

(2) utilizes, to the greatest extent possible consistent with the purposes of this subdivision, public lands, rights-of-way, and the like; ~~and~~

(3) provides maximum potential for the appreciation, conservation, and enjoyment of significant scenic, historical, natural, or cultural qualities of the areas through which the trail may pass; and

(4) takes into consideration predicted public demand and future use.

(c) State trails shall be administered by the commissioners of transportation or natural resources as specified by law in a manner which is consistent with the purposes of this subdivision. State trails established by the commissioner of natural resources shall be managed to provide a travel route through an area with a minimum disturbance of the natural environment and recognizing other multiple land use activities. Trail markers shall be limited to those providing safety information and interpretation.

(d) Facilities for the rest and comfort of trail users shall be provided primarily within units of the outdoor recreation system through which the trail passes. When additional facilities are required to insure the rest and comfort of the traveler, the managing agency may develop such facilities along the trail and shall designate the facilities as trail waysides. In addition to the foregoing purpose, trail waysides shall be developed for the preservation and interpretation of the trail's natural, historic, or scenic values, and may include facilities for primitive camping, picnicking, sanitation, and parking for access to the trail.

Sec. 15. Minnesota Statutes 2022, section 86A.05, subdivision 9, is amended to read:

Subd. 9. **State water-access site; purpose; resource and site qualifications; administration.** (a) A state water-access site shall be established to provide public access to rivers and lakes which are suitable for outdoor water recreation and where the access is necessary to permit public use.

(b) No unit shall be authorized as a state water-access site unless its proposed location substantially satisfies the following criteria:

(1) the body of water to which access is being provided and surrounding lands can withstand additional recreational use without undue damage to the environment or undue risks to the health and safety of water users; and

(2) public access to the body of water is either nonexistent or inadequate.

(c) State water-access sites shall be administered by the commissioner of natural resources or the commissioner of transportation in a manner which is consistent with the purposes of this subdivision to provide public access to water. Access roads, off-road parking areas, refuse containers, sanitary facilities, and facilities for limited picnicking and primitive camping may be provided when the commissioner determines that these activities are justifiable and are compatible with the resource and the natural environment.

Sec. 16. Minnesota Statutes 2022, section 86A.05, subdivision 11, is amended to read:

Subd. 11. **State historic sites; purpose; resource and site qualifications; administration; designation.** (a) A state historic site shall be established to preserve, restore, and interpret buildings and other structures, locales, sites, antiquities, and related lands which aptly illustrate significant events, personalities, and features of the history and archaeology of the state or nation.

(b) No unit shall be authorized as a state historic site unless it is historically important for any of the following reasons:

(1) is the site of or directly associated with a significant historical event; ~~or~~

(2) is associated with persons whose lives and accomplishments are historically unique or important; ~~or~~

(3) embodies the distinctive characteristics of an architectural style or method of construction which represents a particular and significant historical period, or the work of a master builder, designer, or architect; ~~or~~

(4) has yielded, or is likely to yield, historical or archaeological artifacts, records, or other original data or information; or

(5) is a geographical feature of outstanding significance and includes, by way of example, the highest point in the state, the continental divide, and the source of the Mississippi River.

(c) State historic sites shall be administered by the commissioner of natural resources, the Minnesota Historical Society, the Board of Regents of the University of Minnesota, governmental subdivisions of the state, or by county historical societies jointly or independently as designated by law in a manner which is consistent with the purposes of this subdivision to maintain and, if necessary, restore the historical integrity of the site to commemorate or illustrate its historical importance. Ancient features of significance shall be protected from disturbance until archaeological research has been completed. Interpretive programs for visitors shall be provided including, where practicable, interpretation of research programs under supervised conditions. Recreational use of natural features shall be permitted only where this can be accomplished without detriment to historical values. Physical development shall be limited to those facilities necessary to achieve the management and use objectives.

Sec. 17. Minnesota Statutes 2022, section 86A.05, subdivision 12, is amended to read:

Subd. 12. **State rest area; purpose; resource and site qualifications; administration.** (a) A state rest area shall be established to promote a safe, pleasurable, and informative travel experience along Minnesota highways by providing areas and facilities at reasonable intervals for information, emergencies, or the rest and comfort of travelers.

(b) No unit shall be authorized as a state rest area unless its proposed location substantially satisfies the following criteria:

(1) is adjacent to or in near proximity to a trunk or interstate highway;

(2) is developed at appropriate intervals based on the type of road system, traffic and traffic projections and known or projected usage of the proposed development; and

(3) may be near or associated with a place or area of natural, scientific, cultural, or historic interest.

(c) Rest areas shall be administered by the commissioner of transportation in cooperation with other agencies as appropriate in a manner which is consistent with the purposes of this subdivision. State rest areas may be managed to provide parking, resting, restroom, picnicking, orientation, travel information, and other facilities for the convenience of the traveling public. Where located in conjunction with features of interest, state rest areas shall provide interpretive exhibits or other facilities if appropriate to promote understanding and enjoyment of the features.

Sec. 18. Minnesota Statutes 2022, section 86A.21, is amended to read:

**86A.21 POWERS AND DUTIES OF COMMISSIONER.**

(a) The commissioner may:

(1) acquire, construct, and maintain small craft harbors, channels, and facilities for recreational watercraft in the navigable waters lying within the locations identified in Laws 1993, chapter 333, section 1;

(2) acquire by purchase, lease, gift, or condemnation the lands, rights-of-way, easements, and other interests necessary for small craft harbors, channels, mooring facilities, marinas, launching ramps, and facilities normally used to support harbors of refuge, channels, docks, and launching ramps;

(3) provide the public within the boundaries of small craft harbors, through leases of public property, with mooring facilities and marinas developed and operated by public or nonpublic entities at no cost to the state or its political subdivisions;

(4) charge fees for both seasonal and daily moorage at state-operated or state-assisted small craft harbors and mooring facilities; and

(5) collect the proceeds from the sale of marine fuel at small craft harbors or mooring facilities operated by the state.

(b) Fees and proceeds collected under paragraph (a) must be credited to the water recreation account. The sale prices of marine fuel and petroleum supplies and fees under paragraph (a) are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The commissioner may establish the fees under paragraph (a) notwithstanding section 16A.1283. The fees and proceeds are appropriated to the commissioner of natural

resources and must be used for purposes relating to mooring facilities and small craft harbors, including:

(1) operation and maintenance;

(2) purchase of marine fuel and other petroleum supplies;

(3) replacement or expansion; or

(4) debt service on funds provided through the sale of state bonds.

(c) Fees collected at small craft harbors and boating facilities constructed or operated by local units of government with financial assistance from the state shall, after payment of the costs of operating and maintaining the facilities, be used for purposes relating to mooring facilities and small craft harbors, including:

(1) operation and maintenance;

(2) replacement or expansion; or

(3) debt service on funds provided through the sale of state bonds.

Sec. 19. Minnesota Statutes 2022, section 92.70, subdivision 3, is amended to read:

Subd. 3. **Willful trespass.** (a) A person who willfully and knowingly uses public land for personal use or personal economic gain where the use is prohibited is guilty of trespass and a misdemeanor and is liable to the state or county for a civil penalty three times the amount of the damage.

(b) A person violating paragraph (a) may be issued a ticket and summons for a court appearance. The prosecuting authority shall prosecute the misdemeanor and shall bring an action for the civil penalty or, on failure to do so, the attorney general at the request of the public agency responsible for managing the land may prosecute the misdemeanor and shall bring an action for the civil penalty.

(c) Damages must be determined as the greater of:

(1) the cost to restore the public land to the condition it was in before the trespass occurred plus an amount to compensate the public for the loss of use; or

(2) the economic gain realized by the person committing the trespass.

(d) The civil penalty shall be paid to the court and the court administrator shall pay:

(1) for a trespass on county land, the entire amount to the county to be used for restoration of the trespass and county land improvement purposes; and

(2) for a trespass on state land, the civil penalty to the state agency responsible for managing the public land which is appropriated for restoration of the trespass and state land improvement purposes.

Sec. 20. Minnesota Statutes 2022, section 93.52, is amended to read:

**93.52 OWNERSHIP OF SEVERED MINERAL INTERESTS.**

Subdivision 1. **Purpose.** The purpose of sections 93.52 to ~~93.58~~ 93.551 is to identify and clarify the obscure and divided ownership condition of severed mineral interests in this state. Because the ownership condition of many severed mineral interests is becoming more obscure and further fractionalized with the passage of time, the development of mineral interests in this state is often impaired. Therefore, it is in the public interest and serves a public purpose to identify and clarify these interests.

Subd. 2. **Verified statement filing requirement.** Except as provided in subdivision 3, from and after January 1, 1970, every owner of a fee simple interest in minerals, hereafter referred to as a mineral interest, in lands in this state, which interest is owned separately from the fee title to the surface of the property upon or beneath which the mineral interest exists, shall record in the office of the county recorder or, if registered property, in the office of the registrar of titles in the county where the mineral interest is located a verified statement, in triplicate, citing sections 93.52 to ~~93.58~~ 93.551 and setting forth the owner's address, interest in the minerals, and both (1) the legal description of the property upon or beneath which the interest exists, and (2) the book and page number or the document number, in the records of the county recorder or registrar of titles, of the instrument by which the mineral interest is created or acquired. No statement may be recorded which contains mineral interests from more than one government section unless the instrument by which the mineral interest is created or acquired includes mineral interests from more than one government section. The county recorder and registrar of titles shall file with the county auditor a copy of each document so recorded within 60 days after recording in the office of county recorder or registrar of titles.

Subd. 3. **Exemptions.** Sections 93.52 to ~~93.58~~ 93.551 do not apply to the following owners of mineral interests: the United States of America, the state of Minnesota, and any American Indian tribe or band owning reservation lands in this state.

Sec. 21. Minnesota Statutes 2022, section 103A.43, is amended to read:

**103A.43 WATER ASSESSMENTS AND REPORTS.**

(a) The Environmental Quality Board shall consolidate the assessments required in paragraphs (b) and (c) with the policy report in section 103A.204 and submit a single report to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture and the Legislative-Citizen Commission on Minnesota Resources by September 15, 2010, and every five years thereafter.

(b) The Pollution Control Agency and the Department of Agriculture shall provide an assessment and analysis of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water. The assessment and analysis must include an analysis of relevant monitoring data.

(c) The Department of Natural Resources shall provide an assessment and analysis of the quantity of surface water and ~~ground water~~ groundwater in the state and the availability of water to meet the state's needs.

Sec. 22. Minnesota Statutes 2022, section 103B.211, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water in a watershed delineated pursuant to subdivision 2, as required by sections 103B.205 to 103B.255, may provide, in addition to other provisions authorized by section 471.59, for a joint board having:

(1) the authority to prepare, adopt, and implement a plan for the watershed meeting the requirements of section 103B.231;

(2) the authority to review and approve local water management plans as provided in section 103B.235;

(3) the authority of a watershed district under chapter 103D to regulate the use and development of land in the watershed when one or more of the following conditions exists:

(i) the local government unit exercising planning and zoning authority over the land under Minnesota Statutes 2020, sections 366.10 to 366.181, or sections 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 103B.235 or has not adopted the implementation program described in the plan;

(ii) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; or

(iii) the local government unit has authorized the organization to require permits for the use and development of land;

(4) the authority of a watershed district under section 103D.625, to accept the transfer of drainage systems in the watershed, to repair, improve, and maintain the transferred drainage systems, and to construct all new drainage systems and improvements of existing drainage systems in the watershed, provided that: (i) projects may be carried out under the powers granted in sections 103B.205 to 103B.255 or chapter 103D or 103E; and (ii) proceedings of the board with respect to the systems must be in conformance with the watershed plan adopted under section 103B.231;

(5) the authority of a watershed district under section 103D.911 to adopt a budget and decide on the total amount necessary to be raised from ad valorem tax levies to meet the budget;

(6) the authority of a watershed district under section 103D.915 to certify its budget with the auditor of each county having territory within the joint powers watershed management organization;

(7) the authority of a watershed district under section 103D.901 to file approved assessment statements with each affected county; and

(8) other powers necessary to exercise the authority under clauses (1) to (3), including the power to enter into contracts for the performance of functions with governmental units or persons.

(b) The Board of Water and Soil Resources shall adopt rules prescribing minimum requirements for the content of watershed management organization joint powers agreements.

(c) Decisions by a joint powers board may not require more than a majority vote, except a decision on a capital improvement project, which may require no more than a two-thirds vote.

Sec. 23. Minnesota Statutes 2022, section 103F.405, subdivision 1, is amended to read:

Subdivision 1. **Authority.** Each statutory or home rule charter city, town, or county that has planning and zoning authority under Minnesota Statutes 2020, sections 366.10 to 366.181, or sections 394.21 to 394.37, or 462.351 to 462.365 is encouraged to adopt a soil

loss ordinance. The soil loss ordinance must use the soil loss tolerance for each soil series described in the United States Natural Resources Conservation Service Field Office Technical Guide, or another method approved by the Board of Water and Soil Resources, to determine the soil loss limits, but the soil loss limits must be attainable by the best practicable soil conservation practice. Ordinances adopted by local governments must be consistent with a comprehensive plan, local water management plan, or watershed management plan developed or amended, adopted, and approved according to chapter 103B, 103C, or 103D.

Sec. 24. Minnesota Statutes 2022, section 103F.511, subdivision 10, is amended to read:

Subd. 10. **Wetland.** "Wetland" means land that has a predominance of hydric soils and that is inundated or saturated by surface water or ~~ground water~~ groundwater at a frequency and duration sufficient to support, or that periodically does support, a predominance of hydrophytic vegetation typically adapted for life in saturated soil conditions.

Sec. 25. Minnesota Statutes 2022, section 103F.705, is amended to read:

**103F.705 PURPOSE.**

It is the purpose of the legislature in enacting sections 103F.701 to 103F.755 to protect, enhance, and restore surface water and ~~ground water~~ groundwater in the state, through financial and technical assistance to local units of government to prevent water pollution, including that associated with land use and land management activities, and to provide a legal basis for state implementation of federal laws controlling nonpoint source water pollution.

Sec. 26. Minnesota Statutes 2022, section 103F.711, subdivision 6, is amended to read:

Subd. 6. **Nonpoint source.** "Nonpoint source" is a land management activity or land use activity that contributes or may contribute to ~~ground~~ groundwater and surface water pollution as a result of runoff, seepage, or percolation and that is not defined as a point source in section 115.01, subdivision 11. Nonpoint sources include rural and urban land management activities and land use activities and specialty land use activities such as transportation.

Sec. 27. Minnesota Statutes 2022, section 103F.715, is amended to read:

**103F.715 CLEAN WATER PARTNERSHIP PROGRAM ESTABLISHED.**

A clean water partnership program is established as provided in sections 103F.701 to 103F.755. The agency shall administer the program in accordance with these sections. The

agency shall provide financial and technical assistance in accordance with section 103F.725 to local units of government for projects in geographical areas that contribute to surface water or ~~ground water~~ groundwater flows. The projects shall provide for protection, enhancement, or restoration of surface water and ~~ground water~~ groundwater.

Sec. 28. Minnesota Statutes 2022, section 103G.005, subdivision 19, is amended to read:

Subd. 19. **Wetlands.** (a) "Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes:

(1) have a predominance of hydric soils;

(2) are inundated or saturated by surface water or ~~ground water~~ groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

(3) under normal circumstances support a prevalence of such vegetation.

(b) For the purposes of regulation under this chapter, the term wetlands does not include public waters wetlands as defined in subdivision 15a.

Sec. 29. Minnesota Statutes 2022, section 115.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to sections 115.55 to 115.56.

(b) "Advisory committee" means the Advisory Committee on Subsurface Sewage Treatment Systems established under the subsurface sewage treatment system rules. The advisory committee must be appointed to ensure geographic representation of the state and include elected public officials.

(c) "Applicable requirements" means:

(1) local ordinances that comply with the subsurface sewage treatment system rules, as required in subdivision 2; or

(2) in areas without compliant ordinances described in clause (1), the subsurface sewage treatment system rules.

(d) "Building sewer connected to a subsurface sewage treatment system" means the pipe that connects a structure to a subsurface sewage treatment system. Building sewers connected

to subsurface sewage treatment systems are codefined as both plumbing and subsurface sewage treatment system components.

(e) "City" means a statutory or home rule charter city.

(f) "Commissioner" means the commissioner of the Pollution Control Agency.

(g) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

(h) "Subsurface sewage treatment system" or "system" means a sewage treatment system, or part thereof, that uses subsurface soil treatment and disposal, or a holding tank, serving a dwelling, other establishment, or a group thereof, and that does not require a state permit. Subsurface sewage treatment system includes a building sewer connected to a subsurface sewage treatment system.

(i) "Subsurface sewage treatment system professional" means an inspector, installer, designer, service provider, or maintainer.

(j) "Subsurface sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, maintenance, and closure of subsurface sewage treatment systems.

(k) "Inspector" means a person who inspects subsurface sewage treatment systems for compliance with the applicable requirements.

(l) "Installer" means a person who constructs or repairs subsurface sewage treatment systems.

(m) "Local unit of government" means a township, city, or county.

(n) "Performance-based system" means a system that is designed specifically for environmental conditions on a site and is designed to adequately protect the public health and the environment and provide consistent, reliable, long-term performance. At a minimum, a performance-based system must ensure that applicable water quality standards are met in both ~~ground~~ groundwater and surface water that ultimately receive the treated sewage.

(o) "Maintainer" means a person who removes solids and liquids from and maintains and repairs components of subsurface sewage treatment systems including, but not limited to, sewage, aerobic, and holding tanks.

(p) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

(q) "Septic system tank" means any covered receptacle designed, constructed, and installed as part of a subsurface sewage treatment system.

(r) "Designer" means a person who:

(1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and

(2) designs subsurface sewage treatment systems.

(s) "Straight-pipe system" means a sewage disposal system that transports raw or partially treated sewage directly to a lake, a stream, a drainage system, or ground surface.

Sec. 30. Minnesota Statutes 2022, section 115A.192, subdivision 1, is amended to read:

Subdivision 1. **Request for proposals.** The commissioner shall issue requests for proposals for the development and operation of a stabilization and containment facility. The request must be designed to obtain detailed information about the qualifications of a respondent to develop and operate the facility; the capital and operating costs of the facility and the sources and methods by which the respondent plans to finance the facility; the technical specifications of the proposed facility and the technologies to be employed for processing, stabilization, containment, and monitoring; the requirements of the site for the proposed facility; the schedule for developing and commencing operation of the facility; and other matters which the commissioner deems necessary for the agency to evaluate and select a developer and operator for the facility. Before issuing the requests, the commissioner shall prepare a draft of clauses ~~(a) to (e)~~ (1) to (5) of the report required by section 115A.193, paragraph (a). The draft must accompany the requests for proposals.

Sec. 31. Minnesota Statutes 2022, section 115A.33, is amended to read:

**115A.33 ELIGIBILITY; REQUEST FOR REVIEW.**

(a) The following persons ~~shall be~~ are eligible to request supplementary review by the board pursuant to sections 115A.32 to 115A.39:

~~(a)~~ (1) a generator of sewage sludge within the state who has been issued permits by the agency for a facility to dispose of sewage sludge or solid waste resulting from sewage treatment;

~~(b)~~ (2) a political subdivision ~~which~~ that has been issued permits by the agency, or a political subdivision acting on behalf of a person who has been issued permits by the agency,

for a solid waste facility ~~which~~ that is no larger than 250 acres, not including any proposed buffer area, and located outside the metropolitan area;

~~(c)~~ (3) a generator of hazardous waste within the state who has been issued permits by the agency for a hazardous waste facility to be owned and operated by the generator, on property owned by the generator, and to be used by the generator for managing the hazardous wastes produced by the generator only;

~~(d)~~ (4) a person who has been issued permits by the agency for a commercial hazardous waste processing facility at a site included in the board's inventory of preferred sites for such facilities adopted pursuant to Minnesota Statutes 1996, section 115A.09; and

~~(e)~~ (5) a person who has been issued permits by the agency for a disposal facility for the nonhazardous sludge, ash, or other solid waste generated by a permitted hazardous waste processing facility operated by the person.

(b) The board may require completion of a plan conforming to the requirements of section 115A.46, before granting review under paragraph (a), clause ~~(b)~~ (2). A request for supplementary review ~~shall~~ must show that the required permits for the facility have been issued by the agency and that a political subdivision has refused to approve the establishment or operation of the facility.

Sec. 32. Minnesota Statutes 2022, section 115A.38, subdivision 1, is amended to read:

Subdivision 1. **Reports to legislative commission.** At least 30 days before making a final decision under section 115A.37 in a review brought pursuant to section 115A.33, paragraph (a), clause ~~(d)~~ (4), the chair of the board may report to the legislative commission describing permit conditions or requirements being considered ~~which~~ that are not within the existing authority of the agency or the board or ~~which~~ that would require legislation or public financial assistance. In any such report, the chair of the board may request intervention in the review pursuant to subdivisions 2 and 3.

Sec. 33. Minnesota Statutes 2022, section 115A.39, is amended to read:

**115A.39 JUDICIAL REVIEW.**

Judicial review with respect to conduct or decisions in supplementary reviews brought pursuant to section 115A.33, paragraph (a), clause ~~(c)~~ (3) or ~~(d)~~ (4), ~~shall be~~ is as provided in section 115A.30.

Sec. 34. Minnesota Statutes 2022, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. **Solid waste management projects.** (a) The commissioner shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c) or (d), a project may receive grant assistance up to 25 percent of the capital cost of the project or $2,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 25 percent of the capital cost of the project; or (2) $2,000,000 times the number of participating counties, whichever is less.

(c) A recycling project or a project to compost or cocompost waste may receive grant assistance up to 50 percent of the capital cost of the project or $2,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 50 percent of the capital cost of the project; or (2) $2,000,000 times the number of participating counties, whichever is less.

(d) The following projects may also receive grant assistance in the amounts specified in ~~this~~ paragraph (c):

(1) a project to improve control of or reduce air emissions at an existing resource recovery facility; and

(2) a project to substantially increase the recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility to meet the resource recovery needs of an expanded region if each county from which waste is or would be received has achieved a recycling rate in excess of the goals in section 115A.551, and is implementing aggressive waste reduction and household hazardous waste management programs.

~~(d)~~ (e) Notwithstanding paragraph ~~(c)~~ (f), the commissioner may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the commissioner, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within 16 years of the date of the grant award, the recipient shall repay the grant amount to the state.

~~(e)~~ (f) Projects without resource recovery are not eligible for assistance.

~~(f)~~ (g) In addition to any assistance received under paragraph (b) ~~or~~, (c), or (d), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

~~(g)~~ (h) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

~~(h)~~ (i) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The commissioner shall adopt rules for the program by July 1, 1985.

~~(i)~~ (j) Notwithstanding anything in this subdivision to the contrary, a project to construct a new mixed municipal solid waste transfer station that has an enforceable commitment of at least ten years, or of sufficient length to retire bonds sold for the facility, to serve an existing resource recovery facility may receive grant assistance up to 75 percent of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery facility and the ability of the resource recovery facility to operate more efficiently on a regional basis and the facility meets the criteria in paragraph ~~(e)~~ (d), ~~the second~~ clause (2). A transfer station eligible for assistance under this paragraph is not eligible for assistance under any other paragraph of this subdivision.

Sec. 35. Minnesota Statutes 2022, section 115A.918, subdivision 2, is amended to read:

Subd. 2. **Closure.** "Closure" means actions that will prevent, mitigate, or minimize the threat to public health and the environment posed by a closed solid waste disposal facility including application of final cover; grading and seeding of final cover; installation of an adequate monitoring system, if necessary; and construction of ~~ground~~ groundwater and surface water diversion structures.

Sec. 36. Minnesota Statutes 2022, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. **Permits.** (a) The Pollution Control Agency may issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the emission of air contaminants, or for the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, or for the sources or emissions of noise pollution.

(b) The Pollution Control Agency may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the storage, collection, transportation, processing, or disposal of waste, or for the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste.

(c) The agency may not issue a permit to a facility without analyzing and considering the cumulative levels and effects of past and current environmental pollution from all sources on the environment and residents of the geographic area within which the facility's emissions are likely to be deposited, provided that the facility is located in a community in a city of the first class in Hennepin County that meets all of the following conditions:

(1) is within a half mile of a site designated by the federal government as an EPA superfund site due to residential arsenic contamination;

(2) a majority of the population are low-income persons of color and American Indians;

(3) a disproportionate percent of the children have childhood lead poisoning, asthma, or other environmentally related health problems;

(4) is located in a city that has experienced numerous air quality alert days of dangerous air quality for sensitive populations between February 2007 and February 2008; and

(5) is located near the junctions of several heavily trafficked state and county highways and two one-way streets which carry both truck and auto traffic.

(d) The Pollution Control Agency may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to prevent or abate pollution.

(e) The Pollution Control Agency has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, the agency's issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or

shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to Minnesota Statutes 2020, sections 366.10 to 366.181, or sections 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility.

(f) Except as prohibited by federal law, a person may commence construction, reconstruction, replacement, or modification of any facility prior to the issuance of a construction permit by the agency.

Sec. 37. Minnesota Statutes 2022, section 116D.04, subdivision 5a, is amended to read:

Subd. 5a. **Rules.** The board shall, by January 1, 1981, promulgate rules in conformity with this chapter and the provisions of chapter 15, establishing:

(1) the governmental unit which shall be responsible for environmental review of a proposed action;

(2) the form and content of environmental assessment worksheets;

(3) a scoping process in conformance with subdivision 2a, paragraph ~~(g)~~ (h);

(4) a procedure for identifying during the scoping process the permits necessary for a proposed action and a process for coordinating review of appropriate permits with the preparation of the environmental impact statement;

(5) a standard format for environmental impact statements;

(6) standards for determining the alternatives to be discussed in an environmental impact statement;

(7) alternative forms of environmental review which are acceptable pursuant to subdivision 4a;

(8) a model ordinance which may be adopted and implemented by local governmental units in lieu of the environmental impact statement process required by this section, providing for an alternative form of environmental review where an action does not require a state agency permit and is consistent with an applicable comprehensive plan. The model ordinance shall provide for adequate consideration of appropriate alternatives, and shall ensure that decisions are made in accordance with the policies and purposes of Laws 1980, chapter 447;

(9) procedures to reduce paperwork and delay through intergovernmental cooperation and the elimination of unnecessary duplication of environmental reviews;

(10) procedures for expediting the selection of consultants by the governmental unit responsible for the preparation of an environmental impact statement; and

(11) any additional rules which are reasonably necessary to carry out the requirements of this section.

Sec. 38. Minnesota Statutes 2022, section 119B.011, subdivision 20, is amended to read:

Subd. 20. **Transition year families.** "Transition year families" means families who have received MFIP assistance, ~~or~~ who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance under section 256J.31, subdivision 12, or ~~families~~ who have received DWP assistance under section 256J.95 for at least one of the last six months before losing eligibility for MFIP or DWP. Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2, transition year child care may be used to support employment, approved education or training programs, or job search that meets the requirements of section 119B.10. Transition year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Sec. 39. Minnesota Statutes 2022, section 119B.03, subdivision 3, is amended to read:

Subd. 3. **Eligible participants.** Families that meet the eligibility requirements under sections 119B.09 and 119B.10, except MFIP participants, diversionary work program participants, and transition year families, are eligible for child care assistance under the basic sliding fee program. Families enrolled in the basic sliding fee program shall be continued until they are no longer eligible. Child care assistance provided through the child care fund is considered assistance to the parent.

Sec. 40. Minnesota Statutes 2022, section 119B.13, subdivision 3a, is amended to read:

Subd. 3a. **Provider rate differential for accreditation.** A family child care provider or child care center shall be paid a 15 percent differential above the maximum rate established in subdivision 1, up to the actual provider rate, if the provider or center holds a current early childhood development credential or is accredited. For a family child care provider, early childhood development credential and accreditation includes an individual who has earned a child development associate degree, a child development associate credential, a diploma in child development from a Minnesota state technical college, or a bachelor's or post baccalaureate degree in early childhood education from an accredited college or university, or who is accredited by the National Association for Family Child Care or the Competency Based Training and Assessment Program. For a child care center, accreditation includes

accreditation that meets the following criteria: the accrediting organization must demonstrate the use of standards that promote the physical, social, emotional, and cognitive development of children. The accreditation standards shall include, but are not limited to, positive interactions between adults and children, age-appropriate learning activities, a system of tracking children's learning, use of assessment to meet children's needs, specific qualifications for staff, a learning environment that supports developmentally appropriate experiences for children, health and safety requirements, and family engagement strategies. Based on an application process developed by the commissioner in conjunction with the commissioners of education and health, the Department of Human Services must accept applications from accrediting organizations ~~beginning on July 1, 2013, and~~ on an annual basis ~~thereafter~~. The provider rate differential shall be paid to centers holding an accreditation from an approved accrediting organization beginning on a billing cycle to be determined by the commissioner, no later than the last Monday in February of a calendar year. The commissioner shall annually publish a list of approved accrediting organizations. An approved accreditation must be reassessed by the commissioner every two years. If an approved accrediting organization is determined to no longer meet the approval criteria, the organization and centers being paid the differential under that accreditation must be given a 90-day notice by the commissioner and the differential payment must end after a 15-day notice to affected families and centers as directed in Minnesota Rules, part 3400.0185, subparts 3 and 4. The following accreditations shall be recognized for the provider rate differential until an approval process is implemented: the National Association for the Education of Young Children, the Council on Accreditation, the National Early Childhood Program Accreditation, the National School-Age Care Association, or the National Head Start Association Program of Excellence. For Montessori programs, accreditation includes the American Montessori Society, Association of Montessori International-USA, or the National Center for Montessori Education.

Sec. 41. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

Subd. 6. **Provider payments.** (a) A provider shall bill only for services documented according to section 119B.125, subdivision 6. The provider shall bill for services provided within ten days of the end of the service period. Payments under the child care fund shall be made within 21 days of receiving a complete bill from the provider. Counties or the state may establish policies that make payments on a more frequent basis.

(b) If a provider has received an authorization of care and been issued a billing form for an eligible family, the bill must be submitted within 60 days of the last date of service on the bill. A bill submitted more than 60 days after the last date of service must be paid if the

county determines that the provider has shown good cause why the bill was not submitted within 60 days. Good cause must be defined in the county's child care fund plan under section 119B.08, subdivision 3, and the definition of good cause must include county error. Any bill submitted more than a year after the last date of service on the bill must not be paid.

(c) If a provider provided care for a time period without receiving an authorization of care and a billing form for an eligible family, payment of child care assistance may only be made retroactively for a maximum of three months from the date the provider is issued an authorization of care and a billing form. For a family at application, if a provider provided child care during a time period without receiving an authorization of care and a billing form, a county may only make child care assistance payments to the provider retroactively from the date that child care began, or from the date that the family's eligibility began under section 119B.09, subdivision 7, or from the date that the family meets authorization requirements, not to exceed six months from the date that the provider is issued an authorization of care and a billing form, whichever is later.

(d) A county or the commissioner may refuse to issue a child care authorization to a certified, licensed, or legal nonlicensed provider~~,~~; revoke an existing child care authorization to a certified, licensed, or legal nonlicensed provider~~,~~; stop payment issued to a certified, licensed, or legal nonlicensed provider~~,~~; or refuse to pay a bill submitted by a certified, licensed, or legal nonlicensed provider if:

(1) the provider admits to intentionally giving the county materially false information on the provider's billing forms;

(2) a county or the commissioner finds by a preponderance of the evidence that the provider intentionally gave the county materially false information on the provider's billing forms, or provided false attendance records to a county or the commissioner;

(3) the provider is in violation of child care assistance program rules, until the agency determines those violations have been corrected;

(4) the provider is operating after:

(i) an order of suspension of the provider's license issued by the commissioner;

(ii) an order of revocation of the provider's license issued by the commissioner; or

(iii) an order of decertification issued to the provider;

(5) the provider submits false attendance reports or refuses to provide documentation of the child's attendance upon request;

(6) the provider gives false child care price information; or

(7) the provider fails to report decreases in a child's attendance as required under section 119B.125, subdivision 9.

(e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), the county or the commissioner may withhold the provider's authorization or payment for a period of time not to exceed three months beyond the time the condition has been corrected.

(f) A county's payment policies must be included in the county's child care plan under section 119B.08, subdivision 3. If payments are made by the state, in addition to being in compliance with this subdivision, the payments must be made in compliance with section 16A.124.

(g) If the commissioner or responsible county agency suspends or refuses payment to a provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:

(1) a disqualification for wrongfully obtaining assistance under section 256.98, subdivision 8, paragraph (c);

(2) an administrative disqualification under section 256.046, subdivision 3; or

(3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or 245E.06;

then the provider forfeits the payment to the commissioner or the responsible county agency, regardless of the amount assessed in an overpayment, charged in a criminal complaint, or ordered as criminal restitution.

Sec. 42. Minnesota Statutes 2022, section 122A.20, subdivision 2, is amended to read:

Subd. 2. **Mandatory reporting.** (a) A school board, superintendent, charter school board, charter school executive director, or charter school authorizer must report to the Professional Educator Licensing and Standards Board, the Board of School Administrators, or the Board of Trustees of the Minnesota State Colleges and Universities, whichever has jurisdiction over the teacher's or administrator's license, when its teacher or administrator is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or after charges are filed that are grounds for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or chapter 260E; or 122A.41, subdivisions 6, clauses (1), (2), and (3),

and 7; or when a teacher or administrator is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or chapter 260E. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board, administrator, or authorizer must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the license, a board, charter school, authorizer, charter school executive director, or school superintendent shall provide the licensing board with information about the teacher or administrator from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

(b) The licensing board to which a report is made must transmit to the Attorney General's Office any record or data it receives under this subdivision for the sole purpose of having the Attorney General's Office assist that board in its investigation. When the Attorney General's Office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's or administrator's license within 45 days of receiving a stipulation executed by the teacher or administrator under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

(c) The Professional Educator Licensing and Standards Board and Board of School Administrators must report to the appropriate law enforcement authorities a revocation, suspension, or agreement involving a loss of license, relating to a teacher or administrator's inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement authority" means a police department, county sheriff, or tribal police department. A report by the Professional Educator Licensing and Standards Board to appropriate law enforcement

authorities does not diminish, modify, or otherwise affect the responsibilities of a school board or any person mandated to report abuse under chapter 260E.

Sec. 43. Minnesota Statutes 2022, section 124D.19, subdivision 3, is amended to read:

Subd. 3. **Community education director.** (a) Except as provided under paragraphs (b) and (c), each board shall employ a licensed community education director. The board shall submit the name of the person who is serving as director of community education under this section on the district's annual community education report to the commissioner.

(b) A board may apply to the Minnesota Board of School Administrators under Minnesota Rules, part ~~3512.0505, subpart 9~~ 3512.5300, subpart 11, for authority to use an individual who is not licensed as a community education director.

(c) A board of a district with a total population of 6,000 or less may identify an employee who holds a valid superintendent license under Minnesota Rules, chapter 3512, to serve as director of community education. To be eligible for an exception under this paragraph, the board shall certify in writing to the commissioner that the district has not placed a licensed director of community education on unrequested leave. A principal serving as a community education director under this paragraph on June 1, 2011, may continue to serve in that capacity.

Sec. 44. Minnesota Statutes 2022, section 124D.68, subdivision 3, is amended to read:

Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2 may enroll in a state-approved alternative program under sections 123A.05 to 123A.08.

(b) A pupil who is eligible according to subdivision 2 and who is a high school junior or senior may enroll in postsecondary courses under section 124D.09.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program.

(d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic, nonsectarian school that has contracted with the serving school district to provide educational services. However, notwithstanding other provisions of this section, only a pupil who is eligible under subdivision 2, paragraph (a), clause (12), may enroll in a contract alternative school that is specifically structured to provide educational services to such a pupil.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124D.52 and operated under the community education program contained in section 124D.19.

Sec. 45. Minnesota Statutes 2022, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** "Child with a disability" means a child identified under federal and state special education law as deaf or hard-of-hearing, blind or visually impaired, deafblind, or having a speech or language impairment, a physical impairment, other health disability, developmental cognitive disability, an emotional or behavioral disorder, specific learning disability, autism spectrum disorder, traumatic brain injury, or severe multiple impairments, and who needs special education and related services, as determined by the rules of the commissioner. A licensed physician, an advanced practice registered nurse, a physician assistant, or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability.

Sec. 46. Minnesota Statutes 2022, section 144.55, subdivision 2, is amended to read:

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

(b) "Outpatient surgical center" or "center" means a facility organized for the specific purpose of providing elective outpatient surgery for preexamined, prediagnosed, low-risk patients. An outpatient surgical center is not organized to provide regular emergency medical services and does not include a physician's, advanced practice registered nurse's, physician assistant's, or dentist's office or clinic for the practice of medicine, the practice of dentistry, or the delivery of primary care.

(c) "Approved accrediting organization" means any organization recognized as an accreditation organization by the Centers for Medicare and Medicaid Services.

Sec. 47. Minnesota Statutes 2022, section 144.608, subdivision 1, is amended to read:

Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory Council is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, and improvement of a statewide trauma system.

(b) The council shall consist of the following members:

(1) a trauma surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

(2) a general surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery whose practice includes trauma and who practices in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(3) a neurosurgeon certified by the American Board of Neurological Surgery who practices in a level I or II trauma hospital;

(4) a trauma program nurse manager or coordinator practicing in a level I or II trauma hospital;

(5) an emergency physician certified by the American Board of Emergency Medicine or the American Osteopathic Board of Emergency Medicine whose practice includes emergency room care in a level I, II, III, or IV trauma hospital;

(6) a trauma program manager or coordinator who practices in a level III or IV trauma hospital;

(7) a physician certified by the American Board of Family Medicine or the American Osteopathic Board of Family Practice whose practice includes emergency department care in a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(8) a nurse practitioner, as defined under section 144.1501, subdivision 1, paragraph ~~(l)~~ (m), or a physician assistant, as defined under section 144.1501, subdivision 1, paragraph ~~(o)~~ (p), whose practice includes emergency room care in a level IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(9) a physician certified in pediatric emergency medicine by the American Board of Pediatrics or certified in pediatric emergency medicine by the American Board of Emergency Medicine or certified by the American Osteopathic Board of Pediatrics whose practice primarily includes emergency department medical care in a level I, II, III, or IV trauma hospital, or a surgeon certified in pediatric surgery by the American Board of Surgery whose practice involves the care of pediatric trauma patients in a trauma hospital;

(10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma and who practices in a level I, II, or III trauma hospital;

(11) the state emergency medical services medical director appointed by the Emergency Medical Services Regulatory Board;

(12) a hospital administrator of a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(13) a rehabilitation specialist whose practice includes rehabilitation of patients with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined under section 144.661;

(14) an attendant or ambulance director who is an EMT, ~~EMT-I~~ AEMT, or ~~EMT-P~~ paramedic within the meaning of section 144E.001 and who actively practices with a licensed ambulance service in a primary service area located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f); and

(15) the commissioner of public safety or the commissioner's designee.

Sec. 48. Minnesota Statutes 2022, section 144A.471, subdivision 7, is amended to read:

Subd. 7. **Comprehensive home care license provider.** Home care services that may be provided with a comprehensive home care license include any of the basic home care services listed in subdivision 6, and one or more of the following:

(1) services of an advanced practice registered nurse, physician assistant, registered nurse, licensed practical nurse, physical therapist, respiratory therapist, occupational therapist, speech-language pathologist, dietitian or nutritionist, or social worker;

(2) tasks delegated to unlicensed personnel by a registered nurse or assigned by a licensed health professional within the person's scope of practice;

(3) medication management services;

(4) hands-on assistance with transfers and mobility;

(5) treatment and therapies;

(6) assisting clients with eating when the clients have complicating eating problems as identified in the client record or through an assessment such as difficulty swallowing, recurrent lung aspirations, or requiring the use of a tube or parenteral or intravenous instruments to be fed; or

(7) providing other complex or specialty health care services.

Sec. 49. Minnesota Statutes 2022, section 147A.09, subdivision 2, is amended to read:

Subd. 2. **Patient services.** Patient services may include, but are not limited to, the following:

(1) taking patient histories and developing medical status reports;

(2) performing physical examinations;

(3) interpreting and evaluating patient data;

(4) ordering, performing, or reviewing diagnostic procedures, including the use of radiographic imaging systems in compliance with Minnesota Rules 2007, chapter 4732, but excluding interpreting computed tomography scans, magnetic resonance imaging scans, positron emission tomography scans, nuclear scans, and mammography;

(5) ordering or performing therapeutic procedures including the use of ionizing radiation in compliance with Minnesota Rules 2007, chapter 4732;

(6) providing instructions regarding patient care, disease prevention, and health promotion;

(7) providing patient care in the home and in health care facilities;

(8) creating and maintaining appropriate patient records;

(9) transmitting or executing specific orders;

(10) prescribing, administering, and dispensing drugs, controlled substances, and medical devices, including administering local anesthetics, but excluding anesthetics injected in connection with an operating room procedure, inhaled anesthesia, and spinal anesthesia;

(11) functioning as an emergency medical technician with permission of the ambulance service and in compliance with section 144E.127, and ambulance service rules adopted by the commissioner of health;

(12) initiating evaluation and treatment procedures essential to providing an appropriate response to emergency situations;

(13) certifying a patient's eligibility for a disability parking certificate under section 169.345, subdivision 2;

(14) assisting at surgery; and

(15) providing medical authorization for admission for emergency care and treatment of a patient under section ~~253B.05, subdivision 2~~ 253B.051, subdivision 1.

Sec. 50. Minnesota Statutes 2022, section 147D.27, subdivision 6, is amended to read:

Subd. 6. **~~Additional~~ Other fees.** (a) ~~The following fees also apply~~ The board may also charge the following nonrefundable fees:

(1) traditional midwifery annual registration fee, $100;

(2) traditional midwifery application fee, $100;

(3) traditional midwifery late fee, $75;

(4) traditional midwifery inactive status fee, $50;

(5) traditional midwifery temporary permit fee, $75;

(6) traditional midwifery certification fee, $25;

(7) duplicate license or registration fee, $20;

(8) certification letter fee, $25;

(9) education or training program approval fee, $100; ~~and~~

(10) report creation and generation fee, $60 per hour billed in quarter-hour increments with a quarter-hour minimum~~.~~; and

(11) verification fee, $25.

(b) The revenue generated from the fees must be deposited in an account in the state government special revenue fund.

Sec. 51. Minnesota Statutes 2022, section 148.211, subdivision 1a, is amended to read:

Subd. 1a. **Advanced practice registered nurse licensure.** (a) No advanced practice registered nurse shall practice as an advanced practice registered nurse unless the advanced practice registered nurse is licensed by the board under this section.

(b) An applicant for a license to practice as an advanced practice registered nurse (APRN) shall apply to the board in a format prescribed by the board and pay a fee in an amount determined under section 148.243.

(c) To be eligible for licensure an applicant:

(1) must hold a current Minnesota professional nursing license or demonstrate eligibility for licensure as a registered nurse in this state;

(2) must not hold an encumbered license as a registered nurse in any state or territory;

(3)(i) must have completed a graduate level APRN program accredited by a nursing or nursing-related accrediting body that is recognized by the United States Secretary of Education or the Council for Higher Education Accreditation as acceptable to the board. The education must be in one of the four APRN roles for at least one population focus. For APRN programs completed on or after January 1, 2016, the program must include at least one graduate-level course in each of the following areas: advanced physiology and

pathophysiology; advanced health assessment; and pharmacokinetics and pharmacotherapeutics of all broad categories of agents; or

(ii) must demonstrate compliance with the advanced practice registered nursing educational requirements that were in effect in Minnesota at the time the applicant completed the advanced practice registered nursing education program;

(4) must be currently certified by a national certifying body recognized by the board in the APRN role and population foci appropriate to educational preparation;

(5) must report any criminal conviction, nolo contendere plea, Alford plea, or other plea arrangement in lieu of conviction; and

(6) must not have committed any acts or omissions which are grounds for disciplinary action in another jurisdiction or, if these acts have been committed and would be grounds for disciplinary action as set forth in section 148.261, the board has found, after investigation, that sufficient restitution has been made.

Sec. 52. Minnesota Statutes 2022, section 148.724, subdivision 1, is amended to read:

Subdivision 1. **National test.** All applicants for licensure as a physical therapist assistant must take and pass the National Physical Therapy Examination (NPTE) for physical therapist assistants administered by the Federation of State Boards of Physical Therapy (FSBPT) or an alternate national examination determined by the board to be equivalent. For purposes of this section, passing scores are defined in subdivisions 2 ~~to 4~~ and 3.

Sec. 53. Minnesota Statutes 2022, section 148B.06, subdivision 2, is amended to read:

Subd. 2. **Hearing.** In lieu of the notice and hearing requirements of section ~~148B.175~~ 148B.371, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice required in subdivision 1. The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the Office of Administrative Hearings. Notwithstanding any other law, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

Sec. 54. Minnesota Statutes 2022, section 148B.5301, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) To be licensed as a licensed professional clinical counselor (LPCC), an applicant must provide satisfactory evidence to the board that the applicant:

(1) is at least 18 years of age;

(2) is of good moral character;

(3) has completed a master's or doctoral degree program in counseling or a related field, as determined by the board based on the criteria in items (i) to (x), that includes a minimum of 48 semester hours or 72 quarter hours and a supervised field experience in counseling that is not fewer than 700 hours. The degree must be from a counseling program recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP) or from an institution of higher education that is accredited by a regional accrediting organization recognized by the Council for Higher Education Accreditation (CHEA). Specific academic course content and training must include coursework in each of the following subject areas:

(i) helping relationship, including counseling theory and practice;

(ii) human growth and development;

(iii) lifestyle and career development;

(iv) group dynamics, processes, counseling, and consulting;

(v) assessment and appraisal;

(vi) social and cultural foundations, including multicultural issues;

(vii) principles of etiology, treatment planning, and prevention of mental and emotional disorders and dysfunctional behavior;

(viii) family counseling and therapy;

(ix) research and evaluation; and

(x) professional counseling orientation and ethics;

(4) has demonstrated competence in professional counseling by passing the National Clinical Mental Health Counseling Examination (NCMHCE), administered by the National Board for Certified Counselors, Inc. (NBCC) and ethical, oral, and situational examinations as prescribed by the board;

(5) has earned graduate-level semester credits or quarter-credit equivalents in the following clinical content areas ~~as follows~~:

(i) six credits in diagnostic assessment for child or adult mental disorders; normative development; and psychopathology, including developmental psychopathology;

(ii) three credits in clinical treatment planning, with measurable goals;

(iii) six credits in clinical intervention methods informed by research evidence and community standards of practice;

(iv) three credits in evaluation methodologies regarding the effectiveness of interventions;

(v) three credits in professional ethics applied to clinical practice; and

(vi) three credits in cultural diversity; and

(6) has demonstrated successful completion of 4,000 hours of supervised, post-master's degree professional practice in the delivery of clinical services in the diagnosis and treatment of child and adult mental illnesses and disorders, conducted according to subdivision 2.

(b) If coursework in paragraph (a) was not completed as part of the degree program required by paragraph (a), clause (3), the coursework must be taken and passed for credit, and must be earned from a counseling program or institution that meets the requirements of paragraph (a), clause (3).

Sec. 55. Minnesota Statutes 2022, section 148E.130, subdivision 1a, is amended to read:

Subd. 1a. **Increased clock hours required effective August 1, 2011.** (a) Notwithstanding the requirements in subdivision 8, the clock hours specified in ~~subdivisions~~ subdivision 1 ~~and 4 to 6~~ apply to all new licenses issued effective August 1, 2011, under section 148E.055.

(b) Any licensee issued a license prior to August 1, 2011, under Minnesota Statutes 2010, section 148D.055, must comply with the increased clock hours in ~~subdivisions~~ subdivision 1 ~~and 4 to 6,~~ and must document the clock hours at the first two-year renewal term after August 1, 2011.

Sec. 56. Minnesota Statutes 2022, section 160.10, subdivision 8, is amended to read:

Subd. 8. **Section construction.** Nothing in this section shall be construed to limit the power of any road authority including road authorities of cities to vacate a road by or under any other provision of law. Nothing herein shall affect contractual rights or obligations in existence as of ~~the date of the passage of this section~~ July 1, 1959, between the road authority and the owner or lessee of mining lands.

Sec. 57. Minnesota Statutes 2022, section 161.14, subdivision 89, is amended to read:

Subd. 89. **Captain Jeffrey Vollmer Memorial Highway.** That segment of marked Trunk Highway 25 from marked Trunk Highway 7 to Carver County ~~Road~~ State-Aid Highway 30 is designated as "Captain Jeffrey Vollmer Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 58. Minnesota Statutes 2022, section 167.60, is amended to read:

**167.60 DEBT-FINANCING MANAGEMENT POLICY.**

(a) ~~By July 1, 2010,~~ The commissioner shall develop a debt-financing management policy for trunk highway bonds, federal advanced construction funds, and other forms of highway financing based on debt or future repayment. The policy must be used by the department to guide decision making related to debt financing. The commissioner may update the policy as necessary. In developing and updating the policy, the commissioner shall consult with the commissioner of management and budget and the chairs and ranking minority members of the ~~senate and house of representatives~~ legislative committees with jurisdiction over transportation finance.

(b) The debt-financing management policy must address relevant financial issues, including, but not limited to:

(1) limits on cumulative amounts of debt for the trunk highway system from all state and federal sources;

(2) eligibility of projects for debt-financing funds;

(3) allocation and use of funds;

(4) terms of debt service and methods of repayment;

(5) management of trunk highway fund balance impacts; and

(6) mitigation of risks from different forms of debt financing.

(c) Upon creation or formal revision of the debt-financing management policy, the commissioner shall distribute electronic copies to the members of the ~~senate and house of representatives~~ legislative committees with jurisdiction over transportation finance, and as required for reports to the legislature under section 3.195, subdivision 1.

Sec. 59. Minnesota Statutes 2022, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration tax is calculated as $10 plus:

(1) for a vehicle initially registered in Minnesota prior to November 16, 2020, 1.25 percent of the manufacturer's suggested retail price of the vehicle and the destination charge, subject to the adjustments in paragraphs (e) and (f) ~~and (g)~~; or

(2) for a vehicle initially registered in Minnesota on or after November 16, 2020, 1.285 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments in paragraphs (e) and (f) ~~and (g)~~.

(b) The registration tax calculation must not include the cost of each accessory or item of optional equipment separately added to the vehicle and the manufacturer's suggested retail price. The registration tax calculation must not include a destination charge, except for a vehicle previously registered in Minnesota prior to November 16, 2020.

~~(c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to individually determine the registration tax on the vehicle using manufacturer's suggested retail price information provided by the manufacturer. The registrar must use the manufacturer's suggested retail price determined by the dealer as provided in paragraph (d). A dealer that elects to make the determination must retain a copy of the manufacturer's suggested retail price label or other supporting documentation with the vehicle transaction records maintained under Minnesota Rules, part 7400.5200.~~

~~(d)~~ (c) The registrar must determine the manufacturer's suggested retail price:

(1) using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry;

~~(2) if the list price information is unavailable, using the amount determined by a licensed dealer under paragraph (c);~~

~~(3)~~ (2) if a dealer does not determine the amount, using the retail price label as provided by the manufacturer under United States Code, title 15, section 1232; or

~~(4)~~ (3) if the retail price label is not available, using the actual sales price of the vehicle.

If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered vehicle in the foregoing manner, the registrar may use any other available source or method.

~~(e)~~ (d) The registrar must calculate the registration tax using information available to dealers and deputy registrars at the time the initial application for registration is submitted.

~~(f)~~ (e) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a percentage of the manufacturer's suggested retail price, as follows: during the first year of vehicle life, upon 100 percent of the price; for the second year, 90 percent of the price; for the third year, 80 percent of the price; for the fourth year, 70 percent of the price; for the fifth year, 60 percent of the price; for the sixth year, 50 percent of the price; for the seventh year, 40 percent of the price; for the eighth year, 30 percent of the price; for the ninth year, 20 percent of the price; and for the tenth year, ten percent of the price.

~~(g)~~ (f) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1) and (2), must be calculated as $25.

~~(h)~~ (g) Except as provided in subdivision 23, for any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision and subdivision 1m must not exceed the smallest total amount previously paid or due on the vehicle.

Sec. 60. Minnesota Statutes 2022, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. **Truck; tractor; combination; exceptions.** (a) On trucks and tractors except those in this chapter defined as farm trucks~~,~~ and on truck-tractor and semitrailer combinations except those defined as farm combinations, ~~and on commercial zone vehicles,~~ the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than $120.

Minnesota Base Rate Schedule

Scheduled taxes include five percent

surtax provided for in subdivision 14

| | TOTAL GROSS WEIGHT IN POUNDS | | | | TAX |
|---|---|---|---|---|---|
| A | 0 | - | 1,500 | $ | 15 |
| B | 1,501 | - | 3,000 | | 20 |
| C | 3,001 | - | 4,500 | | 25 |
| D | 4,501 | - | 6,000 | | 35 |
| E | 6,001 | - | 10,000 | | 45 |
| F | 10,001 | - | 12,000 | | 70 |
| G | 12,001 | - | 15,000 | | 105 |
| H | 15,001 | - | 18,000 | | 145 |

| | | | | | |
|---|---|---|---|---|---|
| I | 18,001 | - | 21,000 | 190 |
| J | 21,001 | - | 26,000 | 270 |
| K | 26,001 | - | 33,000 | 360 |
| L | 33,001 | - | 39,000 | 475 |
| M | 39,001 | - | 45,000 | 595 |
| N | 45,001 | - | 51,000 | 715 |
| O | 51,001 | - | 57,000 | 865 |
| P | 57,001 | - | 63,000 | 1015 |
| Q | 63,001 | - | 69,000 | 1185 |
| R | 69,001 | - | 73,280 | 1325 |
| S | 73,281 | - | 78,000 | 1595 |
| T | 78,001 | - | 80,000 | 1760 |

(b) For purposes of the Minnesota base rate schedule, for vehicles with six or more axles in the "S" and "T" categories, the base rates are $1,520 and $1,620 respectively.

(c) For each vehicle with a gross weight in excess of 80,000 pounds an additional tax of $50 is imposed for each ton or fraction thereof in excess of 80,000 pounds, subject to subdivision 12 or section 169.86, subdivision 5a, as applicable.

(d) For purposes of registration identification, for vehicles registered in the "O" category, the owner must declare at the time of registration whether the vehicle will carry a weight of 55,000 pounds or more and therefore be subject to the federal heavy vehicle use tax. For those owners who declare a weight less than 55,000 pounds, a distinctive weight sticker must be issued and the owner is restricted to a gross vehicle weight of less than 55,000 pounds.

(e) Truck-tractors except those herein defined as farm ~~and commercial zone~~ vehicles shall be taxed in ~~accord~~ accordance with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

~~(f) Commercial zone trucks include only trucks, truck-tractors, and semitrailer combinations which are operated by an interstate carrier registered under section 221.60, or by a carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation pursuant to United States Code, title 49, section 13506.~~

~~(g) The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the misdemeanor penalty, the registrar shall revoke the registration of the vehicle as a commercial zone vehicle and shall~~

~~require that the vehicle be registered at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax may be refunded during the balance of the registration year.~~

~~(h) On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during each of the first eight years of vehicle life is 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax is 50 percent of the Minnesota base rate schedule.~~

~~(i)~~ (f) On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, ~~and except for those commercial zone vehicles specifically provided for in this subdivision,~~ the tax for each of the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax is 75 percent of the Minnesota base rate prescribed by this subdivision.

~~(j)~~ (g) For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers.

Sec. 61. Minnesota Statutes 2022, section 168.013, subdivision 3, is amended to read:

Subd. 3. **Application; cancellation; excessive gross weight forbidden.** (a) The applicant for all licenses based on gross weight shall state the unloaded weight of the motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry on it, the sum of which constitutes the gross weight upon which the license tax must be paid. However, the declared gross weight upon which the tax is paid must not be less than 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18, and tow trucks or towing vehicles defined in section 168B.011, subdivision 12a. The gross weight of a tow truck or towing vehicle is the actual weight of the tow truck or towing vehicle fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

(b) Except as provided by special permit issued under section 169.86, the gross weight of a motor vehicle, trailer, or semitrailer must not exceed the gross weight upon which the license tax has been paid by more than four percent or 1,000 pounds, whichever is greater; provided that, a vehicle transporting unfinished forest products on a highway, other than a highway that is part of the system of interstate and defense highways, unless a federal exemption is granted, in accordance with paragraph (d), clause (3):

(1) shall not exceed its gross vehicle weight upon which the license tax has been paid, or gross axle weight on any axle, by more than five percent and, notwithstanding other law to the contrary, is not subject to any fee, fine, or other assessment or penalty for exceeding a gross vehicle or axle weight by up to five percent. This clause applies year round to suppliers of unfinished forest products to mills; and

(2) is not subject to any provision of paragraph (d) or chapter 169 limiting the gross axle weight of any individual axle unless the entire vehicle also exceeds its gross vehicle weight plus its weight allowance allowed in clause (1) and plus any weight allowance permitted under section 169.826 or 169.8261, in which case the vehicle is subject to all applicable penalties for excess weight violations.

(c) The gross weight of the motor vehicle, trailer, or semitrailer for which the license tax is paid must be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 or section 169.86, subdivision 5a, as applicable, and the plate or plates must be kept clean and clearly visible at all times.

(d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight, is guilty of a misdemeanor and subject to increased registration or reregistration according to the following schedule:

(1) Upon conviction for transporting a gross weight in excess of the gross weight for which a motor vehicle, trailer, or semitrailer is registered by more than the allowance set forth in paragraph (b) but less than 25 percent, or for operating or using a motor vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by more than the allowance set forth in paragraph (b) but less than 25 percent, the owner, driver, or user of the motor vehicle, trailer, or semitrailer used to commit the violation, in addition to any penalty imposed for the misdemeanor, shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight the owner, driver, or user was convicted of carrying. The increase is computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for the vehicle under sections 169.822 to 169.829, that additional amount must nevertheless be paid into the highway fund, but the additional tax thus paid does not authorize or permit any person to operate the

vehicle with a gross weight in excess of the maximum legal weight as provided by sections 169.822 to 169.829. Unless the owner within 30 days after a conviction applies to increase the authorized weight and pays the additional tax as provided in this section, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued on that registration.

(2) Upon conviction of an owner, driver, or user of a motor vehicle, trailer, or semitrailer for transporting a gross weight in excess of the gross weight for which the motor vehicle, trailer, or semitrailer was registered by 25 percent or more or for operating or using the vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by 25 percent or more, and in addition to any penalty imposed for the misdemeanor, the registrar shall either (i) cancel the reciprocity privileges on the vehicle involved if the vehicle is being operated under reciprocity or (ii) if the vehicle is not being operated under reciprocity, cancel the certificate of registration on the vehicle operated and demand the return of the registration certificate and registration plates. The registrar may not cancel the registration or reciprocity privileges for any vehicle found in violation of seasonal load restrictions imposed under section 169.87 unless the axle weight exceeds the year-round weight limit for the highway on which the violation occurred. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed is paid.

(3) Clause (1) does not apply to the first haul of unprocessed or raw farm products or unfinished forest products, when the registered gross weight is not exceeded by more than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous transportation of unprocessed or raw farm products from the place of production or on-farm storage site to any other location within 100 miles of the place of production or on-farm storage site, or (ii) the continuous or noncontinuous transportation of unfinished forest products from the place of production to the place of final processing or manufacture located within 200 miles of the place of production.

(4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the registrar according to this section, the vehicle must not be operated on the highways of the state until it is registered or reregistered, as the case may be, and new plates issued, and the registration fee is the annual tax for the total gross weight of the vehicle at the time of violation. The reregistration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to section 168.181 or 168.187 must be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state.

Sec. 62. Minnesota Statutes 2022, section 168.013, subdivision 18, is amended to read:

Subd. 18. **School buses.** Notwithstanding the provisions of subdivision 1, school buses used exclusively for the transportation of students under contract with a school district, used in connection with transportation for nonprofit educational institutions, or used as provided under section 169.4475, shall be taxed during each year of the vehicle life of such bus in the amount of $25.

Sec. 63. Minnesota Statutes 2022, section 168.013, subdivision 23, is amended to read:

Subd. 23. **Adjustments to registration tax.** (a) Except as provided in this subdivision, the commissioner must not adjust the manufacturer's suggested retail price or destination charge for any vehicle in a subsequent registration period following initial registration in Minnesota.

(b) The commissioner must adjust the registration tax amount of any vehicle to correct an error or omission that was made in determining or entering the registration tax amount or the destination charge amount. For a vehicle with a registration tax determined based on the actual sales price, the commissioner must adjust the registration tax within two years of the initial registration using one of the methods described in subdivision 1a, paragraph ~~(d)~~ (c), clauses (1) to ~~(3)~~ (2). The adjusted registration tax amount is effective starting with the vehicle's next registration period. The commissioner must not collect any amount that would have been paid but for the error or omission.

(c) When the commissioner makes an adjustment to the registration tax amount pursuant to this subdivision, the commissioner must mail written notice to the owner of the vehicle stating that an adjustment was made to the registration tax amount, the reason for the adjustment, and contact information so that the owner may contact the department to ask questions.

Sec. 64. Minnesota Statutes 2022, section 168.04, subdivision 2, is amended to read:

Subd. 2. **Licensed by armed forces.** The provisions of this chapter, requiring the registration and taxation of motor vehicles and the display of license number plates shall not apply to a motor vehicle operated by the owner or authorized agent while the owner is engaged in active service in the armed forces of the United States, subject to the following conditions and limitations:

(1) that such vehicle is properly registered with, and displays the license number plates of, the armed forces of the United States in a foreign country;

(2) that such vehicle is used only for personal transportation or for transportation of the owner or authorized agent's personal property;

(3) that such vehicle shall be subject to all provisions of law applicable to vehicles owned by Minnesota residents except to the extent that exemption from said law is provided by this section; and

(4) that the exemption provided by this subdivision shall be valid only for a period of 30 days after a vehicle has arrived in this state.

Sec. 65. Minnesota Statutes 2022, section 168.1253, subdivision 2, is amended to read:

Subd. 2. **Issuance; eligibility.** ~~Beginning October 1, 2009,~~ The commissioner shall issue special plates bearing the inscription "GOLD STAR" to an applicant who:

(1) is an owner or joint owner of a motor vehicle;

(2) is an eligible person; and

(3) complies with all laws relating to the registration and licensing of motor vehicles and drivers.

Sec. 66. Minnesota Statutes 2022, section 168.1256, subdivision 1, is amended to read:

Subdivision 1. **Issuance of plates.** The commissioner shall issue retired law enforcement ~~license~~ special plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) is a retired peace officer as defined in section 626.84, subdivision 1, paragraph (c) or (d);

(3) provides a letter from the chief law enforcement officer affirming that the applicant is a retired peace officer who served ten or more years and separated in good standing;

(4) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of plates, along with any other fees required by this chapter;

(5) pays the registration tax as required under section 168.013; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Sec. 67. Minnesota Statutes 2022, section 168.1296, subdivision 1, is amended to read:

Subdivision 1. **General requirements and procedures.** (a) The commissioner shall issue critical habitat plates to an applicant who:

(1) is a registered owner of a passenger automobile or recreational vehicle;

(2) pays a fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of $30 annually to the Minnesota critical habitat private sector matching account established in section 84.943; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

(b) The critical habitat plate application must indicate that the annual contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plate and that the applicant may make an additional contribution to the account.

~~(c) Owners of recreational vehicles under paragraph (a), clause (1), are eligible only for special critical habitat license plates for which the designs are selected under subdivision 2, on or after January 1, 2006.~~

~~(d)~~ (c) Special critical habitat license plates, the designs for which are selected under subdivision 2, ~~on or after January 1, 2006,~~ may be personalized according to section 168.12, subdivision 2a.

Sec. 68. Minnesota Statutes 2022, section 168.187, subdivision 2, is amended to read:

Subd. 2. **Definitions.** ~~(1)~~ (a) The words, terms and phrases defined in section 168.002, when used in this section, shall have the same meanings herein as is ascribed to them in section 168.002, unless the context otherwise requires, or unless a different definition is given in this section.

~~(2)~~ (b) The words and phrases hereafter defined in this section shall have the meanings respectively ascribed to them when used in this section, except when the context otherwise requires.

Sec. 69. Minnesota Statutes 2022, section 168.187, subdivision 7, is amended to read:

Subd. 7. **Authority for registration agreements, arrangements or declarations.** (a) The commissioner of public safety may enter into any agreement or arrangement with the duly authorized representatives of other states or make any independent declaration, granting to vehicles or to owners of vehicles which are properly registered or licensed in another state, benefits, privileges, and exemptions from the payment, wholly, or partially, of any registration taxes, fees, or other charges imposed upon such vehicles or owners with respect to the operation or ownership of such vehicles under the laws of this state, upon such conditions as are specified therein, provided the terms or conditions of such agreement, arrangement, or declaration are not inconsistent with any law of this state.

(b) Any such agreement or arrangement shall be made in writing and shall provide that vehicles properly registered or licensed in this state, when operated upon highways of the other state, shall receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to vehicles properly registered or licensed in such state when operated in this state. Any such declaration shall contemplate and provide for mutual benefits, reciprocal privileges or equitable treatment of the owners of vehicles registered in this and the other state. Each such agreement, arrangement, or declaration shall, in the judgment of the commissioner of public safety, be in the best interest of this state and the citizens thereof and shall be fair and equitable with respect to the benefits which the agreement brings to the economy of this state.

Sec. 70. Minnesota Statutes 2022, section 168.187, subdivision 9, is amended to read:

Subd. 9. **Required provisions.** ~~(1)~~ (a) Every agreement, arrangement, and declaration, and amendment thereto and cancellation thereof, shall be in writing and shall be filed in the office of the commissioner of public safety. A copy of each agreement, arrangement or declaration, and of each amendment thereto and cancellation thereof, shall be filed in the office of the commissioner of public safety within ten days after execution or the effective date of the instrument, whichever is later. The commissioner of public safety shall provide copies for public distribution upon request and the payment of a reasonable charge.

~~(2)~~ (b) Every agreement, arrangement and declaration made under authority of this section shall contain a provision authorizing the commissioner of public safety to cancel and revoke the agreement with respect to this state upon 30 days' notice to the other party or parties thereto.

~~(3)~~ (c) All agreements, arrangements, and declarations made under authority of this section shall contain a provision specifying that no registration, permit privilege or exemption

issued or accruing thereunder, shall excuse the operator or owner of any vehicle from compliance with the laws of this state, except those requiring registration.

Sec. 71. Minnesota Statutes 2022, section 168.187, subdivision 10, is amended to read:

Subd. 10. **Fees for proportional registration.** ~~(1)~~ (a) "Total fleet miles" means the total number of miles operated in all states during the preceding year by the motor vehicles in a fleet during such year.

~~(2)~~ (b) "In-state miles" means the total number of miles operated in this state during the preceding year by the motor vehicles in a fleet during such year.

~~(3)~~ (c) The registration fees for proratable vehicles of a fleet based in another state shall be determined as follows:

~~(A)~~ (1) Divide in-state miles by total fleet miles.

~~(B)~~ (2) Determine the total amount which would be required under the laws of this state for full registration of each and every vehicle in the fleet, at the regular annual or applicable fees, for the unexpired portion of the registration year.

~~(C)~~ (3) Multiply the sum obtained under clause ~~(3)(B)~~ (2) by the quotient obtained under clause ~~(3)(A)~~ (1).

~~(4)~~ (d) The registration fees for proratable vehicles of a fleet based in this state shall be determined as follows:

~~(A)~~ (1) Divide in-state miles plus all other fleet miles not subjected to charges in other states nor declared for other prorate agreement states by total fleet miles.

~~(B)~~ (2) Determine the total amount which would be required under the laws of this state for full registration of each and every vehicle in the fleet, at the regular annual or applicable fees for the unexpired portion of the registration year.

~~(C)~~ (3) Multiply the sum obtained under clause ~~(4)(B)~~ (2) by the quotient under clause ~~(4)(A)~~ (1).

~~(5)~~ (e) The provisions of this section shall constitute complete authority for the registration of the proratable vehicles of a fleet upon a proportional registration basis without reference to or application of any other statutes of this state except as in this section expressly provided.

Sec. 72. Minnesota Statutes 2022, section 168.187, subdivision 11, is amended to read:

Subd. 11. **Application for proportional registration.** ~~(1)~~ (a) Any owner of one or more fleets may file an application for proportional registration of the vehicles of one or more of such fleets with the commissioner of public safety, in lieu of registration of such vehicles under other sections of this chapter. The application shall be in such form and shall contain such information as the commissioner shall require.

~~(2)~~ (b) Applications for proportional registration shall be filed annually at such time or times as the commissioner establishes by rule. Every application for proportional registration shall at the time and in the manner required by the commissioner be supported by the payment of the registration fees in the amount determined in the manner provided in subdivision 10.

Sec. 73. Minnesota Statutes 2022, section 168.187, subdivision 12, is amended to read:

Subd. 12. **Registration of proratable vehicles.** ~~(1)~~ (a) The commissioner of public safety shall register proratable vehicles of a fleet upon application and payment of registration fees as provided in subdivision 11. Payment of an additional fee for each vehicle so registered may be required by the commissioner in an amount not to exceed $5 per motor powered vehicle, for issuance of a plate, sticker, or other suitable identification for each vehicle. A registration card shall be issued for each vehicle registered, which shall appropriately identify the vehicle for which it is issued. Such registration card shall be carried in or upon the vehicle for which it has been issued, at all times, except that the registration cards for all vehicles in a combination of vehicles may be carried in or upon the vehicle supplying the motive power.

~~(2)~~ (b) Fleet vehicles registered as provided in (1) shall be deemed fully registered in this state for any type of movement or operation, except that when a state grant of authority is required for any movement or operation, no such vehicle shall be operated in this state unless the owner or operator thereof has been granted authority or rights therefor by the state and unless said vehicle is being operated in conformity with such authority or rights. No registration under this section shall excuse the owner or operator of any vehicle from compliance with the laws of this state, except those requiring registration and licensing.

Sec. 74. Minnesota Statutes 2022, section 168.187, subdivision 27, is amended to read:

Subd. 27. **Prohibited operation.** (a) The commissioner of public safety shall refuse to issue a vehicle registration, license plate, or permit to a vehicle licensed under this section if the vehicle is assigned to a commercial motor carrier who has been prohibited from

operating in interstate commerce by a federal agency with authority to do so under federal law.

(b) The commissioner of public safety may revoke the registration of a vehicle licensed under this section if the vehicle is assigned to a commercial motor carrier who has been prohibited from operating in interstate commerce by a federal agency with authority to do so under federal law.

(c) If the prohibition by the federal agency is rescinded, the commissioner of public safety may reinstate a vehicle registration under this section if registration taxes and fees have been paid.

Sec. 75. Minnesota Statutes 2022, section 168.61, subdivision 2, is amended to read:

Subd. 2. **Registration and taxation.** ~~For the calendar year 1958 and during each year thereafter~~ Intercity buses ~~shall be~~ are subject to registration and taxation as motor vehicles on an apportionment basis.

Sec. 76. Minnesota Statutes 2022, section 168A.09, subdivision 1, is amended to read:

Subdivision 1. **Application, issuance, form, bond, and notice.** (a) In the event a certificate of title is lost, stolen, mutilated, destroyed, or becomes illegible, the owner or legal representative of the owner named in the certificate may submit an application to the department or a deputy registrar for a duplicate in a format prescribed by the department. The department or deputy registrar must issue a duplicate certificate of title if satisfied that the applicant is entitled to the duplicate certificate of title. The duplicate certificate of title must be plainly marked as a duplicate and mailed or delivered to the owner. The department or deputy registrar must indicate in the driver and vehicle information system records that a duplicate certificate of title has been issued. As a condition to issuing a duplicate certificate of title, the department may require a bond from the applicant in the manner and format prescribed in section 168A.07, subdivision 1, clause (2). The duplicate certificate of title must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate."

(b) ~~On and after August 1, 2018,~~ The commissioner must allow duplicate certificate of title issuance by a deputy registrar, subject to procedures established by the commissioner.

Sec. 77. Minnesota Statutes 2022, section 168A.24, subdivision 2, is amended to read:

Subd. 2. **Powers; rules.** The department may:

(1) make necessary investigations to procure information required to carry out the provisions of sections 168A.01 to 168A.31;

(2) assign a new identifying number to a vehicle if it has none, or its identifying number is destroyed or obliterated;

(3) adopt and enforce such rules as may be necessary to carry out the provisions of sections 168A.01 to 168A.31;

(4) adopt and enforce such rules as the department may deem necessary or appropriate to require the payment of fees imposed by section 168.54, as a condition for deferring application for a certificate of title by a dealer or secured party in cases provided for in section 168A.11 or 168A.12, subdivision 2~~. Such rules shall permit the use of the "Transfer Filing Fee" stamp prescribed by section 168.54, when feasible~~; and

(5) adopt a rule which may require the owner or secured party, as the case may be, to deposit the certificate of title with the department during the period when the vehicle for which such certificate was issued is registered pursuant to section 168.31, subdivision 4, or is subject to the lien imposed by section 168.31, subdivision 6.

Sec. 78. Minnesota Statutes 2022, section 168B.09, subdivision 2, is amended to read:

Subd. 2. **Local laws.** Units of government may adopt ordinances and regulations to control the matter subject ~~in accordance with~~ to sections 168B.01 to 168B.101, so long as the ordinances and regulations are not less stringent than the provisions of sections 168B.01 to 168B.101 or the rules of the agency.

Sec. 79. Minnesota Statutes 2022, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) upon written request, the commissioner of public safety or any law enforcement agency shall disclose the report required under subdivision 8 to:

(i) any individual involved in the accident, the representative of the individual's estate, or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02;

(ii) any other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident;

(iii) legal counsel of a person described in item (i) or (ii);

(iv) a representative of the insurer of any person described in item (i) or (ii); or

(v) a city or county attorney or an attorney representing the state in an implied consent action who is charged with the prosecution of a traffic or criminal offense that is the result of a traffic crash investigation conducted by law enforcement;

~~(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;~~

~~(3)~~ (2) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

~~(4)~~ (3) the commissioner of public safety shall provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations;

~~(5)~~ (4) upon specific request, the commissioner of public safety shall provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

~~(6)~~ (5) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. No report shall be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety shall furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render

privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety shall charge authorized persons as described in paragraph (a) a $5 fee for a copy of an accident report. Ninety percent of the $5 fee collected under this paragraph must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. The commissioner may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner and law enforcement agencies shall charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner shall provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner shall include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

Sec. 80. Minnesota Statutes 2022, section 169.223, subdivision 4, is amended to read:

Subd. 4. **Headlight requirement.** The provisions of section 169.974, subdivision 5, paragraph (i), apply to motorized bicycles that are equipped with headlights. ~~After June 1, 1987,~~ A new motorized bicycle sold or offered for sale in Minnesota must be equipped with a headlight.

Sec. 81. Minnesota Statutes 2022, section 169.4581, is amended to read:

**169.4581 CRIMINAL CONDUCT ON SCHOOL BUS.**

~~By January 1, 1995,~~ Each local law enforcement agency shall adopt a written policy regarding procedures for responding to criminal incidents on school buses. In adopting a policy, each law enforcement agency shall consult with local school officials, with representatives of private companies that contract with school districts to provide transportation, and with parents of students. The policy must recognize that responding to reports of criminal conduct on school buses is the responsibility of law enforcement officials.

Sec. 82. Minnesota Statutes 2022, section 169.64, subdivision 9, is amended to read:

Subd. 9. **Warning lamp on vehicles collecting solid waste or recycling.** A solid waste vehicle or recycling vehicle may be equipped with a single amber warning lamp that meets the most current ~~Society of Automotive Engineers~~ SAE International standard for authorized maintenance and service vehicles, Class 2. The lamp may be operated only when the collection vehicle is in the process of collecting solid waste or recycling and is either:

(1) stopped at an establishment where solid waste or recycling is to be collected; or

(2) traveling at a speed that is at least ten miles per hour below the posted speed limit and moving between establishments where solid waste or recycling is to be collected.

Sec. 83. Minnesota Statutes 2022, section 169.751, is amended to read:

**169.751 DEFINITIONS.**

(a) For the purposes of sections 169.751 to 169.753 the following words ~~shall have the meanings ascribed to them in this section:~~ have the meanings given.

~~(a)~~ (b) "First aid equipment" ~~shall mean~~ means equipment for the purpose of rendering first aid to sick or injured persons as prescribed by the Department of Public Safety for its State Patrol vehicles, ~~such equipment to include~~ including materials for the application of splints to fractures.

~~(b)~~ (c) "Patrol motor vehicles" ~~shall mean~~ means the State Patrol motor vehicles used in law enforcement of the Department of Public Safety, the county sheriffs, and the various city, town, and other local police departments.

Sec. 84. Minnesota Statutes 2022, section 169A.25, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** (a) A person who violates section 169A.20, subdivision 1~~, 1a, 1b, or 1c~~ (driving while impaired crime), is guilty of second-degree driving while impaired if two or more aggravating factors were present when the violation was committed.

(b) A person who violates section 169A.20, subdivision 2 (refusal to submit to chemical test crime), is guilty of second-degree driving while impaired if one aggravating factor was present when the violation was committed.

Sec. 85. Minnesota Statutes 2022, section 169A.26, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** (a) A person who violates section 169A.20, subdivision 1~~, 1a, 1b, or 1c~~ (driving while impaired crime), is guilty of third-degree driving while impaired if one aggravating factor was present when the violation was committed.

(b) A person who violates section 169A.20, subdivision 2 (refusal to submit to chemical test crime), is guilty of third-degree driving while impaired.

Sec. 86. Minnesota Statutes 2022, section 169A.27, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** A person who violates section 169A.20, subdivision 1~~, 1a, 1b, or 1c~~ (driving while impaired crime), is guilty of fourth-degree driving while impaired.

Sec. 87. Minnesota Statutes 2022, section 169A.28, subdivision 2, is amended to read:

Subd. 2. **Permissive consecutive sentences; multiple offenses.** (a) When a person is being sentenced for a violation of a provision listed in paragraph (e), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (e), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b) and (c).

(b) When a person is being sentenced for a violation of section 171.09 (violation of condition of restricted license), 171.20 (operation after revocation, suspension, cancellation, or disqualification), 171.24 (driving without valid license), or 171.30 (violation of condition

of limited license), the court may not impose a consecutive sentence for another violation of a provision in chapter 171 (drivers' licenses and training schools).

(c) When a person is being sentenced for a violation of section 169.791 (failure to provide proof of insurance) or 169.797 (failure to provide vehicle insurance), the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(d) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135 (stay of imposition or execution of sentence).

(e) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions within the past ten years:

(1) section 169A.20, subdivision 1~~, 1a, 1b, or 1c~~ (driving while impaired; impaired driving offenses);

(2) section 169A.20, subdivision 2 (driving while impaired; test refusal offense);

(3) section 169.791;

(4) section 169.797;

(5) section 171.09 (violation of condition of restricted license);

(6) section 171.20, subdivision 2 (operation after revocation, suspension, cancellation, or disqualification);

(7) section 171.24; and

(8) section 171.30.

Sec. 88. Minnesota Statutes 2022, section 169A.46, subdivision 1, is amended to read:

Subdivision 1. **Impairment occurred after driving ceased.** If proven by a preponderance of the evidence, it is an affirmative defense to a violation of section 169A.20, subdivision 1, clause (5)~~; 1a, clause (5); 1b, clause (5); or 1c, clause (5)~~ (driving while impaired, alcohol concentration within two hours of driving), or 169A.20 by a person having an alcohol concentration of 0.16 or more as measured at the time, or within two hours of the time, of the offense, that the defendant consumed a sufficient quantity of alcohol after the time of

the violation and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed the level specified in the applicable clause. Evidence that the defendant consumed alcohol after the time of the violation may not be admitted in defense to any alleged violation of section 169A.20, unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

Sec. 89. Minnesota Statutes 2022, section 171.0701, subdivision 1, is amended to read:

Subdivision 1. **Driver education requirements.** (a) The commissioner shall adopt rules requiring a minimum of 30 minutes of instruction~~, beginning January 1, 2007,~~ relating to organ and tissue donations and the provisions of section 171.07, subdivision 5, for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools.

(b) The commissioner shall adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools, requiring inclusion in the course of instruction~~, by January 1, 2009,~~ a section on awareness and safe interaction with commercial motor vehicle traffic. The rules must require classroom instruction and behind-the-wheel training that includes, but is not limited to, truck stopping distances, proper distances for following trucks, identification of truck blind spots, and avoidance of driving in truck blind spots.

(c) ~~By January 1, 2012,~~ The commissioner shall adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools, requiring inclusion in the course of instruction of a section on carbon monoxide poisoning. The instruction must include but is not limited to (1) a description of the characteristics of carbon monoxide, (2) a review of the risks and potential speed of death from carbon monoxide poisoning, and (3) specific suggestions regarding vehicle idling practices.

Sec. 90. Minnesota Statutes 2022, section 171.0701, subdivision 1a, is amended to read:

Subd. 1a. **Supplemental parental curriculum.** (a) For purposes of this subdivision, "driver education instructor" means an instructor as defined under section 171.33, subdivision 2, or a person licensed by the Professional Educator Licensing and Standards Board for driver training as required under section 122A.26, subdivision 2.

(b) ~~By July 1, 2014,~~ The commissioner shall establish optional supplemental parental curriculum to provide instruction and information to primary driving supervisors in conjunction with persons enrolled in driver education programs at public schools, private

schools, and commercial driver training schools. Each school must establish a schedule or procedure for providing the supplemental parental curriculum to any primary driving supervisor who chooses to receive it.

(c) At a minimum, the supplemental parental curriculum must:

(1) be at least 90 minutes in length;

(2) be provided by or in the presence of a driver education instructor; and

(3) provide information concerning graduated driver licensing, safety risks associated with novice drivers, potential influence of adults on driving behavior of novice drivers, and additional resources.

Sec. 91. Minnesota Statutes 2022, section 171.0705, subdivision 2, is amended to read:

Subd. 2. **Driver's manual; bicycle traffic.** The commissioner shall include in each edition of the driver's manual published by the department ~~after August 1, 1995,~~ a section relating to bicycle traffic laws, including any changes in the law which affect bicycle traffic.

Sec. 92. Minnesota Statutes 2022, section 171.0705, subdivision 3, is amended to read:

Subd. 3. **Driver's manual; carbon monoxide.** The commissioner shall include in each edition of the driver's manual published by the department ~~after August 1, 2011,~~ a section that includes up-to-date lifesaving information on carbon monoxide poisoning.

Sec. 93. Minnesota Statutes 2022, section 171.0705, subdivision 4, is amended to read:

Subd. 4. **Driver's manual; crosswalk right-of-way.** The commissioner shall include in each edition of the driver's manual published by the department ~~after August 1, 1996,~~ a section relating to the circumstances under which a driver must stop to yield the right-of-way to a pedestrian in a crosswalk and the penalties for failure to yield.

Sec. 94. Minnesota Statutes 2022, section 171.0705, subdivision 5, is amended to read:

Subd. 5. **Driver's manual; driving in right lane.** The commissioner shall include in each edition of the driver's manual published by the department ~~after August 1, 2010,~~ instructions relating to circumstances under which a driver of a motor vehicle should drive in the right-hand lane of a highway that is divided into more than one lane in the same direction of travel.

Sec. 95. Minnesota Statutes 2022, section 171.0705, subdivision 7, is amended to read:

Subd. 7. **Driver's manual; interaction with commercial motor vehicle.** The commissioner shall include in each edition of the driver's manual published by the department ~~after August 1, 2008,~~ a section that includes information on awareness and safe interaction with commercial motor vehicle traffic.

Sec. 96. Minnesota Statutes 2022, section 171.0705, subdivision 8, is amended to read:

Subd. 8. **Driver's manual; organ and tissue donation.** The commissioner shall include in each edition of the driver's manual published by the department ~~after August 1, 2002,~~ a section that includes information on the shortage of organs and tissues for transplant, basic facts about donation, use of the driver's license as an indication of donation intent, and the importance of informing family members of the driver's decision.

Sec. 97. Minnesota Statutes 2022, section 171.26, subdivision 1, is amended to read:

Subdivision 1. **Driver services operating account.** All money received under this chapter must be paid into the state treasury and credited to the driver services operating account in the special revenue fund specified under sections 299A.705~~, except as provided in subdivision 2 of that section~~; 171.06, subdivision 2a; 171.07, subdivision 11, paragraph (g); 171.20, subdivision 4, paragraph (d); and 171.29, subdivision 2, paragraph (b).

Sec. 98. Minnesota Statutes 2022, section 173.02, subdivision 6, is amended to read:

Subd. 6. **Various signs and notices defined.** Directional and other official signs and notices shall mean:

(a) "Official signs and notices" ~~mean~~ means signs and notices erected and maintained by public officers or public agencies within their territorial jurisdiction and pursuant to and in accordance with direction or authorization contained in federal or state law for the purposes of carrying out an official duty or responsibility. Historical markers authorized by state law and erected by state or local governmental agencies or nonprofit historical societies, and municipal identification entrance signs erected in accordance with section 173.025, may be considered official signs.

(b) "Public utility signs" ~~mean~~ means warning signs, notices, or markers which are customarily erected and maintained by publicly or privately owned public utilities, as essential to their operations.

(c) "Service club and religious notices" ~~mean~~ means signs and notices, not exceeding eight square feet in advertising area, whose erection is authorized by law, relating to meetings and location of nonprofit service clubs or charitable associations, or religious services.

(d) "Directional signs" means signs containing directional information about public places owned or operated by public authorities as defined in Code of Federal Regulations, title 23, section 460.2, paragraph (b), or their agencies, publicly or privately owned natural phenomena, historic, cultural, scientific, educational, and religious sites, and areas of natural scenic beauty or naturally suited for outdoor recreation, deemed to be in the interest of the traveling public. To qualify for directional signs, privately owned attractions must be nationally or regionally known, and of outstanding interest to the traveling public.

(e) All definitions in this subdivision are intended to be in conformity with the national standards for directional and other official signs.

Sec. 99. Minnesota Statutes 2022, section 173.13, subdivision 6, is amended to read:

Subd. 6. **Expiration; renewal; fee.** Permits shall expire on the last day of June of each year. They may be renewed upon payment of the annual fee and filing of a renewal application form to be provided by the commissioner, but without the filing of a new permit application. There shall be proration of the fee for the year in which the permit is first obtained~~, and the portion of any fees for a permit on any advertising device paid under this chapter, allocable to the period July 1, 1971, through December 31, 1971, shall be deemed to have been paid upon and shall apply to payment of the fees required by Laws 1971, chapter 883 or refunded~~. There shall be no additional fee or permit required for change in advertising copy.

Sec. 100. Minnesota Statutes 2022, section 174.03, subdivision 3, is amended to read:

Subd. 3. **Relationship with national and local plans.** The statewide plan shall recognize established national transportation policies. The plan shall include matters of local or regional concern if this inclusion is needed to ~~insure~~ ensure a comprehensive, statewide perspective on transportation policies and priorities. The commissioner shall recognize and attempt to accommodate the local or regional transportation plans. However, the statewide plan shall supersede a local or regional plan to the extent inconsistent on a matter which the commissioner demonstrates is of statewide concern. A political subdivision may challenge the commissioner's determination that a portion of a local or regional plan is superseded by the statewide plan. The subdivision shall institute the challenge by filing a petition with the commissioner within 30 days after being notified by the commissioner that the local or

regional plan is superseded. The challenge shall be resolved by the commissioner as a contested case pursuant to chapter 14.

Sec. 101. Minnesota Statutes 2022, section 174.30, subdivision 3, is amended to read:

Subd. 3. **Other standards; wheelchair securement; protected transport.** (a) A special transportation service that transports individuals occupying wheelchairs is subject to the provisions of sections 299A.11 to 299A.17 concerning wheelchair securement devices. The commissioners of transportation and public safety shall cooperate in the enforcement of this section and sections 299A.11 to 299A.17 so that a single inspection is sufficient to ascertain compliance with sections 299A.11 to 299A.17 and with the standards adopted under this section. Representatives of the Department of Transportation may inspect wheelchair securement devices in vehicles operated by special transportation service providers to determine compliance with sections 299A.11 to 299A.17 and to issue certificates under section 299A.14, subdivision 4.

(b) In place of a certificate issued under section 299A.14, the commissioner may issue a decal under subdivision 4 for a vehicle equipped with a wheelchair securement device if the device complies with sections 299A.11 to 299A.17 and the decal displays the information in section 299A.14, subdivision 4.

(c) For vehicles designated as protected transport under section 256B.0625, subdivision 17, paragraph ~~(i)~~ (l), the commissioner of transportation, during the commissioner's inspection, shall check to ensure the safety provisions contained in that paragraph are in working order.

Sec. 102. Minnesota Statutes 2022, section 174.75, subdivision 3, is amended to read:

Subd. 3. **Report.** ~~Beginning in 2011,~~ The commissioner shall report on the implementation of the complete streets policy in the agency's biennial budget submission under section 174.02.

Sec. 103. Minnesota Statutes 2022, section 174.84, subdivision 1, is amended to read:

Subdivision 1. **General plan requirements.** ~~By January 15, 2000,~~ The commissioner shall adopt a commuter rail system plan to ensure that if commuter rail facilities are acquired, developed, constructed, owned, and operated in Minnesota, these activities will be done in an efficient, cost-effective manner, and in coordination with buses and other transportation modes and facilities. The commissioner shall consult with affected regional railroad authorities and may incorporate into its plan elements of the plans of regional railroad

authorities in order to avoid duplication of efforts. The commissioner may periodically update the system plan.

Sec. 104. Minnesota Statutes 2022, section 176.101, subdivision 4, is amended to read:

Subd. 4. **Permanent total disability.** For permanent total disability, as defined in subdivision 5, the compensation shall be 66-2/3 percent of the daily wage at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to 65 percent of the statewide average weekly wage. This compensation shall be paid during the permanent total disability of the injured employee but after a total of $25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased. Permanent total disability shall cease at age 72, except that if an employee is injured after age 67, permanent total disability benefits shall cease <u>after</u> five years ~~after~~ <u>of</u> those benefits have been paid.

Sec. 105. Minnesota Statutes 2022, section 214.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Administrative services unit" means the administrative services unit for the health-related licensing boards.

(c) "Charitable organization" means a charitable organization within the meaning of section 501(c)(3) of the Internal Revenue Code that has as a purpose the sponsorship or support of programs designed to improve the quality, awareness, and availability of health care services and that serves as a funding mechanism for providing those services.

(d) "Health care facility or organization" means a health care facility licensed under chapter 144 or 144A, or a charitable organization.

(e) "Health care provider" means a physician licensed under chapter 147, physician assistant licensed and practicing under chapter 147A, nurse licensed and registered to practice under chapter 148, dentist, dental hygienist, or dental therapist licensed under chapter 150A, or an advanced dental therapist licensed and certified under chapter 150A.

(f) "Health care services" means health promotion, health monitoring, health education, diagnosis, treatment, minor surgical procedures, the administration of local anesthesia for the stitching of wounds, and primary dental services, including preventive, diagnostic, restorative, and emergency treatment. Health care services do not include the administration of general anesthesia or surgical procedures other than minor surgical procedures.

(g) "Medical professional liability insurance" means ~~medical malpractice insurance as defined in section 62F.03~~ insurance against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering licensed health care provider professional services as defined by section 62I.03, subdivision 8.

Sec. 106. Minnesota Statutes 2022, section 219.073, is amended to read:

**219.073 COMMISSIONER'S RULES ON GRADE CROSSINGS.**

In accordance with chapter 14, the commissioner of transportation shall adopt rules ~~by December 1, 1991,~~ that contain standards governing the establishment, vacation, relocation, consolidation, and separation of grades at public grade crossings. In adopting standards, the commissioner shall consider that the number of grade crossings in this state should be reduced and that public safety will be enhanced by reducing the number of grade crossings.

Sec. 107. Minnesota Statutes 2022, section 219.165, is amended to read:

**219.165 SAFETY RULES FOR PRIVATE RAILROAD GRADE CROSSING.**

~~By December 31, 1992,~~ The commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.

Sec. 108. Minnesota Statutes 2022, section 219.18, is amended to read:

**219.18 RAILROAD TO ERECT SIGN.**

~~At each grade crossing established after April 23, 1925, and where and when crossing signs existing as of April 24, 1925, are replaced, the~~ A railway company operating the

railroad at ~~that~~ each grade crossing shall erect and maintain one or more uniform crossbuck signs. The signs must be on each side of the railroad tracks and within 50 feet from the nearest rail, or at a distance greater than 50 feet as determined by the commissioner.

Sec. 109. Minnesota Statutes 2022, section 219.501, subdivision 1, is amended to read:

Subdivision 1. **Duty to provide walkways.** (a) Rail carriers must provide walkways adjacent to those portions of yard tracks where rail carrier employees frequently work on the ground performing switching activities. For purposes of this section, "frequently work" means at least five days per week, one shift per day.

(b) This section applies to reconstruction and new construction of yard track completed after July 1, 2008.

(c) This section does not apply to an entity that owns or operates track in this state other than ~~class one and class two~~ Class I and Class II rail carriers as classified by the Federal Railroad Administration.

Sec. 110. Minnesota Statutes 2022, section 219.551, subdivision 6, is amended to read:

Subd. 6. **Toilet.** Each operating unit purchased new, not reconditioned, and put into service from an initial terminal must be equipped with a dry hopper, gas or electric incinerator, or other suitable toilet facility, if the operating unit is used for a road operation of 50 miles or more away from the initial terminal. ~~After July 1, 1972,~~ Each consist used in road operations of 50 miles or more away from the initial terminal must have at least one operating unit equipped with a dry hopper, gas or electric incinerator, or other suitable toilet facility; provided, however, in the case of transfer or switching service or emergency or emergency need for additional diesel power equipment, this requirement does not apply. When put into service from an initial terminal, diesel toilet facilities must be sanitary, clean, and operating. Unless otherwise ~~actually~~ required by operating conditions or an emergency, the operating unit having the toilet facilities must be positioned at the head end of a consist.

Sec. 111. Minnesota Statutes 2022, section 219.561, subdivision 1, is amended to read:

Subdivision 1. **Lights.** ~~From and after January 1, 1950,~~ A person, firm, or corporation operating or controlling a railroad shall equip each of its track motor cars used during the period from 30 minutes before sunset to 30 minutes after sunrise with:

(1) an electric headlight of such construction and of sufficient candlepower to render plainly visible at a distance of not less than 300 feet in advance of the track motor car a track obstruction, landmark, warning sign, or grade crossing; and

(2) a rear electric red light of such construction and of sufficient candlepower as to be plainly visible at a distance of 300 feet.

Sec. 112. Minnesota Statutes 2022, section 221.031, subdivision 9, is amended to read:

Subd. 9. **Out-of-service criteria adopted by reference.** The North American ~~Uniform Driver, Vehicle, and Hazardous Materials~~ Standard Out-Of-Service Criteria developed and adopted by the Federal Highway Administration and the Commercial Vehicle Safety Alliance are adopted in Minnesota.

Sec. 113. Minnesota Statutes 2022, section 221.0314, subdivision 3a, is amended to read:

Subd. 3a. **Waiver for other medical condition.** (a) The commissioner may grant a waiver to a person who is not physically qualified to drive under Code of Federal Regulations, title 49, section 391.41, paragraph (b)(3), (b)(10), or (b)(11). A waiver granted under this subdivision applies to intrastate transportation only.

(b) A person who wishes to obtain a waiver under this subdivision must give the commissioner the following information:

(1) the applicant's name, address, and telephone number;

(2) the name, address, and telephone number of an employer coapplicant, if any;

(3) a description of the applicant's experience in driving the type of vehicle to be operated under the waiver;

(4) a description of the type of driving to be done under the waiver;

(5) a description of any modifications to the vehicle the applicant intends to drive under the waiver that are designed to accommodate the applicant's medical condition or disability;

(6) whether the applicant has been granted another waiver under this subdivision;

(7) a copy of the applicant's current driver's license;

(8) a copy of a medical examiner's report and medical examiner's certificate showing that the applicant is medically unqualified to drive unless a waiver is granted;

(9) a statement from the applicant's treating physician that includes:

(i) the extent to which the physician is familiar with the applicant's medical history;

(ii) a description of the applicant's medical condition for which a waiver is necessary;

(iii) assurance that the applicant has the ability and willingness to follow any course of treatment prescribed by the physician, including the ability to self-monitor or manage the medical condition; and

(iv) the physician's professional opinion that the applicant's condition will not adversely affect the applicant's ability to operate a commercial motor vehicle safely; and

(10) any other information considered necessary by the commissioner including requiring a physical examination or medical report from a physician who specializes in a particular field of medical practice.

(c) In granting a waiver under this subdivision, the commissioner may impose conditions the commissioner considers necessary to ensure that an applicant is able to operate a motor vehicle safely and that the safety of the general public is protected.

(d) A person who is granted a waiver under this subdivision must:

(1) at intervals specified in the waiver, give the commissioner periodic reports from the person's treating physician, or a medical specialist if the commissioner so requires in the waiver, that contain the information described in paragraph (b), clause (9), together with a description of any episode that involved the person's loss of consciousness or loss of ability to operate a motor vehicle safely; and

(2) immediately report the person's involvement in an accident ~~for which a report is required under section 169.09, subdivision 7~~.

(e) The commissioner may deny an application or may immediately revoke a waiver granted under this subdivision. Notice of the commissioner's reasons for denying an application or for revoking a waiver must be in writing and must be mailed to the applicant's or waiver holder's last known address by certified mail, return receipt requested. A person whose application is denied or whose waiver is revoked is entitled to a hearing under chapter 14.

(f) A waiver granted under this subdivision expires on the date of expiration shown on the medical examiner's certificate described in paragraph (b), clause (8).

Sec. 114. Minnesota Statutes 2022, section 221.221, subdivision 2, is amended to read:

Subd. 2. **Enforcement powers.** (a) Transportation program specialists and hazardous material program specialists of the department are authorized to enforce (1) this chapter, sections 169.781 to 169.783 relating to commercial vehicle inspections, and sections 168D.05 and 168D.12 relating to motor carrier licenses and trip permits, (2) Code of Federal

Regulations, title 49, parts 40 and 382, (3) the applicable rules, orders, or directives of the commissioner of transportation and the commissioner of revenue, issued under this chapter and chapter 168D or 296A, and (4) the North American ~~Uniform~~ Standard Out-Of-Service Criteria, including issuing out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5, and they may conduct inspections at designated highway weigh stations or under other appropriate circumstances.

(b) Transportation program specialists and hazardous material program specialists of the department must not be armed and, except as provided in this section, have none of the other powers and privileges reserved to peace officers, including the power to enforce traffic laws and regulations.

Sec. 115. Minnesota Statutes 2022, section 221.81, subdivision 3e, is amended to read:

Subd. 3e. **Safety rules.** (a) A building mover must comply with the rules adopted in section 221.0314: (1) subdivision 6 for driving of motor vehicles; (2) subdivision 7 for parts and accessories necessary for the safe operation, except as provided in paragraph (b); (3) subdivision 10 for inspection, repair, and maintenance; (4) subdivision 8 for accident reporting; and~~,~~ (5) ~~on and after August 1, 1994,~~ subdivisions 2 to 5 for driver qualifications.

(b) A towed vehicle, other than a full trailer, pole trailer, or semitrailer, as those terms are defined in Code of Federal Regulations, title 49, section 390.5, used by a building mover to move a building on a highway is not required to comply with rules for parts and accessories necessary for safe operation.

Sec. 116. Minnesota Statutes 2022, section 245.4661, subdivision 2, is amended to read:

Subd. 2. **Program design and implementation.** Adult mental health initiatives shall be responsible for designing, planning, improving, and maintaining a mental health service delivery system for adults with serious and persistent mental illness that would:

(1) provide an expanded array of services from which clients can choose services appropriate to their needs;

(2) be based on purchasing strategies that improve access and coordinate services without cost shifting;

(3) prioritize evidence-based services and implement services that are promising practices or theory-based practices so that the service can be evaluated according to subdivision 5a;

(4) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and

(5) utilize existing categorical funding streams and reimbursement sources in combined and creative ways, except appropriations to regional treatment centers and all funds that are attributable to the operation of state-operated services are excluded unless appropriated specifically by the legislature for a purpose consistent with this section ~~or section 246.0136, subdivision 1~~.

Sec. 117. Minnesota Statutes 2022, section 245.4661, subdivision 6, is amended to read:

Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives, the commissioner shall facilitate integration of funds or other resources as needed and requested by each adult mental health initiative. These resources may include:

(1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(2) other mental health special project funds;

(3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(4) regional treatment center resources ~~consistent with section 246.0136, subdivision 1~~.

(b) The commissioner shall consider the following criteria in awarding grants for adult mental health initiatives:

(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;

(2) the size of the target population to be served; and

(3) geographical distribution.

(c) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

(d) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the adult mental health initiative.

(e) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules that are incompatible with the implementation of the adult mental health initiative.

(f) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the adult mental health initiative.

Sec. 118. Minnesota Statutes 2022, section 245.4885, subdivision 1a, is amended to read:

Subd. 1a. **Emergency admission.** Effective July 1, 2006, if a child is admitted to a treatment foster care setting, residential treatment facility, or held for emergency care by a regional treatment center under section ~~253B.05, subdivision 1~~ 253B.051, subdivision 2, the level of care determination must occur within five working days of admission.

Sec. 119. Minnesota Statutes 2022, section 245.814, subdivision 1, is amended to read:

Subdivision 1. **Insurance for foster home providers.** The commissioner of human services shall within the appropriation provided purchase and provide insurance to individuals licensed as foster home providers to cover their liability for:

(1) injuries or property damage caused or sustained by persons in foster care in their home; and

(2) actions arising out of alienation of affections sustained by the birth parents of a foster child or birth parents or children of a foster adult.

For purposes of this subdivision, insurance for homes licensed to provide adult foster care shall be limited to family adult foster care homes as defined in section ~~144D.01, subdivision 7~~ 245A.02, subdivision 6f, and family adult day services licensed under section 245A.143.

Sec. 120. Minnesota Statutes 2022, section 245.91, subdivision 5, is amended to read:

Subd. 5. **Regional center.** "Regional center" means a ~~regional center~~ state-operated treatment program as defined in section 253B.02, subdivision 18d.

Sec. 121. Minnesota Statutes 2022, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section 256B.04, subdivision 21, paragraph (g);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program; and

(5) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph ~~(i)~~ (d).

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the

program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 122. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

(1) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clause ~~(4)~~ (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter, within the past two years;

(3) had a license issued under this chapter revoked within the past five years;

(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or

(5) failed to submit the information required of an applicant under subdivision 1, paragraph (f) or (g), after being requested by the commissioner.

When a license issued under this chapter is revoked under clause (1) or (3), the license holder and controlling individual may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

(e) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(g) Notwithstanding paragraph (f), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(h) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(i) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must

apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

(j) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

Sec. 123. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

Subd. 4. **Special family child care homes.** (a) Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family child care or group family child care if:

~~(a)~~ (1) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

~~(b)~~ (2) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

~~(c)~~ (3) the license holder is a church or religious organization;

~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 256E.31;

~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services. The county licensing agency may grant a capacity variance to a license holder licensed under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

~~(1)~~ (i) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;

~~(2)~~ (ii) the program meets a one to seven staff-to-child ratio during the variance period;

~~(3)~~ (iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

~~(4)~~ (iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

~~(5)~~ (v) the program is in compliance with local zoning regulations;

~~(6)~~ (vi) the program is in compliance with the applicable fire code as follows:

~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015, Section 202; or

~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided in the Minnesota State Fire Code 2015, Section 202, unless the rooms in which the children are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E occupancies, as provided in the Minnesota State Fire Code 2015, Section 202; and

~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

~~(f)~~ (6) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

~~(1)~~ (i) the program is in compliance with local zoning regulations;

~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015, Section 202; or

~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided under the Minnesota State Fire Code 2015, Section 202;

~~(3)~~ (iii) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

~~(4)~~ (iv) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."

~~(g)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph ~~(b)~~ (a), ~~(c), or (e)~~ clause (2), (3), or (5). Each license must have its own primary provider of care as required under paragraph ~~(i)~~ (d). Each license must operate as a distinct and separate program in compliance with all applicable laws and regulations.

~~(h)~~ (c) For licenses issued under paragraph ~~(b)~~ (a), ~~(c), (d), (e), or (f),~~ clause (2), (3), (4), (5), or (6), the commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder is able to demonstrate compliance with all applicable rules and laws. Each licensed program must operate as a distinct program and within the capacity, age, and ratio distributions of each license.

~~(i)~~ (d) For a license issued under paragraph ~~(b)~~ (a), ~~(c), or (e),~~ clause (2), (3), or (5) the license holder must designate a person to be the primary provider of care at the licensed location on a form and in a manner prescribed by the commissioner. The license holder shall notify the commissioner in writing before there is a change of the person designated to be the primary provider of care. The primary provider of care:

(1) must be the person who will be the provider of care at the program and present during the hours of operation;

(2) must operate the program in compliance with applicable laws and regulations under chapter 245A and Minnesota Rules, chapter 9502;

(3) is considered a child care background study subject as defined in section 245C.02, subdivision 6a, and must comply with background study requirements in chapter 245C;

(4) must complete the training that is required of license holders in section 245A.50; and

(5) is authorized to communicate with the county licensing agency and the department on matters related to licensing.

~~(j)~~ (e) For any license issued under this subdivision, the license holder must ensure that any other caregiver, substitute, or helper who assists in the care of children meets the training requirements in section 245A.50 and background study requirements under chapter 245C.

Sec. 124. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 and background studies for family child care under chapter 245C; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

Except as provided in section 245A.14, subdivision 4, paragraph ~~(c)~~ (a), clause (5), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(c) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(d) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(e) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(f) A license issued under this section may be issued for up to two years.

(g) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

(h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

(i) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

Sec. 125. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

Subdivision 1. **Means of escape.** (a)~~(1)~~ At least one emergency escape route separate from the main exit from the space must be available in: (1) each room used for sleeping by anyone receiving licensed care~~,~~; and (2) a basement used for child care. One means of escape must be a stairway or door leading to the floor of exit discharge. The other must be a door or window leading directly outside. A window used as an emergency escape route must be openable without special knowledge.

(b) In homes with construction that began before May 2, 2016, the interior of the window leading directly outside must have a net clear opening area of not less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions of 20 inches wide and 20 inches high. The opening must be no higher than 48 inches from the floor. The height to the window may be measured from a platform if a platform is located below the window.

(c) In homes with construction that began on or after May 2, 2016, the interior of the window leading directly outside must have minimum clear opening dimensions of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 44 inches from the floor.

(d) Additional requirements are dependent on the distance of the openings from the ground outside the window: (1) windows or other openings with a sill height not more than 44 inches above or below the finished ground level adjacent to the opening (grade-floor emergency escape and rescue openings) must have a minimum opening of five square feet; and (2) non-grade-floor emergency escape and rescue openings must have a minimum opening of 5.7 square feet.

Sec. 126. Minnesota Statutes 2022, section 245C.04, subdivision 10, is amended to read:

Subd. 10. **Child protection workers or social services staff having responsibility for child protective duties.** The commissioner shall conduct background studies of employees of county social services and local welfare agencies having responsibility for child protection

duties when the background study is initiated according to section ~~626.559, subdivision 1b~~ 260E.36, subdivision 3.

Sec. 127. Minnesota Statutes 2022, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disabilities, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the brain injury, community access for disability inclusion, community alternative care, and elderly waiver plans, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

(3) personal support as defined under the developmental disabilities waiver plan;

(4) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disabilities waiver plans;

(5) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(6) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disabilities, and elderly waiver

plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only;

(7) individual community living support under section 256S.13; and

(8) individualized home supports services as defined under the brain injury, community alternative care, ~~and~~ community access for disability inclusion, and developmental disabilities waiver plans.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) positive support services as defined under the brain injury and community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(2) in-home support services, including:

(i) in-home family support and supported living services as defined under the developmental disabilities waiver plan;

(ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;

(iii) semi-independent living services;

(iv) individualized home support with training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(v) individualized home support with family training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(3) residential supports and services, including:

(i) supported living services as defined under the developmental disabilities waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;

(ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting;

(iii) community residential services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a corporate child foster care residence, a community residential setting, or a supervised living facility;

(iv) family residential services as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a family child foster care residence or a family adult foster care residence; and

(v) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD;

(4) day services, including:

(i) structured day services as defined under the brain injury waiver plan;

(ii) day services under sections 252.41 to 252.46, and as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(iii) day training and habilitation services under sections 252.41 to 252.46, and as defined under the developmental disabilities waiver plan; and

(iv) prevocational services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(8) integrated community support as defined under the brain injury and community access for disability inclusion waiver plans beginning January 1, 2021, and community alternative care and developmental disabilities waiver plans beginning January 1, 2023.

Sec. 128. Minnesota Statutes 2022, section 245I.02, subdivision 5, is amended to read:

Subd. 5. **Case manager.** "Case manager" means a client's case manager according to section ~~256B.0596;~~ 256B.0621; 256B.0625, subdivision 20; 256B.092, subdivision 1a; 256B.0924; 256B.093, subdivision 3a; 256B.094; or 256B.49.

Sec. 129. Minnesota Statutes 2022, section 245I.04, subdivision 5, is amended to read:

Subd. 5. **Mental health practitioner scope of practice.** (a) A mental health practitioner under the treatment supervision of a mental health professional or certified rehabilitation specialist may provide an adult client with client education, rehabilitative mental health services, functional assessments, level of care assessments, and treatment plans. A mental health practitioner under the treatment supervision of a mental health professional may provide skill-building services to a child client and complete treatment plans for a child client.

(b) A mental health practitioner must not provide treatment supervision to other staff persons. A mental health practitioner may provide direction to mental health rehabilitation workers and mental health behavioral aides.

(c) A mental health practitioner who provides services to clients according to section 256B.0624 ~~or 256B.0944~~ may perform crisis assessments and interventions for a client.

Sec. 130. Minnesota Statutes 2022, section 246.18, subdivision 2a, is amended to read:

Subd. 2a. **Disposition of interest for the behavioral health fund.** Beginning July 1, 1991, interest earned on cash balances on deposit with the commissioner of management and budget derived from receipts from substance use disorder programs affiliated with state-operated facilities under the commissioner of human services must be deposited in the state treasury and credited to ~~a substance use disorder account~~ the behavioral health fund under subdivision 2. Any interest earned is appropriated to the commissioner to operate substance use disorder programs according to subdivision 2.

Sec. 131. Minnesota Statutes 2022, section 254A.19, subdivision 4, is amended to read:

Subd. 4. **Civil commitments.** A Rule 25 assessment, under Minnesota Rules, part 9530.6615, does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section ~~253B.065,~~ 253B.09~~,~~ or 253B.095 in order for a county to access the behavioral health fund under section 254B.04. The county must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04. Nothing in this subdivision prohibits placement in a treatment facility or treatment program governed under this chapter or Minnesota Rules, parts 9530.6600 to 9530.6655.

Sec. 132. Minnesota Statutes 2022, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of ~~chemical dependency~~ substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).

Sec. 133. Minnesota Statutes 2022, section 254B.09, subdivision 2, is amended to read:

Subd. 2. **American Indian agreements.** The commissioner may enter into agreements with federally recognized tribal units to pay for substance use disorder treatment services provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how the governing body of the tribal unit fulfills local agency responsibilities regarding~~:~~

~~(1)~~ the form and manner of invoicing~~; and~~.

~~(2) provide that only invoices for eligible vendors according to section 254B.05 will be included in invoices sent to the commissioner for payment, to the extent that money allocated under subdivisions 4 and 5 is used.~~

Sec. 134. Minnesota Statutes 2022, section 256.0112, subdivision 7, is amended to read:

Subd. 7. **Contracts with community mental health boards.** A local agency within the geographic area served by a community mental health board authorized by sections 245.61 to ~~245.69~~ 245.66, may contract directly with the community mental health board. However, if a local agency outside of the geographic area served by a community mental health board wishes to purchase services from the board, the local agency must follow the requirements under subdivision 6.

Sec. 135. Minnesota Statutes 2022, section 256.975, subdivision 10, is amended to read:

Subd. 10. **Communities for a lifetime.** (a) For purposes of this subdivision, "communities for a lifetime" means partnerships of small cities, counties, municipalities, statutory or home rule charter cities, or towns, whose citizens seek to affirmatively extend to persons ages 65 and older the opportunities, supports, and services that will enable them to continue to be contributing, civically engaged residents.

(b) The opportunities extended within a reasonable distance to senior residents by communities for a lifetime must include, but not be limited to:

(1) the opportunity to contribute time and talents through volunteer community service;

(2) the opportunity to participate in the paid workforce, with flexibility of hours and scheduling;

(3) the opportunity for socializing, recreation, and wellness activities, including both physical exercise and mental stimulation;

(4) the opportunity to "age in place" and choose among a variety of affordable, accessible housing options, including single-family housing, independent congregate senior housing, and senior housing with services;

(5) the opportunity to access quality long-term care in the setting of the senior's own choice; and

(6) the opportunity for community-wide mobility and to access public transportation, including door-to-door assistance and weekend and evening access.

(c) Communities for a lifetime must demonstrate the availability of supports and services for senior residents that include, but are not limited to:

(1) an array of home and community-based services to support seniors' options to remain in an independent living setting as they age and become more frail;

(2) access to contemporary remote medical technology for cost-effective home-based monitoring of medical conditions;

(3) access to nutrition programs, including congregate meal and home-delivered meal opportunities;

(4) access to a comprehensive caregiver support system for family members and volunteer caregivers, including:

(i) technological support for caregivers remaining in the paid workforce to manage caregiver responsibilities effectively; and

(ii) respite care that offers temporary substitute care and supervision for frail seniors;

(5) personal assistance in accessing services and supports, and in seeking financing for these services and supports;

(6) high-quality assisted living facilities within a senior's geographic setting of choice;

(7) high-quality nursing care facilities within a senior's geographic setting of choice; and

(8) the protection offered to vulnerable seniors by a publicly operated adult protective service.

(d) Communities for a lifetime must also:

(1) establish an ongoing local commission to advise the community for a lifetime on its provision of the opportunities, services, and supports identified in paragraphs (b) and (c);

(2) offer training and learning opportunities for businesses, civic groups, fire and police personnel, and others frequently interacting with seniors on appropriate methods of interacting with seniors; and

(3) incorporate into its local plan, developed in accordance with ~~sections~~ Minnesota Statutes 2020, section 366.10, and sections 394.232~~,~~ and 462.353, elements that address the impact of the forecast change in population age structure on land use, housing, public facilities, transportation, capital improvement, and other areas addressed by local plans; provisions addressing the availability of the opportunities, supports, and services identified

in paragraphs (b) and (c); and strategies to develop physical infrastructure responsive to the needs of the projected population.

(e) In implementing this subdivision, the Minnesota Board on Aging shall:

(1) consult with, and when appropriate work through, the area agencies on aging;

(2) consult with the commissioners of human services, health, and employment and economic development, and the League of Minnesota Cities and other organizations representing local units of government; and

(3) review models of senior-friendly community initiatives from other states and organizations.

(f) The Board on Aging shall report to the legislature by February 28, 2010, with recommendations on (1) a process for communities to request and receive the designation of community for a lifetime, and (2) funding sources to implement these communities.

Sec. 136. Minnesota Statutes 2022, section 256B.04, subdivision 1b, is amended to read:

Subd. 1b. **Contract for administrative services for American Indian children.** Notwithstanding subdivision 1, the commissioner may contract with federally recognized Indian tribes with a reservation in Minnesota for the provision of early and periodic screening, diagnosis, and treatment administrative services for American Indian children, according to section 256B.0625, subdivision 58, and Code of Federal Regulations, title 42, section 441, subpart B~~, and Minnesota Rules, part 9505.1693 et seq.~~, when the tribe chooses to provide such services. For purposes of this subdivision, "American Indian" has the meaning given to persons to whom services will be provided for in Code of Federal Regulations, title 42, section 36.12. ~~Notwithstanding Minnesota Rules, part 9505.1748, subpart 1,~~ The commissioner, the local agency, and the tribe may contract with any entity for the provision of early and periodic screening, diagnosis, and treatment administrative services.

Sec. 137. Minnesota Statutes 2022, section 256B.0575, subdivision 2, is amended to read:

Subd. 2. **Reasonable expenses.** For the purposes of subdivision 1, paragraph (a), clause (9), reasonable expenses are limited to expenses that have not been previously used as a deduction from income and were not:

(1) for long-term care expenses incurred during a period of ineligibility as defined in section 256B.0595, subdivision 2;

(2) incurred more than three months before the month of application associated with the current period of eligibility;

(3) for expenses incurred by a recipient that are duplicative of services that are covered under chapter 256B;

(4) nursing facility expenses incurred without a timely assessment as required under section 256B.0911; or

(5) for private room fees incurred by an assisted living ~~client~~ resident, as defined in section ~~144G.01, subdivision 3~~ 144G.08, subdivision 59.

Sec. 138. Minnesota Statutes 2022, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

~~(b)~~ (c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

~~(c)~~ (d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care

programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

~~(d)~~ (e) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

~~(e)~~ (f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

~~(f)~~ (g) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph ~~(i)~~ (l), clauses (4), (5), (6), and (7).

~~(g)~~ (h) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

(i) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

(j) Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

~~(h)~~ (k) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

~~(i)~~ (l) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

~~(j)~~ (m) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph ~~(i)~~ (l) according to paragraphs ~~(m)~~ (p) and ~~(n)~~ (q) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

~~(k)~~ (n) The commissioner shall:

(1) verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

~~(l)~~ (o) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

~~(m)~~ (p) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph ~~(h)~~ (k), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $11 for the base rate and $1.30 per mile when provided by a nonemergency medical transportation provider;

(4) $13 for the base rate and $1.30 per mile for assisted transport;

(5) $18 for the base rate and $1.55 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

~~(n)~~ (q) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph ~~(m)~~ (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph ~~(m)~~ (p), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph ~~(m)~~ (p), clauses (1) to (7).

~~(o)~~ (r) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs ~~(m)~~ (p) and ~~(n)~~ (q), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

~~(p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.~~

~~(q)~~ (s) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs ~~(m)~~ (p) and ~~(n)~~ (q), shall exempt all modes of transportation listed under paragraph ~~(i)~~ (l) from Minnesota Rules, part 9505.0445, item R, subitem (2).

Sec. 139. Minnesota Statutes 2022, section 256B.0625, subdivision 57, is amended to read:

Subd. 57. **Payment for Part B Medicare crossover claims.** (a) Effective for services provided on or after January 1, 2012, medical assistance payment for an enrollee's cost-sharing associated with Medicare Part B is limited to an amount up to the medical assistance total allowed, when the medical assistance rate exceeds the amount paid by Medicare.

(b) Excluded from this limitation are payments for mental health services and payments for dialysis services provided to end-stage renal disease patients. The exclusion for mental health services does not apply to payments for physician services provided by psychiatrists and advanced practice registered nurses with a specialty in mental health.

(c) Excluded from this limitation are payments to federally qualified health centers, Indian Health Services, rural health clinics, and CCBHCs subject to the prospective payment system under subdivision 5m.

Sec. 140. Minnesota Statutes 2022, section 256B.0671, is amended to read:

**256B.0671 COVERED MENTAL HEALTH SERVICES.**

Subdivision 1. **Definitions.** (a) "Clinical trainee" means a staff person who is qualified under section 245I.04, subdivision 6.

(b) "Mental health practitioner" means a staff person who is qualified under section 245I.04, subdivision 4.

(c) "Mental health professional" means a staff person who is qualified under section 245I.04, subdivision 2.

Subd. 2. **Generally.** (a) An individual, organization, or government entity providing mental health services to a client under this section must obtain a criminal background study of each staff person or volunteer who is providing direct contact services to a client.

(b) An individual, organization, or government entity providing mental health services to a client under this section must comply with all responsibilities that chapter 245I assigns to a license holder, except section 245I.011, subdivision 1, unless all of the individual's, organization's, or government entity's treatment staff are qualified as mental health professionals.

(c) An individual, organization, or government entity providing mental health services to a client under this section must comply with the following requirements if all of the license holder's treatment staff are qualified as mental health professionals:

(1) provider qualifications and scopes of practice under section 245I.04;

(2) maintaining and updating personnel files under section 245I.07;

(3) documenting under section 245I.08;

(4) maintaining and updating client files under section 245I.09;

(5) completing client assessments and treatment planning under section 245I.10;

(6) providing clients with health services and medications under section 245I.11; and

(7) respecting and enforcing client rights under section 245I.12.

Subd. 3. **Adult day treatment services.** (a) ~~Subject to federal approval,~~ Medical assistance covers adult day treatment (ADT) services that are provided under contract with the county board. Adult day treatment payment is subject to the conditions in paragraphs (b) to (e). The provider must make reasonable and good faith efforts to report individual client outcomes to the commissioner using instruments, protocols, and forms approved by the commissioner.

(b) Adult day treatment is an intensive psychotherapeutic treatment to reduce or relieve the effects of mental illness on a client to enable the client to benefit from a lower level of care and to live and function more independently in the community. Adult day treatment services must be provided to a client to stabilize the client's mental health and to improve the client's independent living and socialization skills. Adult day treatment must consist of at least one hour of group psychotherapy and must include group time focused on rehabilitative interventions or other therapeutic services that a multidisciplinary team provides to each client. Adult day treatment services are not a part of inpatient or residential treatment services. The following providers may apply to become adult day treatment providers:

(1) a hospital accredited by the Joint Commission on Accreditation of Health Organizations and licensed under sections 144.50 to 144.55;

(2) a community mental health center under section 256B.0625, subdivision 5; or

(3) an entity that is under contract with the county board to operate a program that meets the requirements of section 245.4712, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475.

(c) An adult day treatment services provider must:

(1) ensure that the commissioner has approved of the organization as an adult day treatment provider organization;

(2) ensure that a multidisciplinary team provides ADT services to a group of clients. A mental health professional must supervise each multidisciplinary staff person who provides ADT services;

(3) make ADT services available to the client at least two days a week for at least three consecutive hours per day. ADT services may be longer than three hours per day, but medical assistance may not reimburse a provider for more than 15 hours per week;

(4) provide ADT services to each client that includes group psychotherapy by a mental health professional or clinical trainee and daily rehabilitative interventions by a mental health professional, clinical trainee, or mental health practitioner; and

(5) include ADT services in the client's individual treatment plan, when appropriate. The adult day treatment provider must:

(i) complete a functional assessment of each client under section 245I.10, subdivision 9;

(ii) notwithstanding section 245I.10, subdivision 8, review the client's progress and update the individual treatment plan at least every 90 days until the client is discharged from the program; and

(iii) include a discharge plan for the client in the client's individual treatment plan.

(d) To be eligible for adult day treatment, a client must:

(1) be 18 years of age or older;

(2) not reside in a nursing facility, hospital, institute of mental disease, or state-operated treatment center unless the client has an active discharge plan that indicates a move to an independent living setting within 180 days;

(3) have the capacity to engage in rehabilitative programming, skills activities, and psychotherapy in the structured, therapeutic setting of an adult day treatment program and demonstrate measurable improvements in functioning resulting from participation in the adult day treatment program;

(4) have a level of care assessment under section 245I.02, subdivision 19, recommending that the client participate in services with the level of intensity and duration of an adult day treatment program; and

(5) have the recommendation of a mental health professional for adult day treatment services. The mental health professional must find that adult day treatment services are medically necessary for the client.

(e) Medical assistance does not cover the following services as adult day treatment services:

(1) services that are primarily recreational or that are provided in a setting that is not under medical supervision, including sports activities, exercise groups, craft hours, leisure time, social hours, meal or snack time, trips to community activities, and tours;

(2) social or educational services that do not have or cannot reasonably be expected to have a therapeutic outcome related to the client's mental illness;

(3) consultations with other providers or service agency staff persons about the care or progress of a client;

(4) prevention or education programs that are provided to the community;

(5) day treatment for clients with a primary diagnosis of a substance use disorder;

(6) day treatment provided in the client's home;

(7) psychotherapy for more than two hours per day; and

(8) participation in meal preparation and eating that is not part of a clinical treatment plan to address the client's eating disorder.

Subd. 4. **Explanation of findings.** (a) ~~Subject to federal approval,~~ Medical assistance covers an explanation of findings that a mental health professional or clinical trainee provides when the provider has obtained the authorization from the client or the client's representative to release the information.

(b) A mental health professional or clinical trainee provides an explanation of findings to assist the client or related parties in understanding the results of the client's testing or diagnostic assessment and the client's mental illness, and provides professional insight that the client or related parties need to carry out a client's treatment plan. Related parties may include the client's family and other natural supports and other service providers working with the client.

(c) An explanation of findings is not paid for separately when a mental health professional or clinical trainee explains the results of psychological testing or a diagnostic assessment to the client or the client's representative as part of the client's psychological testing or a diagnostic assessment.

Subd. 5. **Family psychoeducation services.** (a) ~~Subject to federal approval,~~ Medical assistance covers family psychoeducation services provided to a child up to age 21 with a diagnosed mental health condition when identified in the child's individual treatment plan and provided by a mental health professional or a clinical trainee who has determined it medically necessary to involve family members in the child's care.

(b) "Family psychoeducation services" means information or demonstration provided to an individual or family as part of an individual, family, multifamily group, or peer group session to explain, educate, and support the child and family in understanding a child's symptoms of mental illness, the impact on the child's development, and needed components of treatment and skill development so that the individual, family, or group can help the child to prevent relapse, prevent the acquisition of comorbid disorders, and achieve optimal mental health and long-term resilience.

Subd. 6. **Dialectical behavior therapy.** (a) ~~Subject to federal approval,~~ Medical assistance covers intensive mental health outpatient treatment for dialectical behavior therapy. A dialectical behavior therapy provider must make reasonable and good faith efforts to report individual client outcomes to the commissioner using instruments and protocols that are approved by the commissioner.

(b) "Dialectical behavior therapy" means an evidence-based treatment approach that a mental health professional or clinical trainee provides to a client or a group of clients in an intensive outpatient treatment program using a combination of individualized rehabilitative and psychotherapeutic interventions. A dialectical behavior therapy program involves: individual dialectical behavior therapy, group skills training, telephone coaching, and team consultation meetings.

(c) To be eligible for dialectical behavior therapy, a client must:

(1) have mental health needs that available community-based services cannot meet or that the client must receive concurrently with other community-based services;

(2) have either:

(i) a diagnosis of borderline personality disorder; or

(ii) multiple mental health diagnoses, exhibit behaviors characterized by impulsivity or intentional self-harm, and be at significant risk of death, morbidity, disability, or severe dysfunction in multiple areas of the client's life;

(3) be cognitively capable of participating in dialectical behavior therapy as an intensive therapy program and be able and willing to follow program policies and rules to ensure the safety of the client and others; and

(4) be at significant risk of one or more of the following if the client does not receive dialectical behavior therapy:

(i) having a mental health crisis;

(ii) requiring a more restrictive setting such as hospitalization;

(iii) decompensating; or

(iv) engaging in intentional self-harm behavior.

(d) Individual dialectical behavior therapy combines individualized rehabilitative and psychotherapeutic interventions to treat a client's suicidal and other dysfunctional behaviors and to reinforce a client's use of adaptive skillful behaviors. A mental health professional or clinical trainee must provide individual dialectical behavior therapy to a client. A mental health professional or clinical trainee providing dialectical behavior therapy to a client must:

(1) identify, prioritize, and sequence the client's behavioral targets;

(2) treat the client's behavioral targets;

(3) assist the client in applying dialectical behavior therapy skills to the client's natural environment through telephone coaching outside of treatment sessions;

(4) measure the client's progress toward dialectical behavior therapy targets;

(5) help the client manage mental health crises and life-threatening behaviors; and

(6) help the client learn and apply effective behaviors when working with other treatment providers.

(e) Group skills training combines individualized psychotherapeutic and psychiatric rehabilitative interventions conducted in a group setting to reduce the client's suicidal and other dysfunctional coping behaviors and restore function. Group skills training must teach the client adaptive skills in the following areas: (1) mindfulness; (2) interpersonal effectiveness; (3) emotional regulation; and (4) distress tolerance.

(f) Group skills training must be provided by two mental health professionals or by a mental health professional co-facilitating with a clinical trainee or a mental health practitioner. Individual skills training must be provided by a mental health professional, a clinical trainee, or a mental health practitioner.

(g) Before a program provides dialectical behavior therapy to a client, the commissioner must certify the program as a dialectical behavior therapy provider. To qualify for certification as a dialectical behavior therapy provider, a provider must:

(1) allow the commissioner to inspect the provider's program;

(2) provide evidence to the commissioner that the program's policies, procedures, and practices meet the requirements of this subdivision and chapter 245I;

(3) be enrolled as a MHCP provider; and

(4) have a manual that outlines the program's policies, procedures, and practices that meet the requirements of this subdivision.

Subd. 7. **Mental health clinical care consultation.** (a) ~~Subject to federal approval,~~ Medical assistance covers clinical care consultation for a person up to age 21 who is diagnosed with a complex mental health condition or a mental health condition that co-occurs with other complex and chronic conditions, when described in the person's individual treatment plan and provided by a mental health professional or a clinical trainee.

(b) "Clinical care consultation" means communication from a treating mental health professional to other providers or educators not under the treatment supervision of the treating mental health professional who are working with the same client to inform, inquire, and instruct regarding the client's symptoms; strategies for effective engagement, care, and intervention needs; and treatment expectations across service settings and to direct and coordinate clinical service components provided to the client and family.

Subd. 8. **Neuropsychological assessment.** (a) ~~Subject to federal approval,~~ Medical assistance covers a client's neuropsychological assessment.

(b) "Neuropsychological assessment" means a specialized clinical assessment of the client's underlying cognitive abilities related to thinking, reasoning, and judgment that is conducted by a qualified neuropsychologist. A neuropsychological assessment must include a face-to-face interview with the client, interpretation of the test results, and preparation and completion of a report.

(c) A client is eligible for a neuropsychological assessment if the client meets at least one of the following criteria:

(1) the client has a known or strongly suspected brain disorder based on the client's medical history or the client's prior neurological evaluation, including a history of significant head trauma, brain tumor, stroke, seizure disorder, multiple sclerosis, neurodegenerative disorder, significant exposure to neurotoxins, central nervous system infection, metabolic

or toxic encephalopathy, fetal alcohol syndrome, or congenital malformation of the brain; or

(2) the client has cognitive or behavioral symptoms that suggest that the client has an organic condition that cannot be readily attributed to functional psychopathology or suspected neuropsychological impairment in addition to functional psychopathology. The client's symptoms may include:

(i) having a poor memory or impaired problem solving;

(ii) experiencing change in mental status evidenced by lethargy, confusion, or disorientation;

(iii) experiencing a deteriorating level of functioning;

(iv) displaying a marked change in behavior or personality;

(v) in a child or an adolescent, having significant delays in acquiring academic skill or poor attention relative to peers;

(vi) in a child or an adolescent, having reached a significant plateau in expected development of cognitive, social, emotional, or physical functioning relative to peers; and

(vii) in a child or an adolescent, significant inability to develop expected knowledge, skills, or abilities to adapt to new or changing cognitive, social, emotional, or physical demands.

(d) The neuropsychological assessment must be completed by a neuropsychologist who:

(1) was awarded a diploma by the American Board of Clinical Neuropsychology, the American Board of Professional Neuropsychology, or the American Board of Pediatric Neuropsychology;

(2) earned a doctoral degree in psychology from an accredited university training program and:

(i) completed an internship or its equivalent in a clinically relevant area of professional psychology;

(ii) completed the equivalent of two full-time years of experience and specialized training, at least one of which is at the postdoctoral level, supervised by a clinical neuropsychologist in the study and practice of clinical neuropsychology and related neurosciences; and

(iii) holds a current license to practice psychology independently according to sections 148.88 to 148.98;

(3) is licensed or credentialed by another state's board of psychology examiners in the specialty of neuropsychology using requirements equivalent to requirements specified by one of the boards named in clause (1); or

(4) was approved by the commissioner as an eligible provider of neuropsychological assessments prior to December 31, 2010.

Subd. 9. **Neuropsychological testing.** (a) ~~Subject to federal approval,~~ Medical assistance covers neuropsychological testing for clients.

(b) "Neuropsychological testing" means administering standardized tests and measures designed to evaluate the client's ability to attend to, process, interpret, comprehend, communicate, learn, and recall information and use problem solving and judgment.

(c) Medical assistance covers neuropsychological testing of a client when the client:

(1) has a significant mental status change that is not a result of a metabolic disorder and that has failed to respond to treatment;

(2) is a child or adolescent with a significant plateau in expected development of cognitive, social, emotional, or physical function relative to peers;

(3) is a child or adolescent with a significant inability to develop expected knowledge, skills, or abilities to adapt to new or changing cognitive, social, physical, or emotional demands; or

(4) has a significant behavioral change, memory loss, or suspected neuropsychological impairment in addition to functional psychopathology, or other organic brain injury or one of the following:

(i) traumatic brain injury;

(ii) stroke;

(iii) brain tumor;

(iv) substance use disorder;

(v) cerebral anoxic or hypoxic episode;

(vi) central nervous system infection or other infectious disease;

(vii) neoplasms or vascular injury of the central nervous system;

(viii) neurodegenerative disorders;

(ix) demyelinating disease;

(x) extrapyramidal disease;

(xi) exposure to systemic or intrathecal agents or cranial radiation known to be associated with cerebral dysfunction;

(xii) systemic medical conditions known to be associated with cerebral dysfunction, including renal disease, hepatic encephalopathy, cardiac anomaly, sickle cell disease, and related hematologic anomalies, and autoimmune disorders, including lupus, erythematosus, or celiac disease;

(xiii) congenital genetic or metabolic disorders known to be associated with cerebral dysfunction, including phenylketonuria, craniofacial syndromes, or congenital hydrocephalus;

(xiv) severe or prolonged nutrition or malabsorption syndromes; or

(xv) a condition presenting in a manner difficult for a clinician to distinguish between the neurocognitive effects of a neurogenic syndrome, including dementia or encephalopathy; and a major depressive disorder when adequate treatment for major depressive disorder has not improved the client's neurocognitive functioning; or another disorder, including autism, selective mutism, anxiety disorder, or reactive attachment disorder.

(d) Neuropsychological testing must be administered or clinically supervised by a qualified neuropsychologist under subdivision 8, paragraph (c).

(e) Medical assistance does not cover neuropsychological testing of a client when the testing is:

(1) primarily for educational purposes;

(2) primarily for vocational counseling or training;

(3) for personnel or employment testing;

(4) a routine battery of psychological tests given to the client at the client's inpatient admission or during a client's continued inpatient stay; or

(5) for legal or forensic purposes.

Subd. 10. **Psychological testing.** (a) ~~Subject to federal approval,~~ Medical assistance covers psychological testing of a client.

(b) "Psychological testing" means the use of tests or other psychometric instruments to determine the status of a client's mental, intellectual, and emotional functioning.

(c) The psychological testing must:

(1) be administered or supervised by a licensed psychologist qualified under section 245I.04, subdivision 2, clause (3), who is competent in the area of psychological testing; and

(2) be validated in a face-to-face interview between the client and a licensed psychologist or a clinical trainee in psychology under the treatment supervision of a licensed psychologist under section 245I.06.

(d) A licensed psychologist must supervise the administration, scoring, and interpretation of a client's psychological tests when a clinical psychology trainee, technician, psychometrist, or psychological assistant or a computer-assisted psychological testing program completes the psychological testing of the client. The report resulting from the psychological testing must be signed by the licensed psychologist who conducts the face-to-face interview with the client. The licensed psychologist or a staff person who is under treatment supervision must place the client's psychological testing report in the client's record and release one copy of the report to the client and additional copies to individuals authorized by the client to receive the report.

Subd. 11. **Psychotherapy.** (a) ~~Subject to federal approval,~~ Medical assistance covers psychotherapy for a client.

(b) "Psychotherapy" means treatment of a client with mental illness that applies to the most appropriate psychological, psychiatric, psychosocial, or interpersonal method that conforms to prevailing community standards of professional practice to meet the mental health needs of the client. Medical assistance covers psychotherapy if a mental health professional or a clinical trainee provides psychotherapy to a client.

(c) "Individual psychotherapy" means psychotherapy that a mental health professional or clinical trainee designs for a client.

(d) "Family psychotherapy" means psychotherapy that a mental health professional or clinical trainee designs for a client and one or more of the client's family members or primary caregiver whose participation is necessary to accomplish the client's treatment goals. Family members or primary caregivers participating in a therapy session do not need to be eligible for medical assistance for medical assistance to cover family psychotherapy. For purposes of this paragraph, "primary caregiver whose participation is necessary to accomplish the client's treatment goals" excludes shift or facility staff persons who work at the client's residence. Medical assistance payments for family psychotherapy are limited to face-to-face sessions during which the client is present throughout the session, unless the mental health professional or clinical trainee believes that the client's exclusion from the family

psychotherapy session is necessary to meet the goals of the client's individual treatment plan. If the client is excluded from a family psychotherapy session, a mental health professional or clinical trainee must document the reason for the client's exclusion and the length of time that the client is excluded. The mental health professional must also document any reason that a member of the client's family is excluded from a psychotherapy session.

(e) Group psychotherapy is appropriate for a client who, because of the nature of the client's emotional, behavioral, or social dysfunctions, can benefit from treatment in a group setting. For a group of three to eight clients, at least one mental health professional or clinical trainee must provide psychotherapy to the group. For a group of nine to 12 clients, a team of at least two mental health professionals or two clinical trainees or one mental health professional and one clinical trainee must provide psychotherapy to the group. Medical assistance will cover group psychotherapy for a group of no more than 12 persons.

(f) A multiple-family group psychotherapy session is eligible for medical assistance if a mental health professional or clinical trainee designs the psychotherapy session for at least two but not more than five families. A mental health professional or clinical trainee must design multiple-family group psychotherapy sessions to meet the treatment needs of each client. If the client is excluded from a psychotherapy session, the mental health professional or clinical trainee must document the reason for the client's exclusion and the length of time that the client was excluded. The mental health professional or clinical trainee must document any reason that a member of the client's family was excluded from a psychotherapy session.

Subd. 12. **Partial hospitalization.** (a) ~~Subject to federal approval,~~ Medical assistance covers a client's partial hospitalization.

(b) "Partial hospitalization" means a provider's time-limited, structured program of psychotherapy and other therapeutic services, as defined in United States Code, title 42, chapter 7, subchapter XVIII, part E, section 1395x(ff), that a multidisciplinary staff person provides in an outpatient hospital facility or community mental health center that meets Medicare requirements to provide partial hospitalization services to a client.

(c) Partial hospitalization is an appropriate alternative to inpatient hospitalization for a client who is experiencing an acute episode of mental illness who meets the criteria for an inpatient hospital admission under Minnesota Rules, part 9505.0520, subpart 1, and who has family and community resources that support the client's residence in the community. Partial hospitalization consists of multiple intensive short-term therapeutic services for a client that a multidisciplinary staff person provides to a client to treat the client's mental illness.

Subd. 13. **Diagnostic assessments.** ~~Subject to federal approval,~~ Medical assistance covers a client's diagnostic assessments that a mental health professional or clinical trainee completes under section 245I.10.

Sec. 141. Minnesota Statutes 2022, section 256B.0943, subdivision 1, is amended to read:

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

~~(a)~~ (b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention to treat a diagnosed emotional disturbance, as defined in section 245.4871, subdivision 15, or a diagnosed mental illness, as defined in section 245.462, subdivision 20. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

~~(b)~~ (c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

~~(c)~~ (d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

~~(d)~~ (e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

~~(e)~~ (f) "Day treatment program" for children means a site-based structured mental health program consisting of psychotherapy for three or more individuals and individual or group skills training provided by a team, under the treatment supervision of a mental health professional.

~~(f) "Standard diagnostic assessment" means the assessment described in 245I.10, subdivision 6.~~

(g) "Direct service time" means the time that a mental health professional, clinical trainee, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family or providing covered services through telehealth as defined under section 256B.0625, subdivision 3b. Direct service time includes time in which the provider obtains a client's history, develops a client's treatment plan, records individual treatment outcomes, or provides service components of children's therapeutic services and supports.

Direct service time does not include time doing work before and after providing direct services, including scheduling or maintaining clinical records.

(h) "Direction of mental health behavioral aide" means the activities of a mental health professional, clinical trainee, or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individual treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (7).

(i) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.

(j) "Individual treatment plan" means the plan described in section 245I.10, subdivisions 7 and 8.

(k) "Mental health behavioral aide services" means medically necessary one-on-one activities performed by a mental health behavioral aide qualified according to section 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously trained by a mental health professional, clinical trainee, or mental health practitioner and as described in the child's individual treatment plan and individual behavior plan. Activities involve working directly with the child or child's family as provided in subdivision 9, paragraph (b), clause (4).

(l) "Mental health certified family peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 12.

(m) "Mental health practitioner" means a staff person who is qualified according to section 245I.04, subdivision 4.

(n) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(o) "Mental health service plan development" includes:

(1) development and revision of a child's individual treatment plan; and

(2) administering and reporting the standardized outcome measurements in section 245I.10, subdivision 6, paragraph (d), clauses (3) and (4), and other standardized outcome measurements approved by the commissioner, as periodically needed to evaluate the effectiveness of treatment.

(p) "Mental illness," for persons at least age 18 but under age 21, has the meaning given in section 245.462, subdivision 20, paragraph (a).

(q) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

(r) "Rehabilitative services" or "psychiatric rehabilitation services" means interventions to: (1) restore a child or adolescent to an age-appropriate developmental trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric rehabilitation services for children combine coordinated psychotherapy to address internal psychological, emotional, and intellectual processing deficits, and skills training to restore personal and social functioning. Psychiatric rehabilitation services establish a progressive series of goals with each achievement building upon a prior achievement.

(s) "Skills training" means individual, family, or group training, delivered by or under the supervision of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

(t) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

~~(t)~~ (u) "Treatment supervision" means the supervision described in section 245I.06.

Sec. 142. Minnesota Statutes 2022, section 256B.0947, subdivision 3a, is amended to read:

Subd. 3a. **Required service components.** (a) Intensive nonresidential rehabilitative mental health services, supports, and ancillary activities that are covered by a single daily rate per client must include the following, as needed by the individual client:

(1) individual, family, and group psychotherapy;

(2) individual, family, and group skills training, as defined in section 256B.0943, subdivision 1, paragraph ~~(t)~~ (u);

(3) crisis planning as defined in section 245.4871, subdivision 9a;

(4) medication management provided by a physician, an advanced practice registered nurse with certification in psychiatric and mental health care, or a physician assistant;

(5) mental health case management as provided in section 256B.0625, subdivision 20;

(6) medication education services as defined in this section;

(7) care coordination by a client-specific lead worker assigned by and responsible to the treatment team;

(8) psychoeducation of and consultation and coordination with the client's biological, adoptive, or foster family and, in the case of a youth living independently, the client's immediate nonfamilial support network;

(9) clinical consultation to a client's employer or school or to other service agencies or to the courts to assist in managing the mental illness or co-occurring disorder and to develop client support systems;

(10) coordination with, or performance of, crisis intervention and stabilization services as defined in section 256B.0624;

(11) transition services;

(12) co-occurring substance use disorder treatment as defined in section 245I.02, subdivision 11; and

(13) housing access support that assists clients to find, obtain, retain, and move to safe and adequate housing. Housing access support does not provide monetary assistance for rent, damage deposits, or application fees.

(b) The provider shall ensure and document the following by means of performing the required function or by contracting with a qualified person or entity: client access to crisis intervention services, as defined in section 256B.0624, and available 24 hours per day and seven days per week.

Sec. 143. Minnesota Statutes 2022, section 256B.4912, subdivision 4, is amended to read:

Subd. 4. **Payment rate criteria.** (a) The payment methodologies under this section shall reflect the payment rate criteria in paragraphs (b), (c), and (d).

(b) Payment rates shall reflect the reasonable, ordinary, and necessary costs of service delivery.

(c) Payment rates shall be sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area as required by section 1902(a)(30)(A) of the Social Security Act.

(d) The commissioner must not reimburse:

(1) unauthorized service delivery;

(2) services provided under a receipt of a special grant;

(3) services provided under contract to a local school district;

(4) extended employment services under Minnesota Rules, parts ~~3300.2005 to 3300.3100~~ 3300.6000 to 3300.6070, or vocational rehabilitation services provided under the federal Rehabilitation Act, as amended, Title I, section 110, or Title VI-C, and not through use of medical assistance or county social service funds; or

(5) services provided to a client by a licensed medical, therapeutic, or rehabilitation practitioner or any other vendor of medical care which are billed separately on a fee-for-service basis.

Sec. 144. Minnesota Statutes 2022, section 256B.50, subdivision 1, is amended to read:

Subdivision 1. **Scope.** A provider may appeal from a determination of a payment rate established pursuant to this chapter or allowed costs under chapter 256R if the appeal, if successful, would result in a change to the provider's payment rate or to the calculation of maximum charges to therapy vendors as provided by section 256R.54. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or long-term care facility for reconsideration of the classification of a resident under section ~~144.0722~~ 144.0724.

Sec. 145. Minnesota Statutes 2022, section 256B.76, subdivision 1, is amended to read:

Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases except that payment rates for home health agency services shall be the rates in effect on September 30, 1992.

(b) Effective for services rendered on or after January 1, 2000, payment rates for physician and professional services shall be increased by three percent over the rates in effect on December 31, 1999, except for home health agency and family planning agency services. The increases in this paragraph shall be implemented January 1, 2000, for managed care.

(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by five percent, except that for the period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical assistance and general assistance medical care programs, over the rates in effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other outpatient visits, preventive medicine visits and family planning visits billed by physicians, advanced practice registered nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction and the reductions in paragraph (d) do not apply to federally qualified health centers, rural health centers, and Indian health services. Effective October 1, 2009, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(d) Effective for services rendered on or after July 1, 2010, payment rates for physician and professional services shall be reduced an additional seven percent over the five percent reduction in rates described in paragraph (c). This additional reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services provided on or after July 1, 2010. This additional reduction does not apply to physician services billed by a psychiatrist or an advanced practice registered nurse with a specialty in mental health. Effective October 1, 2010, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013, payment rates for physician and professional services shall be reduced three percent from the rates in effect on August 31, 2011. This reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services.

(f) Effective for services rendered on or after September 1, 2014, payment rates for physician and professional services, including physical therapy, occupational therapy, speech pathology, and mental health services shall be increased by five percent from the rates in effect on August 31, 2014. In calculating this rate increase, the commissioner shall not include in the base rate for August 31, 2014, the rate increase provided under section 256B.76, subdivision 7. This increase does not apply to federally qualified health centers, rural health centers, and Indian health services. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(g) Effective for services rendered on or after July 1, 2015, payment rates for physical therapy, occupational therapy, and speech pathology and related services provided by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(h) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

Sec. 146. Minnesota Statutes 2022, section 256G.08, subdivision 1, is amended to read:

Subdivision 1. **Commitment proceedings.** In cases of voluntary admission or commitment to state or other institutions, the committing county shall initially pay for all costs. This includes the expenses of the taking into custody, confinement, emergency holds under sections ~~253B.05~~ 253B.051, subdivisions 1 and 2, and 253B.07, examination, commitment, conveyance to the place of detention, rehearing, and hearings under section 253B.092, including hearings held under that section which are venued outside the county of commitment.

Sec. 147. Minnesota Statutes 2022, section 256J.54, subdivision 1, is amended to read:

Subdivision 1. **Assessment of educational progress and needs.** (a) The county agency must document the educational level of each MFIP caregiver who is under the age of 20 and determine if the caregiver has obtained a high school diploma or its equivalent. If the caregiver has not obtained a high school diploma or its equivalent, the county agency must complete an individual assessment for the caregiver unless the caregiver is exempt from the requirement to attend school under subdivision 5 or has chosen to have an employment plan under section 256J.521, subdivision 2, as allowed in paragraph (b). The assessment must be performed as soon as possible but within 30 days of determining MFIP eligibility

for the caregiver. The assessment must provide an initial examination of the caregiver's educational progress and needs, literacy level, child care and supportive service needs, family circumstances, skills, and work experience. In the case of a caregiver under the age of 18, the assessment must also consider the results of either the caregiver's or the caregiver's minor child's child and teen checkup under ~~Minnesota Rules, parts 9505.0275 and 9505.1693 to 9505.1748~~ section 256B.0625, subdivision 58, if available, and the effect of a child's development and educational needs on the caregiver's ability to participate in the program. The county agency must advise the caregiver that the caregiver's first goal must be to complete an appropriate education option if one is identified for the caregiver through the assessment and, in consultation with educational agencies, must review the various school completion options with the caregiver and assist in selecting the most appropriate option.

(b) The county agency must give a caregiver, who is age 18 or 19 and has not obtained a high school diploma or its equivalent, the option to choose an employment plan with an education option under subdivision 3 or an employment plan under section 256J.521, subdivision 2.

Sec. 148. Minnesota Statutes 2022, section 256L.07, subdivision 4, is amended to read:

Subd. 4. **Families with children in need of substance use disorder treatment.** Premiums for families with children when a parent has been determined to be in need of ~~chemical dependency~~ substance use disorder treatment pursuant to an assessment conducted by the county under section 260E.20, subdivision 1, paragraph (g), or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, who are eligible for MinnesotaCare under section 256L.04, subdivision 1, may be paid by the county of residence of the person in need of treatment for one year from the date the family is determined to be eligible or if the family is currently enrolled in MinnesotaCare from the date the person is determined to be in need of substance use disorder treatment. Upon renewal, the family is responsible for any premiums owed under section 256L.15. If the family is not currently enrolled in MinnesotaCare, the local county human services agency shall determine whether the family appears to meet the eligibility requirements and shall assist the family in applying for the MinnesotaCare program.

Sec. 149. Minnesota Statutes 2022, section 268.136, subdivision 3, is amended to read:

Subd. 3. **Applicant requirements.** (a) An applicant, in order to be paid unemployment benefits under this section, must meet all of the requirements under section 268.069,

subdivision 1. The following provisions of section 268.085 do not apply to an applicant in an approved shared work plan:

(1) deductible earnings under subdivision 5;

(2) the restriction under subdivision 2, clause ~~(6)~~ (5), if the applicant works exactly 32 hours in a week;

(3) the requirement of being available for suitable employment under subdivision 1, clause (4), but only if the applicant is (i) available for the normal hours of work per week with the shared work employer, or (ii) is in a training program when not working; and

(4) the requirement of actively seeking suitable employment under subdivision 1, clause (5).

(b) An applicant is ineligible for unemployment benefits under this section for any week, if the applicant works more than 32 hours in a week in employment with one or more employer.

Sec. 150. Minnesota Statutes 2022, section 272.02, subdivision 49, is amended to read:

Subd. 49. **Agricultural historical society property.** Property is exempt from taxation if it is owned by a nonprofit charitable or educational organization that qualifies for exemption under section 501(c)(3) of the Internal Revenue Code and meets the following criteria:

(1) the property is primarily used for storing and exhibiting tools, equipment, and artifacts useful in providing an understanding of local or regional agricultural history. Primary use is determined each year based on the number of days the property is used solely for storage and exhibition purposes;

(2) the property is limited to a maximum of 40 acres per owner per county, but includes the land and any taxable structures, fixtures, and equipment on the land;

(3) the property is not used for a revenue-producing activity for more than ten days in each calendar year; and

(4) the property is not used for residential purposes on either a temporary or permanent basis.

~~For assessment year 2019 only, an exemption application under this subdivision must be filed with the county assessor by July 1, 2019.~~

Sec. 151. Minnesota Statutes 2022, section 272.02, subdivision 102, is amended to read:

Subd. 102. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) is located in a city of the first class with a population of more than 380,000 as of the 2010 federal census;

(2) was on January 1, 2016, and is for the current assessment, owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(3) is used exclusively as a pharmacy, as defined in section 151.01, subdivision 2.

(b) Property that qualifies for the exemption under this subdivision is limited to parcels and structures that do not exceed, in the aggregate, 4,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption.

~~For assessment year 2019 only, an exemption application under this subdivision must be filed with the county assessor by July 1, 2019.~~ The exemption created by this subdivision expires with taxes payable in 2029.

Sec. 152. Minnesota Statutes 2022, section 272.02, subdivision 103, is amended to read:

Subd. 103. **Licensed child care facility.** Property used as a licensed child care facility that accepts families participating in the child care assistance program under chapter 119B, and that is owned and operated by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code, is exempt. For the purposes of this subdivision, "licensed child care facility" means a child care center licensed under Minnesota Rules, chapter 9503, or a facility used to provide licensed family day care or group family day care as defined under Minnesota Rules, chapter 9502.

~~For assessment year 2019 only, an exemption application under this subdivision must be filed with the county assessor by July 1, 2019.~~

Sec. 153. Minnesota Statutes 2022, section 273.1387, subdivision 2, is amended to read:

Subd. 2. **Credit amount.** For each qualifying property, the school building bond agricultural credit is equal to ~~the credit percent multiplied by~~ 70 percent of the property's eligible net tax capacity multiplied by the school debt tax rate determined under section 275.08, subdivision 1b. ~~For property taxes payable prior to 2020, the credit percent is equal to 40 percent. For property taxes payable in 2020, the credit percent is equal to 50 percent.~~

~~For property taxes payable in 2021, the credit percent is equal to 55 percent. For property taxes payable in 2022, the credit percent is equal to 60 percent. For property taxes payable in 2023 and thereafter, the credit percent is equal to 70 percent.~~

Sec. 154. Minnesota Statutes 2022, section 273.165, subdivision 1, is amended to read:

Subdivision 1. **Mineral interest.** "Mineral interest," for the purpose of this subdivision, means an interest in any minerals, including but not limited to gas, coal, oil, or other similar interest in real estate, which is owned separately and apart from the fee title to the surface of such real property. Mineral interests which are recorded in the office of either the county recorder or registrar of titles, whether or not filed pursuant to sections 93.52 to ~~93.58~~ 93.551, are taxed as provided in this subdivision unless specifically excluded by this subdivision. A tax of 40 cents per acre or portion of an acre of mineral interest is imposed and is payable annually. If an interest is a fractional undivided interest in an area, the tax due on the interest per acre or portion of an acre is equal to the product obtained by multiplying the fractional interest times 40 cents, computed to the nearest cent. However, the minimum annual tax on any mineral interest is $3.20. No such tax on mineral interests is imposed on the following: (1) mineral interests valued and taxed under other laws relating to the taxation of minerals, gas, coal, oil, or other similar interests; or (2) mineral interests which are exempt from taxation pursuant to constitutional or related statutory provisions. Taxes received under this subdivision must be apportioned to the taxing districts included in the area taxed in the same proportion as the surface interest local tax rate of a taxing district bears to the total local tax rate applicable to surface interests in the area taxed. The tax imposed by this subdivision is not included within any limitations as to rate or amount of taxes which may be imposed in an area to which the tax imposed by this subdivision applies. The tax imposed by this subdivision does not cause the amount of other taxes levied or to be levied in the area, which are subject to any such limitation, to be reduced in any amount. Twenty percent of the revenues received from the tax imposed by this subdivision must be distributed under the provisions of section 116J.64.

Sec. 155. Minnesota Statutes 2022, section 290.067, subdivision 1, is amended to read:

Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code except that in determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance

to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer.

(b) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) the amount of the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

(e) In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter ~~including earned income excluded pursuant to section 290.0132, subdivision 10~~, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

(f) For residents of Minnesota, the subtractions for military pay under section 290.0132, subdivisions 11 and 12, are not considered "earned income not subject to tax under this chapter."

(g) For residents of Minnesota, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."

(h) For taxpayers with federal adjusted gross income in excess of $52,230, the credit is equal to the lesser of the credit otherwise calculated under this subdivision, or the amount equal to $600 minus five percent of federal adjusted gross income in excess of $52,230 for taxpayers with one qualified individual, or $1,200 minus five percent of federal adjusted gross income in excess of $52,230 for taxpayers with two or more qualified individuals, but in no case is the credit less than zero.

Sec. 156. Minnesota Statutes 2022, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code, except that:

(1) a taxpayer with no qualifying children who has attained the age of 19, but not attained age 65 before the close of the taxable year and is otherwise eligible for a credit under section 32 of the Internal Revenue Code may also receive a credit; and

(2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted gross income exceeds the income limitation under section 32 of the Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals 3.9 percent of the first $7,150 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 9.35 percent of the first $11,950 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(d) For individuals with two qualifying children, the credit equals 11 percent of the first $19,600 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(e) For individuals with three or more qualifying children, the credit equals 12.5 percent of the first $20,000 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(f) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(g) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, ~~including income excluded under section 290.0132, subdivision 10,~~ the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the following clauses are not considered "earned income not subject to tax under this chapter":

(1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;

(2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

(3) income derived from an Indian reservation by an enrolled member of the reservation while living on the reservation.

(h) For the purposes of this section, the phaseout threshold equals:

(1) $14,570 for married taxpayers filing joint returns with no qualifying children;

(2) $8,730 for all other taxpayers with no qualifying children;

(3) $28,610 for married taxpayers filing joint returns with one qualifying child;

(4) $22,770 for all other taxpayers with one qualifying child;

(5) $32,840 for married taxpayers filing joint returns with two qualifying children;

(6) $27,000 for all other taxpayers with two qualifying children;

(7) $33,140 for married taxpayers filing joint returns with three or more qualifying children; and

(8) $27,300 for all other taxpayers with three or more qualifying children.

(i) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

Sec. 157. Minnesota Statutes 2022, section 290.0677, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed; current military service.** ~~(a) An individual is allowed a credit against the tax due under this chapter equal to $59 for each month or portion thereof that the individual was in active military service in a designated area after September 11, 2001, and before January 1, 2009, while a Minnesota domiciliary.~~

~~(b)~~ (a) An individual is allowed a credit against the tax due under this chapter equal to $120 for each month or portion thereof that the individual was in active military service in a designated area after December 31, 2008, while a Minnesota domiciliary.

~~(c) For active service performed after September 11, 2001, and before December 31, 2006, the individual may claim the credit in the taxable year beginning after December 31, 2005, and before January 1, 2007.~~

~~(d) For active service performed after December 31, 2006, the~~ (b) An individual may claim the credit for the taxable year in which the active service was performed.

Sec. 158. Minnesota Statutes 2022, section 290.0677, subdivision 2, is amended to read:

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

(b) "Designated area" means a:

(1) combat zone designated by Executive Order from the President of the United States;

(2) qualified hazardous duty area, designated in Public Law; or

(3) location certified by the U. S. Department of Defense as eligible for combat zone tax benefits due to the location's direct support of military operations.

(c) "Active military service" means active duty service in any of the United States armed forces, the National Guard, or reserves.

(d) "Qualified individual" means an individual who has:

(1) met one of the following criteria:

(i) has served at least 20 years in the military;

(ii) has a service-connected disability rating of 100 percent for a total and permanent disability; or

(iii) has been determined by the military to be eligible for compensation from a pension or other retirement pay from the federal government for service in the military, as computed under United States Code, title 10, sections 1401 to 1414, 1447 to 1455, or 12733; and

(2) separated from military service before the end of the taxable year.

(e) "Adjusted gross income" has the meaning given in section ~~61~~ 62 of the Internal Revenue Code.

Sec. 159. Minnesota Statutes 2022, section 290.068, subdivision 3, is amended to read:

Subd. 3. **Limitation; carryover.** (a) The credit ~~for a taxable year beginning before January 1, 2010, and after December 31, 2012,~~ shall not exceed the liability for tax. If the amount of the credit allowed exceeds the liability for tax of the taxpayer, but is allowed as a result of the liability for tax of other members of the unitary group for the taxable year, the taxpayer must allocate the excess as a research credit to another member of the unitary group.

(b) In the case of a corporation which is a partner in a partnership, the credit allowed for the taxable year shall not exceed the lesser of the amount determined under paragraph (a) for the taxable year or an amount (separately computed with respect to the corporation's interest in the trade or business or entity) equal to the amount of tax attributable to that portion of taxable income which is allocable or apportionable to the corporation's interest in the trade or business or entity.

(c) If the amount of the credit determined under this section for any taxable year exceeds the limitation under paragraph (a) or (b), including amounts allocated to other members of the unitary group, the excess shall be a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this clause shall not exceed the taxpayer's liability for tax less the research credit for the taxable year.

Sec. 160. Minnesota Statutes 2022, section 290.9705, subdivision 3, is amended to read:

Subd. 3. **Waiver of withholding.** The conditions in ~~subdivisions~~ subdivision 1 ~~and 2~~ may be waived by the commissioner if (1) the contractor gives the commissioner a cash surety or a bond, secured by an insurance company licensed by Minnesota, conditioned that the contractor will comply with all applicable provisions of this chapter and chapter 297A, or (2) the contractor has done construction work in Minnesota at any time during the three calendar years prior to entering the contract and has fully complied with all the provisions of this chapter and chapter 297A for the three prior years.

Sec. 161. Minnesota Statutes 2022, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

~~(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;~~

~~(5)~~ (4) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

~~(6)~~ (5) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed

maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic beverages purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

Sec. 162. Minnesota Statutes 2022, section 297A.71, subdivision 44, is amended to read:

Subd. 44. **Building materials, capital projects.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction or improvement of a capital project funded partially or wholly under section 297A.9905 are exempt, provided that the project has ~~either:~~

~~(1)~~ a total construction cost of at least $40,000,000 within a 24-month period~~; or~~.

~~(2) a total construction cost of at least $100,000,000 for a sports facility project, including infrastructure costs, if construction contracts are signed, that begins after July 1, 2016, and before December 31, 2017.~~

(b) Materials and supplies used or consumed in and equipment incorporated into the construction, remodeling, expansion, or improvement of an ice arena or other buildings or facilities owned and operated by the city of Plymouth are exempt. For purposes of this paragraph, "facilities" include municipal streets and facilities associated with streets including but not limited to lighting, curbs and gutters, and sidewalks. The total amount of refund on all building materials, supplies, and equipment that the city may apply for under this paragraph is $2,500,000.

(c) The tax on purchases exempt under paragraph (a)~~, clause (1),~~ and paragraph (b)~~,~~ must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75. Notwithstanding section 289A.40, the city of Plymouth must file for refund by December 31, 2017, for sales tax paid on all eligible purchases under paragraph (b) made prior to December 31, 2015.

~~(d) The exemption under paragraph (a), clause (2), expires one year after the date that the first major sports game is played at the sports facility.~~

~~(e) For purposes of paragraph (a), clause (2), the term "infrastructure" means plazas, parking structures, transit facilities, rights-of-way, sidewalks, pedestrian bridges, bicycle paths, skyways, tunnels, lighting, landscaping, drainage improvements, utilities, sewer, and other such facilities and improvements that are:~~

~~(1) on land controlled by the city of St. Paul, when construction is complete;~~

~~(2) located within the sports facility site within the boundary of Snelling Avenue to the west, University Avenue to the north, marked Interstate Highway 94 to the south, and Pascal Street to the east, in St. Paul, Minnesota; and~~

~~(3) designed to facilitate public access to or to serve only the sports facility, and not to provide access to or serve any adjoining commercial or residential properties.~~

Sec. 163. Minnesota Statutes 2022, section 297B.10, is amended to read:

**297B.10 PENALTIES.**

(a) Any person, including persons other than the purchaser, ~~who prepares, completes, or submits a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under this chapter or any purchaser who fails to complete or submit~~

~~a motor vehicle purchaser's certificate with intent to defeat or evade the tax or~~ who attempts to defeat or evade the tax imposed under this chapter in any manner, is guilty of a gross misdemeanor unless the tax involved exceeds $300, in which event the person is guilty of a felony. The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member, or employee is under a duty to perform the act with respect to which the violation occurs. Notwithstanding the provisions of section 628.26 or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of the offense.

(b) Any person who collects the tax imposed under this chapter from a purchaser and willfully fails to remit the tax is guilty of a felony.

(c) Any person who violates any of the provisions of this chapter, unless the violation be of the type referred to in paragraph (a) or (b), is guilty of a misdemeanor.

(d) When two or more offenses in paragraph (a) or (b) are committed by the same person within six months, the offenses may be aggregated; further, if the offenses are committed in more than one county, the accused may be prosecuted for all the offenses aggregated under this clause in any county in which one of the offenses was committed.

Sec. 164. Minnesota Statutes 2022, section 297B.12, is amended to read:

**297B.12 PRIVATE NATURE OF INFORMATION.**

It shall be unlawful for the motor vehicle registrar, deputy registrars, or any other public official or employee to divulge or otherwise make known in any manner any particulars acquired from the purchaser's records, officers, or employees except in connection with state or federal tax proceedings or upon request of the ~~person named on the certificate~~ purchaser. Nothing herein contained should be construed to prohibit the publishing of statistics so classified. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

Sec. 165. Minnesota Statutes 2022, section 297E.021, subdivision 3, is amended to read:

Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals the amount determined under subdivision 2, plus up to $20,000,000 each fiscal year from the taxes imposed under section 290.06, subdivision 1:

(1) reduced by the following amounts paid for the fiscal year under:

(i) the appropriation to principal and interest on appropriation bonds under section 16A.965, subdivision 8;

(ii) the appropriation from the general fund to make operating expense payments under section 473J.13, subdivision 2, paragraph (b);

(iii) the appropriation for contributions to the capital reserve fund under section 473J.13, subdivision 4, paragraph (c);

(iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and any successor appropriation;

~~(v) the reduction in revenues resulting from the sales tax exemptions under section 297A.71, subdivision 43;~~

~~(vi)~~ (v) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

~~(vii)~~ (vi) the compulsive gambling appropriations under section 297E.02, subdivision 3, paragraph (c), and any successor appropriation; and

~~(viii)~~ (vii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

(2) increased by the revenue deposited in the general fund under section 297A.994, subdivision 4, clauses (1) to (3), for the fiscal year.

Sec. 166. Minnesota Statutes 2022, section 297F.01, subdivision 22b, is amended to read:

Subd. 22b. **Nicotine solution products.** ~~(a) "Nicotine solution products" means any cartridge, bottle, or other package that contains nicotine made or derived from tobacco, that is in a solution that is consumed, or meant to be consumed, through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. This paragraph expires December 31, 2019.~~

~~(b)~~ (a) Beginning January 1, 2020, "nicotine solution products" means any cartridge, bottle, or other package that contains nicotine, including nicotine made or derived from tobacco or sources other than tobacco, that is in a solution that is consumed, or meant to be consumed, through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol.

~~(c)~~ (b) Nicotine solution products includes any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, electronic nicotine delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts, or

accessories sold with and meant to be used in the consumption of a solution containing nicotine.

Sec. 167. Minnesota Statutes 2022, section 297I.20, subdivision 1, is amended to read:

Subdivision 1. **Guaranty association assessment offsets.** (a) An insurance company or health maintenance organization may offset against its premium tax liability to this state any amount paid for assessments made for insolvencies under sections 60C.01 to 60C.22; and any amount paid for assessments under ~~Minnesota Statutes 1992, sections 61B.01 to 61B.16, or under~~ sections 61B.18 to 61B.32 as follows:

(1) Each such assessment shall give rise to an amount of offset equal to 20 percent of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid.

(2) The amount of offset initially determined for each taxable year is the sum of the amounts determined under clause (1) for that taxable year.

(b)(1) Each year the commissioner shall compare total guaranty association assessments levied over the preceding five calendar years to the sum of all premium tax and corporate franchise tax revenues collected from insurance companies and health maintenance organizations, without reduction for any guaranty association assessment offset in the preceding calendar year, referred to in this subdivision as "preceding year insurance tax revenues."

(2) If total guaranty association assessments levied over the preceding five years exceed the preceding year insurance tax revenues, insurance companies and health maintenance organizations must be allowed only a proportionate part of the premium tax offset calculated under paragraph (a) for the current calendar year.

(3) The proportionate part of the premium tax offset allowed in the current calendar year is determined by multiplying the amount calculated under paragraph (a) by a fraction. The numerator of the fraction equals the preceding year insurance tax revenues, and its denominator equals total guaranty association assessments levied over the preceding five-year period.

(4) The proportionate part of the premium tax offset that is not allowed must be carried forward to subsequent tax years and added to the amount of premium tax offset calculated under paragraph (a) prior to application of the limitation imposed by this paragraph.

(5) Any amount carried forward from prior years must be allowed before allowance of the offset for the current year calculated under paragraph (a).

(6) The premium tax offset limitation must be calculated separately for (i) insurance companies subject to assessment under sections 60C.01 to 60C.22, and (ii) insurance companies or health maintenance organizations subject to assessment under sections ~~61B.01 to 61B.16, or~~ 61B.18 to 61B.32.

(7) When the premium tax offset is limited by this provision, the commissioner shall notify affected insurance companies or health maintenance organizations on a timely basis for purposes of completing premium and corporate franchise tax returns.

(8) The guaranty associations created under sections 60C.01 to 60C.22~~, 61B.01 to 61B.16,~~ and 61B.18 to 61B.32~~,~~ shall provide the commissioner with the necessary information on guaranty association assessments.

(c)(1) If the offset determined by the application of paragraphs (a) and (b) exceeds the insurance company's or health maintenance organization's premium tax liability under this section prior to allowance of the credit for premium taxes, then the insurance company or health maintenance organization may carry forward the excess, referred to in this subdivision as the "carryforward credit" to subsequent taxable years.

(2) The carryforward credit is allowed as an offset against premium tax liability for the first succeeding year to the extent that the premium tax liability for that year exceeds the amount of the allowable offset for the year determined under paragraphs (a) and (b).

(3) The carryforward credit must be reduced, but not below zero, by the amount of the carryforward credit allowed as an offset against the premium tax under this paragraph. The remainder, if any, of the carryforward credit must be carried forward to succeeding taxable years until the entire carryforward credit has been credited against the insurance company's or health maintenance organization's liability for premium tax under this chapter if applicable for that taxable year.

(d) When an insurer or health maintenance organization has offset against taxes its payment of an assessment of the Minnesota Life and Health Guaranty Association, and the association pays the insurer or health maintenance organization a refund with respect to the assessment under section ~~61B.07, subdivision 6, or~~ 61B.24, subdivision 6, then the refund reduces the insurer's or health maintenance organization's carryforward credit under paragraph (c). If the refund exceeds the amount of the carryforward credit, the excess amount must be repaid to the state by the insurers or health maintenance organizations to the extent of the offset in the manner the commissioner requires.

Sec. 168. Minnesota Statutes 2022, section 327C.015, subdivision 11, is amended to read:

Subd. 11. **Planning agency.** "Planning agency" means the planning commission or the planning department of a municipality as defined in section 462.352, the planning and zoning commission of a town as defined in Minnesota Statutes 2020, section 366.17, or the planning commission of a county, as defined in section 394.30, or if the municipality does not have a planning agency, the governing body of the municipality.

Sec. 169. Minnesota Statutes 2022, section 349.12, subdivision 25, is amended to read:

Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15c, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services;

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to $50 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities, intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;

(8) payment of local taxes authorized under this chapter, including local gambling taxes authorized under section 349.213, subdivision 3, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1~~, 5,~~ and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database;

(13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:

(i) wildlife management projects that benefit the public at large;

(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927, and other trails open to public use, including purchase or lease of equipment for this purpose; and

(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;

(14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

(15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(16) an expenditure by a licensed fraternal organization or a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for:

(i) up to 100 percent for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veteran or fraternal organization; or

(ii) a proportional amount subject to approval by the director and based on the portion of a building used as the primary headquarters of the licensed veteran or fraternal organization;

(17) expenditure by a licensed veterans organization of up to $5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than $5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home;

(18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota;

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;

(20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

(21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the

contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;

(22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

(i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, or service groups, and is used for the organization's primary mission or headquarters.

(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

(iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;

(23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than $2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section;

(25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit

under the eminent domain proceeding, if the board has first specifically authorized the expenditure; or

(26) a contribution to a 501(c)(19) organization that does not have an organization license under section 349.16 and is not affiliated with the contributing organization, and whose owned or leased property is not a permitted premises under section 349.165. The 501(c)(19) organization may only use the contribution for lawful purposes under this subdivision or for the organization's primary mission. The 501(c)(19) organization may not use the contribution for expansion of a building or for bar-related expenditures. A contribution may not be made to a statewide organization representing a consortia of 501(c)(19) organizations.

(b) Expenditures authorized by the board under paragraph (a), clauses (24) and (25), must be 51 percent completed within two years of the date of board approval; otherwise the organization must reapply to the board for approval of the project. "Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.

(c) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund; or

(4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

Sec. 170. Minnesota Statutes 2022, section 352.91, subdivision 3f, is amended to read:

Subd. 3f. **Additional Department of Human Services personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions specified in paragraph (b) in the state-operated forensic services program or the Minnesota Sex Offender Program if at least 75 percent of the employee's working time is spent in direct contact with patients and the determination of this direct contact is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

(1) behavior analyst 2;

(2) behavior analyst 3;

(3) certified occupational therapy assistant 1;

(4) certified occupational therapy assistant 2;

~~(5) substance use disorder counselor senior;~~

~~(6)~~ (5) client advocate;

~~(7)~~ (6) clinical program therapist 2;

~~(8)~~ (7) clinical program therapist 3;

~~(9)~~ (8) clinical program therapist 4;

~~(10)~~ (9) customer services specialist principal;

~~(11)~~ (10) dental assistant registered;

~~(12)~~ (11) dental hygienist;

~~(13)~~ (12) group supervisor;

~~(14)~~ (13) group supervisor assistant;

~~(15)~~ (14) human services support specialist;

~~(16)~~ (15) licensed alcohol and drug counselor;

~~(17)~~ (16) licensed practical nurse;

~~(18)~~ (17) management analyst 3;

~~(19)~~ (18) occupational therapist;

~~(20)~~ (19) occupational therapist, senior;

~~(21)~~ (20) physical therapist;

~~(22)~~ (21) psychologist 1;

~~(23)~~ (22) psychologist 2;

~~(24)~~ (23) psychologist 3;

~~(25)~~ (24) recreation program assistant;

~~(26)~~ (25) recreation therapist lead;

~~(27)~~ (26) recreation therapist senior;

~~(28)~~ (27) rehabilitation counselor senior;

~~(29)~~ (28) residential program lead;

~~(30)~~ (29) security supervisor;

~~(31)~~ (30) skills development specialist;

~~(32)~~ (31) social worker senior;

~~(33)~~ (32) social worker specialist;

~~(34)~~ (33) social worker specialist, senior;

~~(35)~~ (34) special education program assistant;

~~(36)~~ (35) speech pathology clinician;

(36) substance use disorder counselor senior;

(37) work therapy assistant; and

(38) work therapy program coordinator.

Sec. 171. Minnesota Statutes 2022, section 360.013, subdivision 50, is amended to read:

Subd. 50. **Municipality.** "Municipality" means a city of any class, including a city organized under a charter framed pursuant to the Constitution of the state of Minnesota, article ~~4~~ IV, section 36, article XI, section 4, or article XII, section 5, a county, a town, or a statutory city in this state, the regents of the University of Minnesota, and any other political subdivision, public corporation, authority, or district in this state which is or may be authorized by law to acquire, establish, construct, maintain, improve, and operate airports and other air navigation facilities.

Sec. 172. Minnesota Statutes 2022, section 360.0161, subdivision 2, is amended to read:

Subd. 2. **Approval of application; Federal Airport Act of 1946.** No municipality in this state, whether acting alone or jointly with another municipality or with the state, shall submit to the administrator of civil aeronautics of the United States any project application under the provisions of Section 9(a) of the ~~Act of Congress approved May 13, 1946, being a Public Law 377, 79th Congress, known and hereinafter designated as the "Federal Airport Act,"~~ Federal Airport Act, Public Law 79-377, or any amendment thereof, unless the project and the project application have been first approved by the commissioner of transportation.

Sec. 173. Minnesota Statutes 2022, section 360.061, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purposes of sections 360.061 to 360.074 the terms in this section have the meanings given.

Sec. 174. Minnesota Statutes 2022, section 360.067, subdivision 4, is amended to read:

Subd. 4. **Administrative agent, appointment.** In the case of an airport owned or operated by the state, the state airport zoning board adopting the zoning regulations for such airport, or the commissioner of transportation in case the zoning regulations are adopted by the commissioner as provided herein, shall appoint a local governmental official of a governmental unit in which the airport hazard area is located as the administrative agent. The governmental official so appointed is hereby authorized and directed as part of official duties to exercise the powers and duties of the administrative agency as described in ~~sections 360.067~~ this section and section 360.069.

Sec. 175. Minnesota Statutes 2022, section 360.511, subdivision 24, is amended to read:

Subd. 24. **Fiscal year.** "Fiscal year" starts July 1 and ends June 30~~, effective July 1, 1966~~.

Sec. 176. Minnesota Statutes 2022, section 383B.058, is amended to read:

**383B.058 LOCAL ORDINANCES AND CHARTERS SUPERSEDED.**

(a) Except as provided in this section, ~~sections~~ section 383B.041 ~~to 383B.057 supersede~~ supersedes the provisions of any ordinance or resolution of a jurisdiction governed by sections 383B.041 ~~to~~ or 383B.058 or any existing special law or home rule charter provision requiring disclosure of information related to the financing of election campaigns or requiring disclosure of economic interests by candidates and elected officials of that jurisdiction.

(b) The governing body of Hennepin County, the governing body of any home rule charter city or statutory city located wholly in Hennepin County, and the school board of Special School District No. 1, Minneapolis may adopt or continue in force ordinances or resolutions that:

(1) impose limits on the amount that any individual or association may contribute to any candidate for elected office in that jurisdiction;

(2) require disclosure of economic interests ~~in addition to those required to be disclosed under section 383B.053~~; or

(3) require other public officials of that jurisdiction to make such disclosure.

(c) Any home rule charter city that adopts a charter provision modifying or superseding any provision of ~~sections~~ section 383B.041 ~~to 383B.057~~ shall file a copy of the charter provision with the Campaign Finance and Public Disclosure Board within 60 days of its adoption.

Sec. 177. Minnesota Statutes 2022, section 402.02, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** Notwithstanding the population requirements of sections 145A.11 to 145A.131 and 245.61 to ~~245.69~~ 245.66 and chapter 401, a human services board shall possess all the powers and duties now assigned by law to:

(a) manage the public resources devoted to human services delivered or purchased by the counties, which are subsidized or regulated by the Departments of Corrections, Health, and Human Services;

(b) employ staff to carry out the purposes of sections 402.01 to 402.10;

(c) deliver services directly or through contract with other governmental or nongovernmental providers;

(d) plan for the delivery of human services, which shall include corrections services, public health services, public assistance, developmental disability services, social services, mental health services, and others of similar classification;

(e) receive and expend funds for the purposes of sections 402.01 to 402.10;

(f) rent, purchase, sell, or otherwise dispose of real and personal property and equipment; and

(g) county health boards, local social services agencies, and mental health boards.

Sec. 178. Minnesota Statutes 2022, section 403.03, subdivision 2, is amended to read:

Subd. 2. **Telephone cardiopulmonary resuscitation program.** (a) ~~On or before July 1, 2021,~~ Every public safety answering point must maintain a telephone cardiopulmonary resuscitation program by either:

(1) providing each 911 telecommunicator with training in cardiopulmonary resuscitation; or

(2) transferring callers to another public safety answering point with 911 telecommunicators that have received training in cardiopulmonary resuscitation.

(b) Training in cardiopulmonary resuscitation must, at a minimum, include:

(1) use of an evidence-based protocol or script for providing cardiopulmonary resuscitation instruction that has been recommended by an academic institution or a nationally recognized organization specializing in medical dispatch and, if the public safety answering point has a medical director, approved by that medical director; and

(2) appropriate continuing education, as determined by the evidence-based protocol for providing cardiopulmonary resuscitation instruction and, if the public safety answering point has a medical director, approved by that medical director.

(c) A public safety answering point that transfers callers to another public safety answering point must, at a minimum:

(1) use an evidence-based protocol for the identification of a person in need of cardiopulmonary resuscitation;

(2) provide each 911 telecommunicator with appropriate training and continuing education to identify a person in need of cardiopulmonary resuscitation through the use of an evidence-based protocol; and

(3) ensure that any public safety answering point to which calls are transferred uses 911 telecommunicators who meet the training requirements under paragraph (b).

(d) Each public safety answering point shall conduct ongoing quality assurance of its telephone cardiopulmonary resuscitation program.

Sec. 179. Minnesota Statutes 2022, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years

and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services.

(c) The fee may not be more than 95 cents a month ~~on or after July 1, 2010,~~ for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than $250 a month is due, or annually if less than $25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

Sec. 180. Minnesota Statutes 2022, section 403.11, subdivision 6, is amended to read:

Subd. 6. **Report.** (a) ~~Beginning September 1, 2013, and continuing semiannually thereafter,~~ Each wireless telecommunications service provider shall semiannually report to the commissioner, based on the mobile telephone number, both the total number of prepaid wireless telecommunications subscribers sourced to Minnesota and the total number of wireless telecommunications subscribers sourced to Minnesota. The report must be filed on the same schedule as Federal Communications Commission Form 477.

(b) The commissioner shall make a standard form available to all wireless telecommunications service providers for submitting information required to compile the report required under this subdivision.

(c) The information provided to the commissioner under this subdivision is considered trade secret information under section 13.37 and may only be used for purposes of administering this chapter.

Sec. 181. Minnesota Statutes 2022, section 403.15, subdivision 3, is amended to read:

Subd. 3. **Shared residential multiline telephone system.** ~~On and after January 1, 2005,~~ Operators of shared multiline telephone systems, whenever installed, serving residential customers shall ensure that the shared multiline telephone system is connected to the public switched network and that 911 calls from the system result in at least one distinctive automatic number identification and automatic location identification for each residential unit, except those requirements do not apply if the residential facility maintains one of the following:

(1) automatic location identification for each respective emergency response location;

(2) the ability to direct emergency responders to the 911 caller's location through an alternative and adequate means, such as the establishment of a 24-hour private answering point; or

(3) a connection to a switchboard operator, attendant, or other designated on-site individual.

Sec. 182. Minnesota Statutes 2022, section 403.161, subdivision 7, is amended to read:

Subd. 7. **Fee changes.** (a) The prepaid wireless E911 and telecommunications access Minnesota fee must be proportionately increased or reduced upon any change to the fee imposed under section 403.11, subdivision 1, paragraph (c), ~~after July 1, 2013,~~ or the fee imposed under section 237.52, subdivision 2, as applicable.

(b) The department shall post notice of any fee changes on its website at least 30 days in advance of the effective date of the fee changes. It is the responsibility of sellers to monitor the department's website for notice of fee changes.

(c) Fee changes are effective 60 days after the first day of the first calendar month after the commissioner of public safety or the Public Utilities Commission, as applicable, changes the fee.

Sec. 183. Minnesota Statutes 2022, section 473H.02, subdivision 4, is amended to read:

Subd. 4. **Authority.** "Authority" means the unit of government exercising planning and zoning authority for the land specified in an application as provided under section 473H.05

and pursuant to sections 394.21 to 394.37~~,~~ or 462.351 to 462.364, or Minnesota Statutes 2020, sections 366.10 to 366.181. Where both a county and a township have adopted zoning regulations, the authority shall be the unit of government designated to prepare a comprehensive plan pursuant to section 473.861, subdivision 2.

Sec. 184. Minnesota Statutes 2022, section 477C.03, subdivision 3, is amended to read:

Subd. 3. **Apportionment reduction; excess police state aid.** (a) The commissioner must reduce the apportionment of police state aid under this section for eligible municipalities by the amount of any excess police state aid calculated under this subdivision.

(b) The commissioner must calculate the amount of excess police state aid for each municipality as follows:

(1) for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all peace officers are members of the plan governed by sections 353.63 to 353.657, the excess police state aid amount equals the amount of police state aid apportioned under subdivision 2 that exceeds the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the Public Employees Retirement Association;

(2) for the Metropolitan Airports Commission, the excess police state aid amount equals the amount of apportioned police aid calculated under subdivision 2 that exceeds the commission's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the Public Employees Retirement Association; and

(3) for the Departments of Natural Resources and Public Safety, the excess police state aid amount equals the amount of apportioned police aid calculated under subdivision 2 that exceeds the employer's total prior calendar year obligation under section 352B.02, subdivision 1c, for plan members who are peace officers, as certified by the executive director of the Minnesota State Retirement System.

(c) The municipality's total prior calendar year obligation with respect to the public employees police and fire plan under paragraph (b), clause (1), is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, subdivisions 1, la, and 2, and the actual total prior calendar year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivisions 1, la, and 2, but not to exceed for those firefighters the applicable following employer calendar year amount:

| Municipality | Maximum Amount |
|---|---|
| Albert Lea | $54,157.01 |
| Anoka | 10,399.31 |
| Apple Valley | 5,442.44 |
| Austin | 49,864.73 |
| Bemidji | 27,671.38 |
| Brooklyn Center | 6,605.92 |
| Brooklyn Park | 24,002.26 |
| Burnsville | 15,956.00 |
| Cloquet | 4,260.49 |
| Coon Rapids | 39,920.00 |
| Cottage Grove | 8,588.48 |
| Crystal | 5,855.00 |
| East Grand Forks | 51,009.88 |
| Edina | 32,251.00 |
| Elk River | 5,216.55 |
| Ely | 13,584.16 |
| Eveleth | 16,288.27 |
| Fergus Falls | 6,742.00 |
| Fridley | 33,420.64 |
| Golden Valley | 11,744.61 |
| Hastings | 16,561.00 |
| Hopkins | 4,324.23 |
| International Falls | 14,400.69 |
| Lakeville | 782.35 |
| Lino Lakes | 5,324.00 |
| Little Falls | 7,889.41 |
| Maple Grove | 6,707.54 |
| Maplewood | 8,476.69 |
| Minnetonka | 10,403.00 |
| Montevideo | 1,307.66 |
| Moorhead | 68,069.26 |
| New Hope | 6,739.72 |
| North St. Paul | 4,241.14 |
| Northfield | 770.63 |
| Owatonna | 37,292.67 |
| Plymouth | 6,754.71 |
| Red Wing | 3,504.01 |

| | |
|---|---|
| Richfield | 53,757.96 |
| Rosemount | 1,712.55 |
| Roseville | 9,854.51 |
| St. Anthony | 33,055.00 |
| St. Louis Park | 53,643.11 |
| Thief River Falls | 28,365.04 |
| Virginia | 31,164.46 |
| Waseca | 11,135.17 |
| West St. Paul | 15,707.20 |
| White Bear Lake | 6,521.04 |
| Woodbury | 3,613.00 |
| any other municipality | 0.00 |

(d) The total amount of excess police state aid must be deposited in the excess police state aid holding account in the general fund, and administered and distributed as provided in subdivision 4.

Sec. 185. Minnesota Statutes 2022, section 504B.371, subdivision 7, is amended to read:

Subd. 7. **Exception.** Subdivisions 1, 4, and ~~6~~ 5 do not apply in an action on a lease, against a tenant holding over after the expiration of the term of the lease, or a termination of the lease by a notice to quit, if the plaintiff gives a bond conditioned to pay all costs and damages if on the appeal the judgment of restitution is reversed and a new trial ordered. In such a case, the court shall issue a writ for recovery of premises and order to vacate notwithstanding the notice of appeal, as if no appeal had been taken, and the appellate court shall issue all needful writs and processes to carry out any judgment which may be rendered in the court.

Sec. 186. Minnesota Statutes 2022, section 507.24, subdivision 2, is amended to read:

Subd. 2. **Original signatures required.** (a) Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment. An instrument acknowledged in a representative capacity as defined in section 358.52 on behalf of a corporation, partnership, limited liability company, or trust that is otherwise entitled to be recorded shall be recorded if the acknowledgment made in a representative capacity is

substantially in the form prescribed in chapter 358, without further inquiry into the authority of the person making the acknowledgment.

(b) Any electronic instruments, including signatures and seals, affecting real estate may only be recorded in conformance with standards implemented by the Electronic Real Estate Recording Commission created under the Minnesota Real Property Electronic Recording Act, sections 507.0941 to 507.0948. The Electronic Real Estate Recording Commission created under the Minnesota Real Property Electronic Recording Act may adopt or amend standards set by the task force created in Laws 2000, chapter 391, and the Electronic Real Estate Recording Task Force created under Laws 2005, chapter 156, article 2, section 41, and may set new or additional standards to the full extent permitted in section 507.0945. Documents recorded in conformity with the standards created as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, or by the Electronic Real Estate Recording Task Force created under Laws 2005, chapter 156, article 2, section 41, are deemed to meet the requirements of this section.

(c) Notices filed pursuant to section ~~168A.141, subdivisions 1 and 3~~ 168A.1412, subdivisions 2, 3, and 6, need not contain an acknowledgment.

Sec. 187. Minnesota Statutes 2022, section 609.035, subdivision 2, is amended to read:

Subd. 2. **Consecutive sentences.** (a) When a person is being sentenced for a violation of a provision listed in paragraph (e), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (e), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b), (c), and (f).

(b) When a person is being sentenced for a violation of section 171.09, 171.20, 171.24, or 171.30, the court may not impose a consecutive sentence for another violation of a provision in chapter 171.

(c) When a person is being sentenced for a violation of section 169.791 or 169.797, the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(d) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a

person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135.

(e) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions as defined in section 169A.03 within the past ten years:

(1) section 169A.20, subdivision 1, ~~1a, 1b, or 1c,~~ driving while impaired;

(2) section 169A.20, subdivision 2, test refusal;

(3) section 169.791, failure to provide proof of insurance;

(4) section 169.797, failure to provide vehicle insurance;

(5) section 171.09, violation of condition of restricted license;

(6) section 171.20, subdivision 2, operation after revocation, suspension, cancellation, or disqualification;

(7) section 171.24, driving without valid license; and

(8) section 171.30, violation of condition of limited license.

(f) When a court is sentencing an offender for a violation of section 169A.20 and a violation of an offense listed in paragraph (e), and the offender has five or more qualified prior impaired driving incidents, as defined in section 169A.03, within the past ten years, the court shall sentence the offender to serve consecutive sentences for the offenses, notwithstanding the fact that the offenses arose out of the same course of conduct.

Sec. 188. Minnesota Statutes 2022, section 626.892, subdivision 7, is amended to read:

Subd. 7. **Applicability of Minnesota Rules, ~~chapter~~ chapters 5510 and 5530.** To the extent consistent with this section, the following provisions of Minnesota Rules apply to arbitrators on the roster of arbitrators established under this section:

(1) Minnesota Rules, part 5530.0500 (status of arbitrators);

(2) Minnesota Rules, part 5530.0800 (arbitrator conduct and standards); ~~and~~

(3) Minnesota Rules, part ~~5530.1000 (arbitration proceedings).~~ 5510.5220 (arbitrator responsibilities);

(4) Minnesota Rules, part 5510.5230, subpart 4 (hearing transcripts and recordings);

(5) Minnesota Rules, part 5510.5260 (briefs); and

(6) Minnesota Rules, part 5510.5295 (arbitrator fees and costs).

Sec. 189. **REVISOR INSTRUCTION.**

In Minnesota Statutes, section 127A.85, Article II, section A, the revisor of statutes shall replace the range reference "United States Code, title 10, sections 1209 and 1211" with "United States Code, title 10, chapters 1209 and 1211.

Sec. 190. **REPEALER.**

Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2022, section 13.461, subdivision 4, is repealed.

Subd. 2. **Obsolete subdivision.** Minnesota Statutes 2022, section 13.7191, subdivision 16, is repealed.

Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2022, section 147D.27, subdivision 5, is repealed.

Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2022, section 160.165, subdivision 3, is repealed.

Subd. 5. **Obsolete section.** Minnesota Statutes 2022, section 165.14, is repealed.

Subd. 6. **Obsolete subdivision.** Minnesota Statutes 2022, section 168.013, subdivision 16, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2022, section 168.271, subdivision 2, is repealed.

Subd. 8. **Obsolete subdivision.** Minnesota Statutes 2022, section 174.285, subdivision 7, is repealed.

Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2022, section 219.662, subdivision 2, is repealed.

Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2022, section 256B.051, subdivision 7, is repealed.

Subd. 11. **Obsolete subdivision.** Minnesota Statutes 2022, section 256B.439, subdivision 3b, is repealed.

Subd. 12. **Obsolete subdivisions.** Minnesota Statutes 2022, section 290.068, subdivisions 6a and 7, are repealed.

Subd. 13. **Obsolete subdivision.** Minnesota Statutes 2022, section 295.50, subdivision 10b, is repealed.

Subd. 14. **Obsolete section.** Minnesota Statutes 2022, section 297B.04, is repealed.

Subd. 15. **Obsolete section.** Minnesota Statutes 2022, section 297B.05, is repealed.

Subd. 16. **Obsolete subdivision.** Minnesota Statutes 2022, section 299F.851, subdivision 7, is repealed.

Subd. 17. **Obsolete rule part.** Minnesota Rules, part 5530.1000, is repealed.

Subd. 18. **Obsolete rule part.** Minnesota Rules, part 7805.0300, is repealed.

Subd. 19. **Obsolete rule part.** Minnesota Rules, part 8810.4100, is repealed.

Subd. 20. **Conflict resolution.** Laws 2021, chapter 30, article 17, section 16, is repealed.

Sec. 191. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2023 session of the legislature to sections also amended or repealed in this act supersede the amendments or repeals in this act, regardless of order of enactment.

**13.461 HUMAN SERVICES DATA CODED ELSEWHERE.**

Subd. 4. **Mental health clinics and centers.** Data collected by mental health clinics and centers approved by the commissioner of human services are classified under section 245.69, subdivision 2.

**13.7191 MISCELLANEOUS INSURANCE DATA CODED ELSEWHERE.**

Subd. 16. **Regulation of trade practices; insurance contract data.** Certain insurance contract data held by the commissioner of commerce are classified under section 72A.20, subdivision 15.

**147D.27 FEES.**

Subd. 5. **Additional fees.** The board may also charge the following nonrefundable fees:

(1) verification fee, $25;

(2) certification letter fee, $25;

(3) education or training program approval fee, $100;

(4) report creation and generation fee, $60 per hour; and

(5) duplicate license fee, $20.

**160.165 MITIGATING TRANSPORTATION PROJECT IMPACTS ON BUSINESS.**

Subd. 3. **Exception.** This section does not apply to construction work in connection with the Central Corridor light rail transit line that will connect downtown Minneapolis and downtown St. Paul.

**165.14 TRUNK HIGHWAY BRIDGE IMPROVEMENT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "program" means the trunk highway bridge improvement program established under this section.

Subd. 2. **Program created.** The commissioner shall develop a trunk highway bridge improvement program for accelerating repair and replacement of trunk highway bridges throughout the state. The program receives funding for bridge projects as specified by law.

Subd. 3. **Program requirements.** (a) The commissioner shall develop an inventory of bridges included in the program. The inventory must include all bridges on the trunk highway system in Minnesota that are classified as fracture critical or structurally deficient, or constitute a priority project, as identified by the commissioner. In determining whether a bridge is a priority project, the commissioner may consider national bridge inventory (NBI) condition codes, bridge classification as functionally obsolete, the year in which the bridge was built, the history of bridge maintenance and inspection report findings, the average daily traffic count, engineering judgments with respect to the safety or condition of the bridge, and any other factors specifically identified by the commissioner.

(b) For each bridge included in the inventory, the commissioner must provide the following information: a summary of the bridge, including but not limited to, county and department district, route number, feature crossed, the year in which the bridge was built, average daily traffic count, load rating, bridge length and deck area, and main span type; the condition ratings for the deck, superstructure, and substructure; identification of whether the bridge is structurally deficient, functionally obsolete, or fracture critical; the sufficiency rating; a brief description of the work planned for the bridge, including work type needed; an estimate of total costs related to the bridge, which may include general and planning cost estimates; and, the year or range of years in which the work is planned.

Subd. 4. **Prioritization of bridge projects.** (a) The commissioner shall classify all bridges in the program into tier 1, 2, or 3 bridges, where tier 1 is the highest tier. Unless the commissioner identifies a reason for proceeding otherwise, before commencing bridge projects in a lower tier, all bridge projects within a higher tier must to the extent feasible be selected and funded in the approved state transportation improvement program, at any stage in the project development process, solicited for bids, in contract negotiation, under construction, or completed.

(b) The classification of each tier is as follows:

(1) tier 1 consists of any bridge in the program that (i) has an average daily traffic count that is above 1,000 and has a sufficiency rating that is at or below 50, or (ii) is identified by the commissioner as a priority project;

(2) tier 2 consists of any bridge that is not a tier 1 bridge, and (i) is classified as fracture critical, or (ii) has a sufficiency rating that is at or below 80; and

(3) tier 3 consists of any other bridge in the program that is not a tier 1 or tier 2 bridge.

(c) By June 30, 2018, all tier 1 and tier 2 bridges originally included in the program must be under contract for repair or replacement with a new bridge that contains a load-path-redundant design, except that a specific bridge may remain in continued service if the reasons are documented in the report required under subdivision 5. Bridges that are not originally included in the program and additional bridges identified for contract after the trunk highway bridge improvement program concludes on June 30, 2018, must be prioritized according to subdivision 7.

(d) All bridge projects funded under this section in fiscal year 2012 or later must include bicycle and pedestrian accommodations if both sides of the bridge are located in a city or the bridge links a pedestrian way, shared-use path, trail, or scenic bikeway.

Bicycle and pedestrian accommodations would not be required if:

(1) a comprehensive assessment demonstrates that there is an absence of need for bicycle and pedestrian accommodations for the life of the bridge; or

(2) there is a reasonable alternative bicycle and pedestrian crossing within one-quarter mile of the bridge project.

All bicycle and pedestrian accommodations should enable a connection to any existing bicycle and pedestrian infrastructure in close proximity to the bridge. All pedestrian facilities must meet or exceed federal accessibility requirements as outlined in Title II of the Americans with Disabilities Act, codified in United States Code, title 42, chapter 126, subchapter II, and Section 504 of the Rehabilitation Act of 1973, codified in United States Code, title 29, section 794.

(e) The commissioner shall establish criteria for determining the priority of bridge projects within each tier, and must include safety considerations as a criterion.

Subd. 5. **Statewide transportation planning report.** In conjunction with each update to the Minnesota statewide transportation plan, or at least every six years, the commissioner shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance. The report must include:

(1) an explanation of the criteria and decision-making processes used to prioritize bridge projects;

(2) a historical and projected analysis of the extent to which all trunk highway bridges meet bridge performance targets and comply with the accessibility requirements of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336;

(3) a summary of bridge projects (i) completed in the previous six years or since the last update to the Minnesota statewide transportation plan, and (ii) currently in progress under the program;

(4) a summary of bridge projects scheduled in the next four fiscal years and included in the state transportation improvement program;

(5) a projection of annual needs over the next 20 years;

(6) a calculation of funding necessary to meet the completion date under subdivision 4, paragraph (c), compared to the total amount of bridge-related funding available; and

(7) for any tier 1 fracture-critical bridge that is repaired but not replaced, an explanation of the reasons for repair instead of replacement.

Subd. 6. **Annual report.** Annually by January 15, the commissioner shall submit a report on the program to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance. The report must include the inventory information required under subdivision 3, and an analysis, including any recommendations for changes, of the adequacy and efficacy of (1) the program requirements under subdivision 3, and (2) the prioritization requirements under subdivision 4.

Subd. 7. **Prioritization of subsequent trunk highway bridge projects.** The trunk highway bridge improvement program described in subdivisions 1 through 6 concludes on June 30, 2018,

and applies to bridge projects identified at the inception of the program. Additional bridges that did not qualify for the initial trunk highway bridge improvement program under the tiered classification system that may subsequently need repair or replacement must be prioritized as follows:

(1) the commissioner shall develop a prioritization method for scheduling bridge repairs and replacements that will include consideration of the risk of service interruption resulting in temporary road closures or restrictions of existing bridges;

(2) the prioritization system must consider factors including but not limited to bridge condition, age, load capacity, type of bridge, susceptibility to flood damage, fracture-critical design features, traffic volume, detour length, and functional classification of highway route;

(3) the prioritization system must be utilized in conjunction with department knowledge of the bridge infrastructure to establish the repair and replacement program; and

(4) the commissioner shall establish a risk-based prioritization system no later than February 1, 2011.

**168.013 VEHICLE REGISTRATION TAXES.**

Subd. 16. **Repair and servicing permit.** Upon the written application of the owner of a motor vehicle registered and taxed as a commercial zone truck, a truck-tractor, a semitrailer, or any combination thereof in accordance with this section, the registrar may grant permission in writing to such owner to operate such vehicle to and from a repair shop or service station outside of its licensed zone of operation for the limited purpose of repair or servicing. The application and any permit issued under this subdivision shall state the location of the repair or servicing facility, together with such other information and subject to such conditions as the registrar may specify. Any motor vehicle operated under such a permit shall carry no load.

**168.271 INFORMATIONAL LABELS ON PICKUP TRUCKS; PENALTY.**

Subd. 2. **Applicability.** This section shall apply to new trucks having a gross vehicle weight of 9,000 pounds or less built after December 31, 1978.

**174.285 MINNESOTA COUNCIL ON TRANSPORTATION ACCESS.**

Subd. 7. **Transfer of appropriation.** The amount appropriated to the Metropolitan Council in Laws 2009, chapter 36, article 1, section 4, subdivision 2, for the administrative expenses of the Minnesota Council on Transportation Access, and for other costs relating to the preparation of required reports, including the costs of hiring a consultant, is transferred to the Department of Transportation for the same purposes.

**219.662 SPEEDOMETER REQUIRED; REPORTS.**

Subd. 2. **Compliance period.** A railroad complies with subdivision 1 if, (1) by the first day of October 1975, it has at least one-third of its locomotives equipped with speed indicators or speed recorders as required in subdivision 1, (2) by the first day of October 1976, an additional one-third of the locomotives are so equipped, and (3) by the first day of October 1977, its remaining locomotives are so equipped.

**256B.051 HOUSING STABILIZATION SERVICES.**

Subd. 7. **Housing support supplemental service rates.** Supplemental service rates for individuals in settings according to sections 144D.025, 256I.04, subdivision 3, paragraph (a), clause (3), and 256I.05, subdivision 1g, shall be reduced by one-half over a two-year period. This reduction only applies to supplemental service rates for individuals eligible for housing stabilization services under this section.

**256B.439 LONG-TERM CARE QUALITY PROFILES.**

Subd. 3b. **Home and community-based services report card in cooperation with the commissioner of health.** The commissioner shall work with existing Department of Human Services advisory groups to develop recommendations for a home and community-based services report card. Health and human services staff that regulate home and community-based services as provided in chapter 245D and licensed home care as provided in chapter 144A shall be consulted. The advisory groups shall consider the requirements from the Minnesota consumer information guide under section 144G.06 as a base for development of the home and community-based services report card to compare the housing options available to consumers. Other items to be considered by the advisory groups in developing recommendations include:

(1) defining the goals of the report card, including measuring outcomes, providing consumer information, and defining vehicle-for-pay performance;

(2) developing separate measures for programs for the elderly population and for persons with disabilities;

(3) the sources of information needed that are standardized and contain sufficient data;

(4) the financial support needed for creating and publicizing the housing information guide, and ongoing funding for data collection and staffing to monitor, report, and analyze;

(5) a recognition that home and community-based services settings exist with significant variations in size, settings, and services available;

(6) ensuring that consumer choice and consumer information are retained and valued;

(7) the applicability of these measures to providers based on payor source, size, and population served; and

(8) dissemination of quality profiles.

The advisory groups shall discuss whether there are additional funding, resources, and research needed. The commissioner shall report recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services issues by August 1, 2014. The report card shall be available on July 1, 2015.

**290.068 CREDIT FOR INCREASING RESEARCH ACTIVITIES.**

Subd. 6a. **Credit to be refundable.** If the amount of credit allowed in this section for qualified research expenses incurred in taxable years beginning after December 31, 2009, and before January 1, 2013, exceeds the taxpayer's tax liability under this chapter, the commissioner shall refund the excess amount. The credit allowed for qualified research expenses incurred in taxable years beginning after December 31, 2009, and before January 1, 2013, must be used before any research credit earned under subdivision 3.

Subd. 7. **Appropriation.** An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

**295.50 DEFINITIONS.**

Subd. 10b. **Regional treatment center.** "Regional treatment center" means a regional center as defined in section 253B.02, subdivision 18d.

**297B.04 PURCHASER'S CERTIFICATE FURNISHED TO REGISTRAR.**

All persons who apply for registration of any motor vehicle shall complete a motor vehicle purchaser's certificate in such form and manner as may be prescribed by the motor vehicle registrar, showing a complete description of the motor vehicle, the seller's name and address, the buyer's name and address, the full purchase price of the vehicle, trade-in allowance if any, whether the vehicle was the subject of a gift, and any other information that the motor vehicle registrar may require.

**297B.05 PRESENTATION OF PURCHASER'S CERTIFICATE TO REGISTRAR.**

No registration plates or certificate shall be issued by the motor vehicle registrar for a motor vehicle unless and until the applicant therefor shall attach a properly executed motor vehicle purchaser's certificate to the application for license registration. If an application for registration or transfer is made for a motor vehicle that has been previously registered in this state and the applicant is the same person in whose name the registration had previously been issued, the motor vehicle purchaser's certificate need not be submitted to the motor vehicle registrar.

**299F.851 TEST METHOD AND PERFORMANCE STANDARD.**

Subd. 7. **Inventory before state standards.** The requirements of subdivision 1 do not prohibit wholesale or retail dealers from selling their existing inventory of cigarettes on or after December 1, 2008, if the wholesale or retail dealer can establish that state tax stamps were affixed to the cigarettes before December 1, 2008, and if the wholesale or retail dealer can establish that the inventory was purchased before December 1, 2008, in comparable quantity to the inventory purchased during the same period of the previous year.

***Laws 2021, chapter 30, article 17, section 16 by Laws 2023, chapter 25, section 190***

[redacted]

**5530.1000 ARBITRATION PROCEEDINGS.**

Subpart 1. **Responsibility of arbitrators.** For purposes of Minnesota Statutes, section 626.892, subdivision 7, clause (3), this subpart is recodified at part 5510.5220, subpart 1.

Subp. 2. **Transcripts or recordings.** For purposes of Minnesota Statutes, section 626.892, subdivision 7, clause (3), this subpart is recodified at part 5510.5230, subpart 4.

Subp. 3. **Tape recordings.** For purposes of Minnesota Statutes, section 626.892, subdivision 7, clause (3), this subpart is recodified at part 5510.5220, subpart 2.

Subp. 4. **Briefs.** For purposes of Minnesota Statutes, section 626.892, subdivision 7, clause (3), this subpart is recodified at part 5510.5260.

Subp. 5. **Payment of fees and costs.** For purposes of Minnesota Statutes, section 626.892, subdivision 7, clause (3), this subpart is recodified at part 5510.5295, subpart 1.

Subp. 6. **Dispute over fees.** For purposes of Minnesota Statutes, section 626.892, subdivision 7, clause (3), this subpart is recodified at part 5510.5295, subpart 2.

**7805.0300 TARIFFS; PERMIT CARRIER, EXCEPT LOCAL CARTAGE CARRIER.**

All tariffs and classifications, supplements thereto, and reissues thereof shall be prepared, posted, and filed in accordance with the Rules of Tariff Circular MF No. 3, supplements thereto or reissues thereof, issued by the Interstate Commerce Commission and naming rules governing the construction, filing, and posting of Freight-Rate Publications, except to the extent that such rules may contravene Minnesota Public Utilities Commission orders or specific provisions of Minnesota Statutes, and except that tariffs and supplements thereto may be prepared with pen and ink or typewriter, in addition to the form of preparations authorized by Tariff Circular MF No. 3. Freight rate publications shall be filed on ten days' notice, except as otherwise specifically authorized by the commission.

The commission shall not accept for filing a tariff of rates from permit carriers which on its face appears to be noncompensatory. If the carrier filing the tariff is of the opinion that the rates are compensatory, the carrier may file a petition for reconsideration which the commission shall hear and make determination by a final order on the premises.

**8810.4100 DEFINITIONS OF DISTRICT AND STREET CLASSIFICATIONS.**

Subpart 1. **Scope.** In the absence of an established classification by local authorities, the definitions in subparts 2 to 5 shall govern.

Subp. 2. **Major street.** "Major street" means any road that has an average annual daily traffic volume of 1,500 vehicles or greater.

Subp. 3. **Minor street.** "Minor street" means any road that has an average annual daily traffic volume less than 1,500 vehicles.

Subp. 4. **Rural district.** "Rural district" means all other locations not meeting the urban district definition.

Subp. 5. **Urban district.** "Urban district" means those properties contiguous to the trunk highway system of the state of Minnesota, including any street, that are built up with structures devoted to business, industry, or dwelling houses where such structures are situated at intervals of less than 100 feet for a distance of one-quarter of a mile or more.

## SPECIAL ORDER

**H.F. No. 1581:** A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2022, sections 3.8854; 13.46, subdivision 7; 16A.151, subdivision 2; 17.81, subdivision 3; 62A.307, subdivision 2; 62A.3091, subdivision 2; 62J.581, subdivision 1; 62M.02, subdivision 4; 62U.03, subdivisions 2, 3; 84.83, subdivision 3; 85.34, subdivision 3; 86A.05, subdivisions 2, 4, 9, 11, 12; 86A.21; 92.70, subdivision 3; 93.52; 103A.43; 103B.211, subdivision 1; 103F.405, subdivision 1; 103F.511, subdivision 10; 103F.705; 103F.711, subdivision 6; 103F.715; 103G.005, subdivision 19; 115.55, subdivision 1; 115A.192, subdivision 1; 115A.33; 115A.38, subdivision 1; 115A.39; 115A.54, subdivision 2a; 115A.918, subdivision 2; 116.07, subdivision 4a; 116D.04, subdivision 5a; 119B.011, subdivision 20; 119B.03, subdivision 3; 119B.13, subdivisions 3a, 6; 122A.20, subdivision 2; 124D.19, subdivision 3; 124D.68, subdivision 3; 125A.02, subdivision 1; 144.55, subdivision 2; 144.608, subdivision 1; 144A.471, subdivision 7; 147A.09, subdivision 2; 147D.27, subdivision 6; 148.211, subdivision 1a; 148.724, subdivision 1; 148B.06, subdivision 2; 148B.5301, subdivision 1; 148E.130, subdivision 1a; 160.10, subdivision 8; 161.14, subdivision 89; 167.60; 168.013, subdivisions 1a, 1e, 3, 18, 23; 168.04, subdivision 2; 168.1253, subdivision 2; 168.1256, subdivision 1; 168.1296, subdivision 1; 168.187, subdivisions 2, 7, 9, 10, 11, 12, 27; 168.61, subdivision 2; 168A.09, subdivision 1; 168A.24, subdivision 2; 168B.09, subdivision 2; 169.09, subdivision 13; 169.223, subdivision 4; 169.4581; 169.64, subdivision 9; 169.751; 169A.25, subdivision 1; 169A.26, subdivision 1; 169A.27, subdivision 1; 169A.28, subdivision 2; 169A.46, subdivision 1; 171.0701, subdivisions 1, 1a; 171.0705, subdivisions 2, 3, 4, 5, 7, 8; 171.26, subdivision 1; 173.02, subdivision 6; 173.13, subdivision 6; 174.03, subdivision 3; 174.30, subdivision 3; 174.75, subdivision 3; 174.84, subdivision 1; 176.101, subdivision 4; 214.40, subdivision 1; 219.073; 219.165; 219.18; 219.501, subdivision 1; 219.551, subdivision 6; 219.561, subdivision 1; 221.031, subdivision 9; 221.0314, subdivision 3a; 221.221, subdivision 2; 221.81, subdivision 3e; 245.4661, subdivisions 2, 6; 245.4885, subdivision 1a; 245.814, subdivision 1; 245.91, subdivision 5; 245A.02, subdivision 5a; 245A.04, subdivision 7; 245A.14, subdivision 4; 245A.16, subdivision 1; 245A.52, subdivision 1; 245C.04, subdivision 10; 245D.03, subdivision 1; 245I.02, subdivision 5; 245I.04, subdivision 5; 246.18, subdivision 2a; 254A.19, subdivision 4; 254B.04, subdivision 1; 254B.09, subdivision 2; 256.0112, subdivision 7; 256.975, subdivision 10; 256B.04, subdivision 1b; 256B.0575, subdivision 2; 256B.0625, subdivisions 17, 57; 256B.0671; 256B.0943, subdivision 1; 256B.0947, subdivision 3a; 256B.4912, subdivision 4; 256B.50, subdivision 1; 256B.76, subdivision 1; 256G.08, subdivision 1; 256J.54, subdivision 1; 256L.07, subdivision 4; 268.136, subdivision 3; 272.02, subdivisions 49, 102, 103; 273.1387, subdivision 2; 273.165, subdivision 1; 290.067, subdivision 1; 290.0671, subdivision 1; 290.0677, subdivisions 1, 2; 290.068, subdivision 3; 290.9705, subdivision 3; 297A.70, subdivision 2; 297A.71, subdivision 44; 297B.10; 297B.12; 297E.021, subdivision 3; 297F.01, subdivision 22b; 297I.20, subdivision 1; 327C.015, subdivision 11; 349.12, subdivision 25; 352.91, subdivision 3f; 360.013, subdivision 50; 360.0161, subdivision 2; 360.061, subdivision 1; 360.067, subdivision 4; 360.511, subdivision 24; 383B.058; 402.02, subdivision 2; 403.03, subdivision 2; 403.11, subdivisions 1, 6; 403.15, subdivision 3; 403.161, subdivision 7; 473H.02, subdivision 4; 477C.03, subdivision 3; 504B.371, subdivision 7; 507.24, subdivision 2; 609.035, subdivision 2; 626.892, subdivision 7; repealing Minnesota Statutes 2022, sections 13.461, subdivision 4; 13.7191, subdivision 16; 147D.27, subdivision 5; 160.165, subdivision 3; 165.14; 168.013, subdivision 16; 168.271, subdivision 2; 174.285, subdivision 7; 219.662, subdivision 2; 256B.051, subdivision 7; 256B.439, subdivision 3b; 290.068, subdivisions 6a, 7;

295.50, subdivision 10b; 297B.04; 297B.05; 299F.851, subdivision 7; Laws 2021, chapter 30, article 17, section 16; Minnesota Rules, parts 5530.1000; 7805.0300; 8810.4100.

H.F. No. 1581 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Mathews | Putnam |
| Anderson | Eichorn | Johnson | Maye Quade | Rarick |
| Bahr | Farnsworth | Klein | McEwen | Rasmusson |
| Boldon | Fateh | Koran | Miller | Rest |
| Carlson | Frentz | Kreun | Mitchell | Seeberger |
| Champion | Green | Kunesh | Mohamed | Utke |
| Coleman | Gruenhagen | Kupec | Morrison | Weber |
| Cwodzinski | Gustafson | Lang | Murphy | Wesenberg |
| Dahms | Hauschild | Latz | Oumou Verbeten | Westlin |
| Dibble | Hawj | Lieske | Pappas | Wiklund |
| Dornink | Hoffman | Limmer | Pha | Xiong |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Those who voted in the negative were:

Lucero

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senators Duckworth and Westrom were excused from the Session of today. Senator Dahms was excused from the Session of today from 12:00 noon to 12:20 p.m.

## ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 12:00 noon, Thursday, April 13, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 011. HF 1937

**Vote:** 2023-04-20 | **Workbook row:** 16
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 1 nays

**Workbook subject:** Veterans and military affairs finance bill.

## Included complete bill documents

**1. 3rd Engrossment, posted 2023-04-18** - 23 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/1937/versions/3/pdf/

## Original Senate journal context

PDF pages 55-55. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230420053.pdf#page=55

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/1937/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 1937**

02/16/2023 Authored by Newton and Hussein
The bill was read for the first time and referred to the Committee on Rules and Legislative Administration
02/21/2023 Adoption of Report: Re-referred to the Committee on Veterans and Military Affairs Finance and Policy
03/30/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/13/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/18/2023 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
04/21/2023 Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed

A bill for an act

relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 190.19, subdivision 2a; 197.236, subdivision 9; 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## MILITARY AFFAIRS AND VETERANS AFFAIRS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

| | | APPROPRIATIONS Available for the Year Ending June 30 | |
|---|---|---|---|
| | | **2024** | **2025** |
| Sec. 2. **MILITARY AFFAIRS** | | | |
| Subdivision 1. **Total Appropriation** | **$** | **63,492,000** | **$** **28,646,000** |

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $27,156,000 in fiscal year 2026 and $27,166,000 in fiscal year 2027 and each year thereafter.

| | | |
|---|---|---|
| Subd. 2. **Maintenance of Training Facilities** | 9,951,000 | 10,064,000 |
| Subd. 3. **General Support** | 39,247,000 | 4,818,000 |

The base is $4,828,000 in fiscal year 2026 and $4,838,000 in fiscal year 2027 and each year thereafter.

(a) **MN Cyber Coordination Cell (C3).** $555,000 the first year and $562,000 the second year are for administrative and payroll costs to create and operate a Cyber Coordination Cell in the Minnesota National Guard. The base is $569,000 in fiscal year 2026 and $576,000 in fiscal year 2027 and each year thereafter.

(b) **Army Combat Fitness Test Field House.** $17,600,000 the first year is for predesign, design, construction, furnishing, and equipping costs for an Army Combat Fitness Test Field House.

(c) **Minnesota Military Museum at Camp Ripley.** $17,000,000 the first year is for the design and construction of the Minnesota Military Museum at Camp Ripley. This appropriation is in addition to the appropriation made in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 6, for the same purposes. This is a onetime appropriation and is available until June 30, 2027.

(d) **Holistic Health and Fitness (H2F).** $304,000 the first year and $307,000 the second year are for administrative and payroll costs to create and operate Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard. The base is $310,000 in fiscal year 2026 and $313,000 in fiscal year 2027 and each year thereafter.

Subd. 4. **Enlistment Incentives** 13,614,000 13,614,000

The appropriations in this subdivision are available until June 30, 2027.

If the amount for fiscal year 2024 is insufficient, the amount for 2025 is available in fiscal year 2024. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 5. **Emergency Services** 650,000 150,000

**Sustain Domestic Operations Communication Capabilities.** $650,000 the first year and $150,000 the second year are for ongoing replacement of communications systems to support domestic operations when ordered into state service by the governor.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation** **$ 145,309,000 $ 131,551,000**

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $123,194,000 in fiscal year 2026 and $124,276,000 in fiscal year 2027 and each year thereafter.

Subd. 2. **Veterans Programs and Services** 55,799,000 30,704,000

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

subdivisions. The base is $30,207,000 in fiscal year 2026 and $30,241,000 in fiscal year 2027.

(a) **State's Veterans Cemeteries.** $4,598,000 the first year and $4,627,000 the second year are for the operation of the state's veterans cemeteries. The base is $4,158,000 in fiscal year 2026 and $4,192,000 in fiscal year 2027.

(b) **Veterans Service Organizations.** $500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** $1,550,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(g) **Camp Bliss.** $150,000 each year is for a grant to Camp Bliss as provided for in section 6. The base for this appropriation in fiscal year 2026 and each year thereafter is $75,000.

(h) **Veterans on the Lake.** $50,000 each year is for a grant to Veterans on the Lake for expenses related to retreats for Minnesota veterans, including therapy, transportation, and activities customized for veterans. These are onetime appropriations.

(i) **Veteran Resilience Project.** $400,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. To be eligible for services, a prospective client must be a resident of the state or assigned to a permanent duty station in the state pursuant to their military service. The base for this appropriation in fiscal year 2026 and each year thereafter is $200,000.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report

must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(j) **Minnesota Military and Veterans Museum.** $300,000 each year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families.

(k) **Every Third Saturday.** $100,000 each year is for a grant to Every Third Saturday to provide veterans with emergency assistance and internships. Every Third Saturday must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance no later than September 1, 2024, and by September 1 of each subsequent year. Each report must include, at a minimum, a detailed explanation of how the grant money was used and the number of veterans served by the program. These are onetime appropriations.

(l) **CORE Program.** $1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(m) **LinkVet Call Center.** $369,000 each year is for the operation of the state's LinkVet Call Center.

(n) **Recently Separated Veterans Program.** $325,000 each year is for the operation of the

recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that were provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts. The base for this appropriation in fiscal year 2026 and each year thereafter is $300,000.

(o) **Homeless Veterans and SOAR Program.** $675,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and their dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation in fiscal year 2026 and each year thereafter is $1,097,000.

(p) **Minnesota Assistance Council for Veterans.** $7,090,000 the first year and $970,000 the second year are for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs;

(5) transportation;

(6) the acquisition and creation of permanent supportive housing; and

(7) property management of permanent supportive housing.

Of these amounts, $5,680,000 the first year is for the establishment of permanent supportive housing options for homeless veterans and former service members. This is a onetime appropriation and is available until June 30, 2026. $440,000 the first year is for the direct veteran assistance grant. This is a onetime appropriation. Any unencumbered balance remaining in this subdivision in the first year for grants to the Minnesota Assistance Council for Veterans does not cancel and is available for the second year. The base is $970,000 in fiscal year 2026 and each year thereafter. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(q) **Veterans Bonus Program.** $15,000,000 the first year is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2024.

(r) **Veteran Homelessness Initiative.**
$4,311,000 the first year and $1,311,000 the second year are for an initiative to prevent and end veteran homelessness.

(s) **Veterans Campground Wastewater System Upgrades.**
$754,000 the first year is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

| | | |
|---|---|---|
| Subd. 3. **Veterans Health Care** | 89,510,000 | 100,847,000 |

(a) The base for this appropriation in fiscal year 2026 is $92,987,000 and $94,035,000 in fiscal year 2027 and each year thereafter.

(b) $88,610,000 the first year and $99,847,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is $92,437,000 in fiscal year 2026 and $93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent

upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) $350,000 the first year and $450,000 the second year are for the department to staff Veteran Community Health Navigators in community-based hospitals. These are onetime appropriations.

Sec. 4. Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, is amended to read:

| | | |
|---|---|---|
| Subd. 2. **Veterans Programs and Services** | 27,073,000 | 22,153,000 |

(a) **CORE Program.** $750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** $353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** $750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** $6,172,000 the first year and $1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, $4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** $1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** $3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is $1,311,000.

(j) **Camp Bliss.** $75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** $50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) **Veterans Resilience Project.** $400,000 each year is for a grant to the veterans resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans ~~and~~, veterans' spouses, current military service members, and current military service members' spouses who are suffering from

posttraumatic stress disorder and trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is $200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** $500,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

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

Sec. 5. **CANCELLATION; FISCAL YEAR 2023.**

(a) $3,000,000 of the fiscal year 2023 general fund appropriation under Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, paragraph (i), is canceled to the general fund on June 30, 2023.

(b) $754,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter 54, article 1, section 3, subdivision 2, paragraph (k), is canceled to the general fund on June 30, 2023.

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

Sec. 6. **CAMP BLISS GRANT PROGRAM.**

Subdivision 1. **Grant program; eligibility; reimbursement requirements.** (a) The commissioner of veterans affairs shall issue a grant to Independent Lifestyles, Inc., for expenses related to retreats for eligible veterans and their family members at Camp Bliss in the city of Walker.

(b) The grant recipient may use grant money to provide therapy, transportation, and activities customized for eligible veterans and their family members.

(c) The commissioner must reimburse the grant recipient at least $850 for each eligible veteran or family member who the commissioner verifies attended the camp and received services from the grant recipient. The commissioner shall disburse money to the grant recipient for up to two visits per year to the camp for each eligible veteran or family member.

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

(b) "Eligible veteran" means a Minnesota resident who is either:

(1) a former armed forces service member who has a DD-214 or other official document from the official military personnel file of the veteran that describes the honorable service of the veteran; or

(2) a current armed forces member, whether serving in the active or reserve component.

(c) "Family member" means an eligible veteran's spouse, domestic partner, and children.

Sec. 7. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

Subdivision 1. **Financial review required.** (a) Before awarding a competitive, legislatively named, single-source, or sole-source grant to a nonprofit organization under this act, the grantor must require the applicant to submit financial information sufficient for the grantor to document and assess the applicant's current financial standing and management. Items of significant concern must be addressed with the applicant and resolved to the satisfaction of the grantor before a grant is awarded. The grantor must document the material requested and reviewed; whether the applicant had a significant operating deficit, a deficit in unrestricted net assets, or insufficient internal controls; whether and how the applicant resolved the grantor's concerns; and the grantor's final decision. This documentation must be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the Internal Revenue Service. If the applicant has not been in existence long enough or is not required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate to the grantor that the applicant is exempt and must instead submit documentation of internal controls and the applicant's most recent financial statement prepared in accordance with generally accepted accounting principles and approved by the applicant's board of directors or trustees or, if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's most recent audited financial statement prepared in accordance with generally accepted accounting principles.

Subd. 2. **Authority to postpone or forgo.** Notwithstanding any contrary provision in this act, a grantor that identifies an area of significant concern regarding the financial standing or management of a legislatively named applicant may postpone or forgo awarding the grant.

Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides or the grantee otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 4. **Relation to other law and policy.** The requirements in this section are in addition to any other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 and 16B.98; or agency policy.

## ARTICLE 2
## VETERANS AFFAIRS STATUTORY CHANGES

Section 1. Minnesota Statutes 2022, section 190.19, subdivision 2a, is amended to read:

Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

(1) grants to veterans service organizations;

(2) outreach to underserved veterans;

(3) providing services and programs for veterans and their families;

(4) transfers to the vehicle services account for Gold Star license plates under section 168.1253;

(5) grants of up to $100,000 to any organization approved by the commissioner of veterans affairs for the purpose of supporting and improving the lives of veterans and their families;

(6) grants to an eligible foundation; and

(7) the agency's uncompensated burial costs for eligible dependents to whom the commissioner grants a no-fee ~~or reduced-fee~~ burial in the state's veteran cemeteries pursuant to section 197.236, subdivision 9~~, paragraph (b)~~.

(b) For purposes of this subdivision, "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c) of the Internal Revenue Code; and

(2) is a nonprofit corporation under chapter 317A and the organization's articles of incorporation specify that a purpose of the organization includes: (i) providing assistance to veterans and their families; or (ii) enhancing the lives of veterans and their families.

Sec. 2. Minnesota Statutes 2022, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees prohibited.** ~~(a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.~~

~~(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall develop a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.~~

~~(c)~~ No plot or interment fees may be charged for the burial of ~~service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2)~~ eligible persons under subdivision 8.

Sec. 3. Minnesota Statutes 2022, section 197.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Applicant" means a veteran or a veteran's guardian, conservator, or personal representative or a beneficiary or a beneficiary's guardian, conservator, or personal representative who has filed an application with the commissioner for a bonus under this section.

(b) "Application" means a request for a bonus payment by a veteran, a veteran's beneficiary, or a veteran's guardian, conservator, or personal representative through submission of written information on a form designed by the commissioner for this purpose.

(c) "Beneficiary" means in relation to a deceased veteran and in the order named:

(1) the surviving spouse, if not remarried;

(2) the children of the veteran, if there is no surviving spouse or the surviving spouse has remarried;

(3) the veteran's surviving parent or parents;

(4) the veteran's surviving sibling or siblings; or

(5) the veteran's estate.

(d) "Commissioner" means the commissioner of the Department of Veterans Affairs.

(e) "Department" means the Department of Veterans Affairs.

(f) "Eligibility period for the bonus" means the period from September 11, 2001, to August 30, 2021.

(g) "Guardian" or "conservator" means the legally appointed representative of a minor or incapacitated beneficiary or veteran, the chief officer of a hospital or institution in which the incapacitated veteran is placed if the officer is authorized to accept money for the benefit of the minor or incapacitated veteran, the person determined by the commissioner to be the

person who is legally charged with the responsibility for the care of the minor or incapacitated beneficiary or veteran, or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incapacitated beneficiary or veteran.

(h) "Honorable service" means honorable federal service in the United States armed forces, as evidenced by:

(1) an honorable discharge;

(2) a general discharge under honorable conditions;

(3) in the case of an officer, a certificate of honorable service; or

(4) in the case of an applicant who is currently serving in active duty in the United States armed forces, a certificate from an appropriate service authority that the applicant's service to date has been honorable.

(i) "Incapacitated person" means an individual who, for reasons other than being a minor, lacks sufficient understanding or the capacity to make personal decisions and who is unable to meet the individual's own personal needs for medical care, nutrition, clothing, shelter, or safety even when assisted by appropriate technology or supported decision making.

(j) "Resident veteran" means a veteran who served in active duty in the United States armed forces at any time during the eligibility period for the bonus, and who also:

(1) has been separated or discharged from the United States armed forces~~, and whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD-214 or other documents the commissioner may authorize, is the state of Minnesota~~ and ~~who~~ resides in Minnesota at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

(2) is currently serving in the United States armed forces, and has a certificate from an appropriate service authority stating that the person: (i) served in active duty in the United States armed forces at any time during the eligibility period for the bonus; and (ii) has Minnesota listed as the veteran's home of record in the veteran's official military personnel file.

(k) "Service connected" means caused by an injury or disease incurred or aggravated while on active duty, as determined by the United States Department of Veterans Affairs.

(l) "Veteran" has the meaning given in section 197.447 and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes a person who is providing honorable service on active duty in the United States armed forces and has not been separated or discharged.

Sec. 4. Minnesota Statutes 2022, section 197.79, subdivision 2, is amended to read:

Subd. 2. **Bonus amount.** (a) For a resident veteran who provided honorable service in the United States armed forces at any time during the eligibility period for the bonus, the bonus amount is:

(1) $600, if the veteran did not receive the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus;

(2) $1200, if the veteran received the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus; or

(3) $2,000, if the veteran was eligible for the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus, and died during that time period as a direct result of a service connected injury, disease, or condition.

(b) In the case of a deceased veteran, the commissioner shall pay the bonus to the veteran's beneficiary.

Sec. 5. Minnesota Statutes 2022, section 197.79, is amended by adding a subdivision to read:

Subd. 11. **Reapplication allowed.** Notwithstanding any law to the contrary, an eligible veteran who previously applied for a bonus under this section may reapply if the veteran either was denied a bonus or is entitled to receive a larger bonus than was originally awarded based on the amendments to this section contained in this act.

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

Sec. 6. Minnesota Statutes 2022, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Affairs.

(c) The amount of educational assistance for any eligible person who is a ~~full-time~~ student must not exceed the following:

(1) ~~$3,000~~ $5,000 per state fiscal year; and

(2) ~~$10,000~~ $15,000 in a lifetime.

~~(d) For a part-time student, the amount of educational assistance must not exceed $500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is $50 per term.~~

Sec. 7. Minnesota Statutes 2022, section 197.791, subdivision 6, is amended to read:

Subd. 6. **Apprenticeship and on-the-job training.** (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) $3,000 per fiscal year for apprenticeship expenses;

(2) $3,000 per fiscal year for on-the-job training;

(3) $1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) $1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

(e) No more than $5,000 in aggregate benefits under this subdivision may be paid to or on behalf of an individual in one fiscal year.

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5b must not exceed ~~$10,000~~ $15,000 in the eligible person's lifetime.

(g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

(1) the training must be with an eligible employer;

(2) the training must be documented and reported;

(3) the training must reasonably be expected to lead to an entry-level position; and

(4) the position must require at least six months of training to become fully trained.

Sec. 8. Minnesota Statutes 2022, section 197.791, subdivision 7, is amended to read:

Subd. 7. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

(b) A person is eligible for additional benefits under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

(1) $3,000 per state fiscal year; and

(2) ~~$10,000~~ $15,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5a must not exceed ~~$10,000~~ $15,000 in the eligible person's lifetime.

(e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4).

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Draheim, Lang, Miller, Nelson, and Pratt.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1937:** A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 190.19, subdivision 2a; 197.236, subdivision 9; 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2.

Senator Howe moved that the amendment made to H.F. No. 1937 by the Committee on Rules and Administration in the report adopted April 19, 2023, pursuant to Rule 45, be stricken.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Utke |
| Anderson | Duckworth | Jasinski | Lucero | Weber |
| Bahr | Eichorn | Johnson | Mathews | Wesenberg |
| Coleman | Farnsworth | Koran | Miller | Westrom |
| Dahms | Green | Kreun | Pratt | |
| Dornink | Gruenhagen | Lang | Rarick | |
| Draheim | Housley | Lieske | Rasmusson | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim, Lang, Miller, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, Latz, Maye Quade, McEwen, Port, and Rest.

The motion did not prevail.

H.F. No. 1937 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

# 012. SF 2904

**Vote:** 2023-04-26 | **Workbook row:** 17
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 51 yeas, 16 nays

**Workbook subject:** Omnibus Environment policy bill

## Included complete bill documents

**1. 2nd Engrossment, posted 2023-04-26** - 37 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/SF/2904/versions/2/pdf/

## Original Senate journal context

PDF pages 169-181. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230426057.pdf#page=180

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/SF/2904/

# SENATE
## STATE OF MINNESOTA
## NINETY-THIRD SESSION

# S.F. No. 2904

**(SENATE AUTHORS: HAWJ)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/14/2023 | 1741 | Introduction and first reading |
| | | Referred to Environment, Climate, and Legacy |
| 03/27/2023 | 2564a | Comm report: To pass as amended |
| | 2722 | Second reading |
| 04/26/2023 | 6243a | Special Order: Amended |
| | 6254 | Third reading Passed |
| 04/18/2024 | | Returned from House with amendment |
| | | Senate concurred and repassed bill |
| | | Third reading Passed |

A bill for an act

relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; modifying certain collective bargaining provisions; requiring reports; making technical corrections; amending Minnesota Statutes 2022, sections 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 85.015, subdivision 10; 85.052, subdivision 6; 89A.11; 90.181, subdivision 2; 97A.015, subdivisions 29, 51; 97A.031; 97A.126; 97A.137, subdivisions 3, 5; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97B.031, subdivision 1; 97B.036; 97B.037; 97B.071; 97B.301, subdivisions 2, 6; 97B.318, subdivision 1; 97B.668; 97C.041; 97C.211, subdivision 2a; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.515, subdivision 2; 97C.601, subdivision 1; 97C.836; 103G.005, by adding subdivisions; 103G.271, subdivision 4a; 103G.287, subdivision 2; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 6, 7; 115.061; 179A.10, by adding a subdivision; Laws 2022, chapter 80, section 3; proposing coding for new law in Minnesota Statutes, chapters 11A; 103G; repealing Minnesota Statutes 2022, sections 97C.055; 97C.515, subdivisions 4, 5; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[11A.236] ACCOUNT TO INVEST FINANCIAL ASSURANCE MONEY FROM PERMITS TO MINE.**

Subdivision 1. **Establishment; appropriation.** (a) The State Board of Investment, when requested by the commissioner of natural resources, may invest money collected by the commissioner as part of financial assurance provided under a permit to mine issued under chapter 93. The State Board of Investment may establish one or more accounts into which money may be deposited for the purposes of this section, subject to the policies and procedures of the State Board of Investment. Use of any money in the account is restricted to the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted

thereunder and as authorized under any trust fund agreement or other conditions established under a permit to mine.

(b) Money in an account established under paragraph (a) is appropriated to the commissioner for the purposes for which the account is established under this section.

Subd. 2. **Account maintenance and investment.** (a) The commissioner of natural resources may deposit money in the appropriate account and may withdraw money from the appropriate account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreement or other conditions established under the permit to mine for which the financial assurance is provided, subject to the policies and procedures of the State Board of Investment.

(b) Investment strategies related to an account established under this section must be determined jointly by the commissioner of natural resources and the executive director of the State Board of Investment. The authorized investments for an account are the investments authorized under section 11A.24 that are made available for investment by the State Board of Investment.

(c) Investment transactions must be at a time and in a manner determined by the executive director of the State Board of Investment. Decisions to withdraw money from the account must be determined by the commissioner of natural resources, subject to the policies and procedures of the State Board of Investment. Investment earnings must be credited to the appropriate account for financial assurance under the identified permit to mine.

(d) An account may be terminated by the commissioner of natural resources at any time, so long as the termination is in accordance with applicable statutes and rules and any trust fund agreement or other conditions established under the permit to mine, subject to the policies and procedures of the State Board of Investment.

Sec. 2. Minnesota Statutes 2022, section 84.788, subdivision 5, is amended to read:

Subd. 5. **Report of ownership transfers; fee.** (a) Application for transfer of ownership of an off-highway motorcycle registered under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 3. Minnesota Statutes 2022, section 84.82, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, issuing fee.** (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary 21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary 21-day permit. The registration number must be printed on a registration decal issued by the commissioner or a deputy registrar. Once issued, the registration ~~number~~ decal must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes ~~as the commissioner of natural resources shall prescribe~~ according to subdivision 3b. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary 21-day permit period. The registration is not valid unless signed by at least one owner.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33 shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) In addition to other fees prescribed by law, an issuing fee of $4.50 is charged for each snowmobile registration renewal, duplicate or replacement registration card, and replacement decal, and an issuing fee of $7 is charged for each snowmobile registration and registration transfer issued by:

(1) a registrar or a deputy registrar and must be deposited in the manner provided in section 168.33, subdivision 2; or

(2) the commissioner and must be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 4. Minnesota Statutes 2022, section 84.82, is amended by adding a subdivision to read:

Subd. 3b. **Display of registration decal.** (a) A person must not operate a snowmobile in the state or allow another to operate the person's snowmobile in the state unless the snowmobile has its unexpired registration decal affixed to each side of the snowmobile and the decals are legible.

(b) The registration decal must be affixed:

(1) for snowmobiles made after June 30, 1972, in the areas provided by the manufacturer under section 84.821, subdivision 2; and

(2) for all other snowmobiles, on each side of the cowling on the upper half of the snowmobile.

(c) When any previously affixed registration decal is destroyed or lost, a duplicate must be affixed in the same manner as provided in paragraph (b).

Sec. 5. Minnesota Statutes 2022, section 84.821, subdivision 2, is amended to read:

Subd. 2. **Area for registration number.** All snowmobiles made after June 30, 1972, and sold in Minnesota, shall be designed and made to provide an area on which to affix the registration ~~number~~ decal. ~~This area shall be at a location and of dimensions prescribed by rule of the commissioner.~~ A clear area must be provided on each side of the cowling with a minimum size of 3-1/2 square inches and at least 12 inches from the ground when the machine is resting on a hard surface.

Sec. 6. Minnesota Statutes 2022, section 84.84, is amended to read:

**84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.**

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice of the transfer or destruction or abandonment shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give notice of destruction or abandonment, be subject to the penalties imposed by section 84.88.

Sec. 7. Minnesota Statutes 2022, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules, fees, and reports.** (a) With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

(1) registration of snowmobiles ~~and display of registration numbers.~~;

(2) use of snowmobiles insofar as game and fish resources are affected~~.~~;

(3) use of snowmobiles on public lands and waters, or on grant-in-aid trails~~.~~;

(4) uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles~~.~~;

(5) specifications relating to snowmobile mufflers~~.~~; and

(6) a comprehensive snowmobile information and safety education and training program~~,~~ ~~including~~ that includes but is not limited to ~~the preparation and dissemination of~~ preparing and disseminating snowmobile information and safety advice to the public, ~~the~~ training ~~of~~ snowmobile operators, and ~~the issuance of~~ issuing snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course.

(b) For the purpose of administering ~~such~~ the program under paragraph (a), clause (6), and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a $1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section

84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for ~~the administration of such~~ administering the programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under ~~this~~ paragraph (a), clause (6). School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

~~(7)~~ (c) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of $500 or more, shall forward a written report of the accident to the commissioner on ~~such~~ a form ~~as~~ prescribed by the commissioner ~~shall prescribe~~. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 8. Minnesota Statutes 2022, section 84.87, subdivision 1, is amended to read:

Subdivision 1. **Operation on streets and highways.** (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way of any trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of such right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent thereto. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) Notwithstanding any provision of paragraph (a) to the contrary:

(1) under conditions prescribed by the commissioner of transportation, the commissioner of transportation may allow two-way operation of snowmobiles on either side of the trunk highway right-of-way where the commissioner of transportation determines that two-way

operation will not endanger users of the trunk highway or riders of the snowmobiles using the trail;

(2) under conditions prescribed by a local road authority as defined in section 160.02, subdivision 25, the road authority may allow two-way operation of snowmobiles on either side of the right-of-way of a street or highway under the road authority's jurisdiction, where the road authority determines that two-way operation will not endanger users of the street or highway or riders of the snowmobiles using the trail;

(3) the commissioner of transportation under clause (1) and the local road authority under clause (2) shall notify the commissioner of natural resources and the local law enforcement agencies responsible for the streets or highways of the locations of two-way snowmobile trails authorized under this paragraph; and

(4) two-way snowmobile trails authorized under this paragraph shall be posted for two-way operation at the authorized locations.

(c) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway or at a safe location approved by the road authority;

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on; and

(6) a snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge and the crossing is made without undue delay.

(d) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which shall conform to standards prescribed by rule of the commissioner pursuant to the authority vested in the commissioner by section 84.86, and each of which shall be subject to approval of the commissioner of public safety.

(e) A snowmobile may be operated upon a public street or highway other than as provided by paragraph (c) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(f) All provisions of chapters 169 and 169A shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.

(g) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner.

Sec. 9. Minnesota Statutes 2022, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 10. Minnesota Statutes 2022, section 84.992, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of natural resources shall develop and implement a program for the Minnesota Naturalist Corps that supports state parks and trails in providing interpretation of the natural and cultural features of state parks and trails in order to enhance visitors' awareness, understanding, and appreciation of those features and encourages the wise and sustainable use of the environment.

Sec. 11. Minnesota Statutes 2022, section 84.992, subdivision 5, is amended to read:

Subd. 5. **Eligibility.** A person is eligible to enroll in the Minnesota Naturalist Corps if the person~~:~~

~~(1) is a permanent resident of the state;~~

~~(2)~~ is a participant in an approved college internship program ~~in a field related to natural resources, cultural history, interpretation, or conservation; and~~

~~(3) has completed at least one year of postsecondary education~~.

Sec. 12. Minnesota Statutes 2022, section 85.015, subdivision 10, is amended to read:

Subd. 10. **Luce Line Trail, Hennepin, McLeod, and Meeker Counties.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin County, ~~and shall~~ follow the route of the Chicago Northwestern Railroad, and include a connection to Greenleaf Lake State Recreation Area.

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be acquired. The management program of the commissioner shall include but not be limited to the following:

(1) fencing ~~of~~ portions of the trail where necessary to protect adjoining landowners; and

(2) ~~the maintenance of~~ maintaining the trail in a ~~litter free~~ litter-free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review

appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals, may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 13. Minnesota Statutes 2022, section 85.052, subdivision 6, is amended to read:

Subd. 6. **State park reservation system.** (a) The commissioner may, by written order, develop reasonable reservation policies for ~~campsites and other~~ using camping, lodging, and day-use facilities and for tours, educational programs, seminars, events, and rentals. The policies are exempt from the rulemaking provisions under chapter 14, and section 14.386 does not apply.

(b) The revenue collected from the state park reservation fee established under subdivision 5, including interest earned, ~~shall~~ must be deposited in the state park account in the natural resources fund and is annually appropriated to the commissioner for the cost of operating the state park reservation and point-of-sale system.

Sec. 14. Minnesota Statutes 2022, section 89A.11, is amended to read:

**89A.11 SUNSET.**

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; 89A.105; and 89A.11 expire June 30, ~~2028~~ 2033.

Sec. 15. Minnesota Statutes 2022, section 90.181, subdivision 2, is amended to read:

Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid or the payment is not postmarked within 30 days of the statement date ~~thereof, it shall bear~~, the amount bears interest at the rate determined pursuant to section 16A.124, except that the purchaser ~~shall not be~~ is not required to pay interest that totals $1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the commissioner of revenue according to chapter 16D, who shall proceed to collect the ~~same~~ amount due. When deemed in the best interests of the state, the commissioner shall take possession of the timber for which an amount is due wherever it may be found and sell the ~~same~~ timber informally or at public auction after giving reasonable notice.

(b) The proceeds of the sale ~~shall~~ must be applied, first, to the payment of the expenses of seizure and sale~~;~~ and, second, to the payment of the amount due for the timber, with interest~~; and~~. The surplus, if any, ~~shall belong~~ belongs to the state~~; and,~~. In case a sufficient amount is not realized to pay these amounts in full, the balance ~~shall~~ must be collected by

the attorney general. ~~Neither~~ Payment of the amount, ~~nor the~~ recovery of judgment ~~therefor~~ for the amount, ~~nor~~ satisfaction of the judgment, ~~nor the~~ or seizure and sale of timber~~, shall~~ does not:

(1) release the sureties on any security deposit given pursuant to this chapter~~, or~~;

(2) preclude the state from afterwards claiming that the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed~~.~~; or

(3) preclude the state from prosecuting the offender criminally.

Sec. 16. Minnesota Statutes 2022, section 97A.015, subdivision 29, is amended to read:

Subd. 29. **Minnows.** "Minnows" means:

(1) members of the minnow family, Cyprinidae, except carp and goldfish;

(2) members of the mudminnow family, Umbridae;

(3) members of the sucker family, Catostomidae~~, not over 12 inches in length~~;

(4) bullheads, ciscoes, lake whitefish, goldeyes, and mooneyes, not over seven inches long;

(5) leeches; and

(6) tadpole madtoms (willow cats) and stonecats.

Sec. 17. Minnesota Statutes 2022, section 97A.015, subdivision 51, is amended to read:

Subd. 51. **Unloaded.** "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, if the magazine is in the firearm. A muzzle-loading firearm ~~with~~ is unloaded if:

(1) for a flintlock ignition ~~is unloaded if~~, it does not have priming powder in a pan~~. A muzzle-loading firearm with~~;

(2) for a percussion ignition ~~is unloaded if~~, it does not have a percussion cap on a nipple~~.~~;

(3) for an electronic ignition system, the battery is removed and is disconnected from the firearm; and

(4) for an encapsulated powder charge ignition system, the primer is removed from the firearm.

Sec. 18. Minnesota Statutes 2022, section 97A.031, is amended to read:

**97A.031 WANTON WASTE.**

(a) Unless expressly allowed, a person may not wantonly waste or destroy a usable part of a protected wild animal.

(b) This section does not apply to common carp.

Sec. 19. Minnesota Statutes 2022, section 97A.126, is amended to read:

**97A.126 WALK-IN ACCESS PROGRAM.**

Subdivision 1. **Establishment.** A walk-in access program is established to provide public access to wildlife habitat on private land for hunting, bird-watching, nature photography, and similar compatible uses, excluding trapping, as provided under this section. The commissioner may enter into agreements with other units of government and landowners to provide private land hunting access.

Subd. 2. **Use of enrolled lands.** (a) From September 1 to May 31, a person must have a walk-in access ~~hunter~~ validation in possession to hunt, photograph, and watch wildlife on private lands, including agricultural lands, that are posted as being enrolled in the walk-in access program.

(b) Hunting, bird-watching, nature photography, and similar compatible uses on private lands that are posted as enrolled in the walk-in access program is allowed from one-half hour before sunrise to one-half hour after sunset.

(c) ~~Hunter~~ Access on private lands that are posted as enrolled in the walk-in access program is restricted to nonmotorized use, except by ~~hunters~~ persons with disabilities operating motor vehicles on established trails or field roads who possess a valid permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.

(d) The general provisions for use of wildlife management areas adopted under sections 86A.06 and 97A.137, relating to overnight use, alcoholic beverages, use of motorboats, firearms and target shooting, hunting stands, abandonment of trash and property, destruction or removal of property, introduction of plants or animals, and animal trespass, apply to ~~hunters on~~ use of lands enrolled in the walk-in access program.

(e) Any use of enrolled lands other than ~~hunting according to~~ use authorized under this section is prohibited, including:

(1) harvesting bait, including minnows, leeches, and other live bait;

(2) training dogs or using dogs for activities other than hunting; and

(3) constructing or maintaining any building, dock, fence, billboard, sign, hunting blind, or other structure, unless constructed or maintained by the landowner.

Subd. 3. **Walk-in-access ~~hunter~~ validation; fee.** The fee for a walk-in-access ~~hunter~~ validation is $3.

Sec. 20. Minnesota Statutes 2022, section 97A.137, subdivision 3, is amended to read:

Subd. 3. **Use of motorized vehicles by ~~disabled hunters~~ people with disabilities.** The commissioner may ~~issue~~ provide an accommodation by issuing a special permit, without a fee, authorizing a ~~hunter~~ person with a ~~permanent physical~~ disability to use ~~a snowmobile, highway-licensed vehicle, all-terrain vehicle,~~ an other power-driven mobility device, as defined under Code of Federal Regulations, title 28, section 35.104, or a motor boat in wildlife management areas. To qualify for a permit under this subdivision, the ~~disabled~~ person must ~~possess:~~ provide credible assurance to the commissioner that the device or motor boat is used because of a disability.

~~(1) the required hunting licenses; and~~

~~(2) a permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.~~

Sec. 21. Minnesota Statutes 2022, section 97A.137, subdivision 5, is amended to read:

Subd. 5. **Portable stands.** (a) Prior to the Saturday on or nearest September 16, a portable stand may be left overnight in a wildlife management area by a person with a valid bear license who is hunting within 100 yards of a bear bait site that is legally tagged and registered as prescribed under section 97B.425. Any person leaving a portable stand overnight under this subdivision must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand in a manner that it can be read from the ground.

(b) From November 1 through December 31, a portable stand may be left overnight by a person possessing a license to take deer in a wildlife management area located in whole or in part north and west of a line described as follows:

State Trunk Highway 1 from the west boundary of the state to State Trunk Highway 89; then north along State Trunk Highway 89 to Fourtown; then north on County State-Aid Highway 44, Beltrami County, to County Road 704, Beltrami County; then north on County Road 704 to Dick's Parkway State Forest Road; then north on Dick's Parkway to County State-Aid Highway 5, Roseau County; then north on County State-Aid Highway 5 to

Warroad; then north on State Trunk Highway 11 to State Trunk Highway 313; then north on State Trunk Highway 313 to the north boundary of the state.

A person leaving a portable stand overnight under this paragraph must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand so that it can be read from the ground and must be made of a material sufficient to withstand weather conditions. A person leaving a portable stand overnight in a wildlife management area under this paragraph may not leave more than two portable stands in any one wildlife management area. Unoccupied portable stands left overnight under this paragraph may be used by any member of the public. ~~This paragraph expires December 31, 2019.~~

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2019, and Minnesota Statutes, section 97A.137, subdivision 5, paragraph (b), is revived and reenacted as of that date.

Sec. 22. Minnesota Statutes 2022, section 97A.401, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority.** The commissioner may issue special permits for the activities in this section. A special permit may be issued in the form of a general permit to a governmental subdivision or to the general public to conduct one or more activities under subdivisions 2 to ~~8~~ 9.

Sec. 23. Minnesota Statutes 2022, section 97A.401, is amended by adding a subdivision to read:

Subd. 9. **Taking wild animals with federal incidental take permit.** The commissioner must prescribe conditions for and may issue a permit to a person for taking wild animals during activities covered under a federal incidental take permit issued under section 10(a)(1)(B) of the federal Endangered Species Act, including to a landowner for taking wild animals during activities covered by a certificate of inclusion issued by the commissioner under Code of Federal Regulations, title 50, section 13.25(e).

Sec. 24. Minnesota Statutes 2022, section 97A.405, subdivision 5, is amended to read:

Subd. 5. **Resident licenses.** (a) To obtain a resident license, ~~a resident~~ an individual 21 years of age or older must be a resident and:

(1) possess a current Minnesota driver's license or a valid application receipt for a driver's license that is at least 60 days past the issuance date;

(2) possess a current identification card issued by the commissioner of public safety or a valid application receipt for an identification card that is at least 60 days past the issuance date; ~~or~~

(3) present evidence showing proof of residency in cases when clause (1) or (2) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.~~;~~ or

(4) possess a Tribal identification card as provided in paragraph (b).

(b) For purposes of this subdivision, "Tribal identification card" means an unexpired identification card as provided under section 171.072, paragraphs (b) and (c). The Tribal identification card:

(1) must contain the enrolled Tribal member's Minnesota residence address; and

(2) may be used to obtain a resident license under paragraph (a) only if the Tribal member does not have a current driver's license or state identification card in any state.

(c) A person must not have applied for, purchased, or accepted a resident hunting, fishing, or trapping license issued by another state or foreign country within 60 days before applying for a resident license under this section.

Sec. 25. Minnesota Statutes 2022, section 97A.421, subdivision 3, is amended to read:

Subd. 3. **Issuance after conviction; big game.** (a) A person may not use a big-game license purchased before conviction, obtain ~~any~~ a big-game license, or take big game under a lifetime license, issued under section 97A.473, for three years after the person is convicted of:

(1) a gross misdemeanor violation under the game and fish laws relating to big game;

(2) doing an act without a required big-game license; or

(3) the second violation within three years under the game and fish laws relating to big game.

(b) A person may not obtain any deer license or take deer under a lifetime license issued under section 97A.473 for one year after the person is convicted of hunting deer with the aid or use of bait under section 97B.328.

(c) The revocation period under paragraphs (a) and (b) doubles if the conviction is for a deer that is a trophy deer scoring higher than 170 using the scoring method established for wildlife restitution values adopted under section 97A.345.

Sec. 26. Minnesota Statutes 2022, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. **Permissible firearms and ammunition; big game and wolves.** A person may take big game and wolves with a firearm only if:

(1) ~~the~~ any rifle, shotgun, ~~and~~ or handgun used is a caliber of at least .22 inches and ~~with~~ has centerfire ignition;

(2) the firearm is loaded only with single projectile ammunition;

(3) a projectile used is a caliber of at least .22 inches and has a soft point or is an expanding bullet type;

(4) ~~the~~ any muzzleloader used ~~is incapable of being~~ has the projectile loaded only at the ~~breech~~ muzzle;

(5) ~~the~~ any smooth-bore muzzleloader used is a caliber of at least .45 inches; and

(6) ~~the~~ any rifled muzzleloader used is a caliber of at least .40 inches.

Sec. 27. Minnesota Statutes 2022, section 97B.036, is amended to read:

**97B.036 CROSSBOW HUNTING DURING FIREARMS ~~SEASON~~ AND ARCHERY SEASONS.**

Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, or turkey by crossbow during the respective firearms and archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the firearms and archery deer, bear, or turkey season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, or turkey by crossbow under this section must have a valid license to take the respective game by firearm or bow. This section does not allow the use of a crossbow by licensed muzzleloader hunters during the muzzleloader firearms deer season under section 97B.311.

Sec. 28. Minnesota Statutes 2022, section 97B.037, is amended to read:

**97B.037 CROSSBOW HUNTING~~; AGE 60 OR OVER~~.**

Notwithstanding section 97B.035, subdivisions 1 and 2, a person ~~age 60 or over~~ may take deer, bear, turkey, or rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, or rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person ~~age 60 or over~~ taking deer, bear,

turkey, or rough fish by crossbow under this section must have a valid license to take the respective game.

**EXPIRATION DATE.** This section expires on June 30, 2025.

Sec. 29. Minnesota Statutes 2022, section 97B.071, is amended to read:

**97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.**

(a) Except as provided in rules adopted under paragraph ~~(c)~~ (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph ~~(c)~~ (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange or blaze pink safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange or blaze pink material on each side of the blind.

~~(c)~~ (d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

~~(d)~~ (e) A violation of paragraph (b) ~~shall~~ does not result in a penalty, but is punishable only by a safety warning.

Sec. 30. Minnesota Statutes 2022, section 97B.301, subdivision 2, is amended to read:

Subd. 2. **Limit of one deer.** A person may obtain one regular firearms season deer license, one muzzleloader season deer license, and one archery season deer license in the same license year, but may not ~~tag~~ take more than one deer except as provided in subdivisions 3 and 4.

Sec. 31. Minnesota Statutes 2022, section 97B.301, subdivision 6, is amended to read:

Subd. 6. **Residents or nonresidents under age 18; taking either-sex deer.** A resident or nonresident under the age of 18 may take a deer of either sex except in those antlerless permit areas and seasons where no antlerless permits are offered. In antlerless permit areas where no antlerless permits are offered, the commissioner may provide a limited number of youth either sex permits to residents or nonresidents under age 18, under the procedures provided in section 97B.305, and may give preference to residents or nonresidents under the age of 18 that have not previously been selected. This subdivision does not authorize the taking of ~~an antlerless~~ a deer by another member of a party under subdivision 3.

Sec. 32. Minnesota Statutes 2022, section 97B.318, subdivision 1, is amended to read:

Subdivision 1. **Shotgun use area.** During the regular firearms season in the shotgun use area, only legal shotguns loaded with single-slug shotgun shells, legal muzzle-loading long guns, and legal handguns may be used for taking deer. Legal shotguns include those with rifled barrels. The shotgun use area is that portion of the state ~~lying within the following described boundary: Beginning on the west boundary of the state at the northern boundary of Clay County; thence along the northern boundary of Clay County to State Trunk Highway (STH) 32; thence along STH 32 to STH 34; thence along STH 34 to Interstate Highway 94 (I-94); thence along I-94 to County State-Aid Highway (CSAH) 40, Douglas County; thence along CSAH 40 to CSAH 82, Douglas County; thence along CSAH 82 to CSAH 22, Douglas County; thence along CSAH 22 to CSAH 6, Douglas County; thence along CSAH 6 to CSAH 14, Douglas County; thence along CSAH 14 to STH 29; thence along STH 29 to CSAH 46, Otter Tail County; thence along CSAH 46, Otter Tail County, to CSAH 22, Todd County; thence along CSAH 22 to U.S. Highway 71; thence along U.S. Highway 71 to STH 27; thence along STH 27 to the Mississippi River; thence along the east bank of the Mississippi River to STH 23; thence along STH 23 to STH 95; thence along STH 95 to U.S. Highway 8; thence along U.S. Highway 8 to the eastern boundary of the state; thence along the east, south, and west boundaries of the state to the point of beginning~~ consisting of Dodge and Olmsted Counties.

Sec. 33. Minnesota Statutes 2022, section 97B.668, is amended to read:

**97B.668 ~~GAME BIRDS~~ ANIMALS CAUSING DAMAGE.**

Subdivision 1. **Game birds causing damage.** Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass game birds that are causing property damage or to protect a disease risk at any time or place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15. This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests when a permit is obtained under section 97A.401.

Subd. 2. **Deer and elk causing damage.** (a) Notwithstanding section 97B.091, a property owner, the property owner's immediate family member, or an agent of the property owner may nonlethally scare, haze, chase, or harass deer or elk that are causing damage to agricultural crops that are propagated under generally accepted agricultural practices.

(b) Paragraph (a) applies only:

(1) in the immediate area of the crop damage; and

(2) during the closed season for taking deer or elk.

(c) Paragraph (a) does not allow:

(1) using poisons;

(2) using dogs;

(3) conduct that drives a deer or elk to the point of exhaustion;

(4) activities that require a permit under section 97A.401; or

(5) conduct that causes the death of or that is likely to cause the death of a deer or elk.

(d) A property owner or the owner's agent must report the death of a deer or elk to staff in the Division of Fish and Wildlife within 24 hours of the death if the death resulted from actions taken under paragraph (a).

Sec. 34. Minnesota Statutes 2022, section 97C.041, is amended to read:

**97C.041 COMMISSIONER MAY REMOVE ROUGH FISH ~~AND CATFISH~~.**

The commissioner may take rough fish~~, lake whitefish,~~ and rainbow smelt with seines, nets, and other devices. ~~The commissioner may also take catfish with seines, nets, and other~~

~~devices on the Minnesota-Wisconsin boundary waters.~~ The commissioner may hire or contract persons, or issue permits, to take the fish. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work.

Sec. 35. Minnesota Statutes 2022, section 97C.211, subdivision 2a, is amended to read:

Subd. 2a. **Acquiring fish.** (a) A private fish hatchery may not obtain fish outside of the state unless the fish or the source of the fish are approved by the commissioner. The commissioner may apply more stringent requirements to fish or a source of fish from outside the state than are applied to fish and sources of fish from within the state. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval. ~~Minnows acquired must be processed and not released into public waters, except as provided in section 97C.515, subdivision 4.~~ A request may be for annual acquisition.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

(1) designate approved sources to obtain the desired fish or fish eggs; or

(2) sell the fish or fish eggs from state fish hatcheries at fair market value.

Sec. 36. Minnesota Statutes 2022, section 97C.315, subdivision 1, is amended to read:

Subdivision 1. **Lines.** An angler may not use more than one line, except that:

(1) two lines may be used to take fish through the ice; ~~and~~

(2) the commissioner may, by rule, authorize the use of two lines in areas designated by the commissioner in Lake Superior~~.~~; and

(3) two lines may be used in the Minnesota River downstream of the Granite Falls Dam and in the Mississippi River downstream of St. Anthony Falls.

Sec. 37. Minnesota Statutes 2022, section 97C.345, subdivision 1, is amended to read:

Subdivision 1. **When use prohibited.** Except as specifically authorized, a person may not take fish with a spear from the third Monday in February to the Friday before the last Saturday in April and may not take fish with a fish trap, net, dip net, seine, or other device capable of taking fish from the third Monday in February ~~to~~ through April 30.

Sec. 38. Minnesota Statutes 2022, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 39. Minnesota Statutes 2022, section 97C.371, subdivision 2, is amended to read:

Subd. 2. **Dark houses required for certain species.** Catfish, lake whitefish, cisco (tulibee), and northern pike may be speared only from dark houses.

Sec. 40. Minnesota Statutes 2022, section 97C.371, subdivision 4, is amended to read:

Subd. 4. **Open season.** The open season for spearing through the ice is November 15 ~~to~~ through the last Sunday in February.

Sec. 41. Minnesota Statutes 2022, section 97C.395, subdivision 1, is amended to read:

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend ~~to~~ through the last Sunday in February;

(2) for lake trout, from January 1 ~~to~~ through October 31;

(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 ~~to~~ through March 31;

(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 ~~to~~ through March 31;

(5) for brown trout, brook trout, rainbow trout, and splake, between January 1 ~~to~~ through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

(6) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Sec. 42. Minnesota Statutes 2022, section 97C.515, subdivision 2, is amended to read:

Subd. 2. **Permit for ~~transportation~~ importation.** (a) A person may ~~transport~~ import live minnows ~~through~~ into the state with a permit from the commissioner. ~~The permit must state the name and address of the person, the number and species of minnows, the point of entry into the state, the destination, and the route through the state. The permit is not valid for more than 12 hours after it is issued.~~ A person must not import minnows into the state except as provided in this section.

~~(b) Minnows transported under this subdivision must be in a tagged container. The tag number must correspond with tag numbers listed on the minnow transportation permit.~~

~~(c) The commissioner may require the person transporting minnow species found on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, to provide health certification for viral hemorrhagic septicemia. The certification must disclose any incidentally isolated replicating viruses, and must be dated within the 12 months preceding transport.~~

(b) Minnows must be certified as healthy according to standards of the World Organisation for Animal Health or the Fish Health Section Blue Book of the American Fisheries Society.

(c) Minnows must be certified free of viral hemorrhagic septicemia, infectious hematopoietic necrosis, infectious pancreatic necrosis, spring viremia of carp virus, fathead minnow nidovirus, and Heterosporis within the past 12 months.

(d) Minnows must originate from a biosecure facility that has tested negative for invasive species in the past 12 months.

(e) Only a person that holds a minnow dealer's license issued under section 97C.501, subdivision 2, may obtain a permit to import minnows.

(f) The following information must be available to the commissioner upon request for each load of imported minnows:

(1) the date minnows were imported;

(2) the number of pounds or gallons imported;

(3) the facility name from which the minnows originated; and

(4) a fish health certificate for the minnows.

(g) Minnows may be imported to feed hatchery fish if the requirements in paragraphs (a) to (f) are met.

(h) The commissioner may use the expedited rulemaking process under section 14.389 to amend rules under this section.

Sec. 43. Minnesota Statutes 2022, section 97C.601, subdivision 1, is amended to read:

Subdivision 1. **Season.** The open season for frogs is May 16 ~~to~~ through March 31. The commissioner may, by rule, establish closed seasons in specified areas.

Sec. 44. Minnesota Statutes 2022, section 97C.836, is amended to read:

**97C.836 LAKE SUPERIOR LAKE TROUT; EXPANDED ASSESSMENT HARVEST.**

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior management zone MN-3 beginning annually in 2007 and zone MN-2 beginning annually in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 and 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 ~~to~~ through September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior.

Sec. 45. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 9c. **Ecosystem harm.** "Ecosystem harm" means to change the biological community and ecology in a manner that results in loss of ecological structure or function.

Sec. 46. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 13b. **Negative impact to surface waters.** "Negative impact to surface waters" means a change in hydrology sufficient to cause aquatic ecosystem harm or alter riparian uses long term.

Sec. 47. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 15i. **Sustainable diversion limit.** "Sustainable diversion limit" means a maximum amount of water that can be removed directly or indirectly from a surface water body in a defined geographic area on a monthly or annual basis without causing a negative impact to the surface water body.

Sec. 48. **[103G.134] ORDERS AND INVESTIGATIONS.**

(a) The commissioner has the following powers and duties when acting pursuant to the enforcement provisions of this chapter:

(1) to adopt, issue, reissue, modify, deny, revoke, enter into, or enforce reasonable orders, schedules of compliance, and stipulation agreements;

(2) to issue notices of violation;

(3) to require a person holding a permit issued under this chapter or otherwise impacting the public waters of the state without a permit issued under this chapter to:

(i) make reports;

(ii) install, use, and maintain monitoring equipment or methods;

(iii) perform tests according to methods, at locations, at intervals, and in a manner as the commissioner prescribes; and

(iv) provide other information as the commissioner may reasonably require; and

(4) to conduct investigations; issue notices, public and otherwise; and order hearings as the commissioner deems necessary or advisable to discharge duties under this chapter, including but not limited to issuing permits and authorizing an employee or agent appointed by the commissioner to conduct the investigations and other authorities cited in this section.

Sec. 49. **[103G.146] DUTY OF CANDOR.**

(a) A person must not knowingly:

(1) make a false statement of fact or fail to correct a false statement of material fact regarding any matter pertaining to this chapter;

(2) fail to disclose information that the person knows is necessary for the commissioner to make an informed decision under this chapter; or

(3) offer information that the person knows to be false.

(b) If a person has offered material information to the commissioner and the person comes to know the information is false, the person must take reasonable remedial measures to provide the accurate information.

Sec. 50. Minnesota Statutes 2022, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** (a) The commissioner may not issue a new ~~water-use permits that will~~ permit to appropriate water for potable water use from the Mt. Simon-Hinckley aquifer unless ~~the appropriation is for potable water use,~~:

(1) the commissioner determines that there are no feasible or practical alternatives to this source~~, and~~;

(2) a water conservation plan that incorporates best available water conservation technology and practices is incorporated ~~with~~ in the permit; and

(3) the permit is consistent with the requirements of sections 103G.255 to 103G.299 and the general permit requirements of sections 103G.301 and 103G.311, as applicable.

(b) The commissioner may not issue a new permit to appropriate water for nonpotable use from the Mt. Simon-Hinckley aquifer unless the permit satisfies the requirements of paragraph (a) and the requested appropriation is outside a metropolitan county, as defined in section 473.121, subdivision 4.

Sec. 51. Minnesota Statutes 2022, section 103G.287, subdivision 2, is amended to read:

Subd. 2. **Relationship to surface water resources.** Groundwater appropriations ~~that will have negative impacts to surface waters are subject to applicable provisions in section 103G.285~~ may be authorized only if they avoid known negative impacts to surface waters. If the commissioner determines that groundwater appropriations are having a negative impact to surface waters, the commissioner may use a sustainable diversion limit or other relevant method, tools, or information to implement measures so that groundwater appropriations do not negatively impact the surface waters.

Sec. 52. Minnesota Statutes 2022, section 103G.299, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue administrative penalty orders.** (a) As provided in paragraph (b), the commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of sections 103G.271 and 103G.275, and any rules adopted under those sections.

(b) An order under this section may be issued to a person for water appropriation activities without a required permit or for violating the terms of a required permit.

(c) The order must be issued as provided in this section and in accordance with the plan prepared under subdivision 12.

Sec. 53. Minnesota Statutes 2022, section 103G.299, subdivision 2, is amended to read:

Subd. 2. **Amount of penalty; considerations.** (a) The commissioner may issue orders assessing administrative penalties ~~based on potential for harm and deviation from compliance. For a violation that presents:~~ up to $40,000.

~~(1) a minor potential for harm and deviation from compliance, the penalty will be no more than $1,000;~~

~~(2) a moderate potential for harm and deviation from compliance, the penalty will be no more than $10,000; and~~

~~(3) a severe potential for harm and deviation from compliance, the penalty will be no more than $20,000.~~

(b) In determining the amount of a penalty the commissioner may consider:

(1) the gravity of the violation, including potential for, or real, damage to the public interest or natural resources of the state;

(2) the history of past violations;

(3) the number of violations;

(4) the economic benefit gained by the person by allowing or committing the violation based on data from local or state bureaus or educational institutions; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(c) For a violation after an initial violation, including a continuation of the initial violation, the commissioner must, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

(1) similarity of the most recent previous violation and the violation to be penalized;

(2) time elapsed since the last violation;

(3) number of previous violations; and

(4) response of the person to the most recent previous violation identified.

Sec. 54. Minnesota Statutes 2022, section 103G.299, subdivision 5, is amended to read:

Subd. 5. **Penalty.** (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under subdivision 4, paragraph (c), if the person subject to the order has provided information to the commissioner that the commissioner determines is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that is not forgiven after the corrective action is taken. The penalty is due ~~by~~ 31 days after the order ~~was~~ is received, unless review of the order under subdivision 6 or 7 ~~has been~~ is sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty ~~was~~ is received.

Sec. 55. Minnesota Statutes 2022, section 103G.299, subdivision 10, is amended to read:

Subd. 10. **Cumulative remedy.** The authority of the commissioner to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law~~, except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order~~. The payment of a penalty does not preclude the use of other enforcement provisions~~, under which penalties are not assessed,~~ in connection with the violation for which the penalty was assessed.

Sec. 56. **[103G.2991] PENALTIES; ENFORCEMENT.**

Subdivision 1. **Civil penalties.** (a) The commissioner, according to section 103G.134, may issue a notice to a person who violates:

(1) this chapter;

(2) a permit issued under this chapter or a term or condition of a permit issued under this chapter;

(3) a duty under this chapter to permit an inspection, entry, or monitoring activity or a duty under this chapter to carry out an inspection or monitoring activity;

(4) a rule adopted under this chapter;

(5) a stipulation agreement, variance, or schedule of compliance entered into under this chapter; or

(6) an order issued by the commissioner under this chapter.

(b) A person issued a notice forfeits and must pay to the state a penalty, in an amount to be determined by the district court, of not more than $10,000 per day of violation.

(c) In the discretion of the district court, a defendant under this section may be required to:

(1) forfeit and pay to the state a sum that adequately compensates the state for the reasonable value of restoration, monitoring, and other expenses directly resulting from the unauthorized use of or damage to natural resources of the state; and

(2) forfeit and pay to the state an additional sum to constitute just compensation for any damage, loss, or destruction of the state's natural resources and for other actual damages to the state caused by an unauthorized use of natural resources of the state.

(d) As a defense to damages assessed under paragraph (c), a defendant may prove that the violation was caused solely by:

(1) an act of God;

(2) an act of war;

(3) negligence on the part of the state;

(4) an act or failure to act that constitutes sabotage or vandalism; or

(5) any combination of clauses (1) to (5).

(e) The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state in Ramsey County District Court. Civil penalties and damages provided for in this subdivision may be resolved by the commissioner through a negotiated stipulation agreement according to the authority granted to the commissioner in section 103G.134.

Subd. 2. **Enforcement.** This chapter and rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the commissioner under this

chapter or any other law for preventing, controlling, or abating damage to natural resources may be enforced by one or more of the following:

(1) criminal prosecution;

(2) action to recover civil penalties;

(3) injunction;

(4) action to compel performance; or

(5) other appropriate action according to this chapter.

Subd. 3. **Injunctions.** A violation of this chapter or rules, standards, orders, stipulation agreements, variances, schedules of compliance, and permits adopted or issued under this chapter constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general.

Subd. 4. **Actions to compel performance.** (a) In an action to compel performance of an order issued by the commissioner for any purpose related to preventing, controlling, or abating damage to natural resources under this chapter, the court may require a defendant adjudged responsible to do and perform any and all acts set forth in the commissioner's order and all things within the defendant's power that are reasonably necessary to accomplish the purposes of the order.

(b) If a municipality or its governing or managing body or any of its officers is a defendant, the court may require the municipality to exercise its powers, without regard to any limitation of a requirement for an election or referendum imposed thereon by law and without restricting the powers of the commissioner, to do any or all of the following, without limiting the generality hereof:

(1) levy taxes or special assessments;

(2) prescribe service or use charges;

(3) borrow money;

(4) issue bonds;

(5) employ assistance;

(6) acquire real or personal property;

(7) let contracts;

(8) otherwise provide for doing work or constructing, installing, maintaining, or operating facilities; and

(9) do all acts and things reasonably necessary to accomplish the purposes of the commissioner's order.

(c) The court must grant a municipality under paragraph (b) the opportunity to determine the appropriate financial alternatives to be used to comply with the court-imposed requirements.

(d) An action brought under this subdivision must be venued in Ramsey County District Court.

Sec. 57. Minnesota Statutes 2022, section 103G.301, subdivision 6, is amended to read:

Subd. 6. **Filing application.** An application for a permit must be filed with the commissioner ~~and~~. If the proposed activity for which the permit is requested is within a municipality, ~~or~~ is within or affects a watershed district or a soil and water conservation district, or is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, a copy of the application with maps, plans, and specifications must be served on the mayor of the municipality, the secretary of the board of managers of the watershed district, ~~and~~ the secretary of the board of supervisors of the soil and water conservation district~~.~~, or the Tribal chair of the federally recognized Indian Tribe, as applicable. For purposes of this section, "federally recognized Indian Tribe" means the Minnesota Tribal governments listed in section 10.65, subdivision 2.

Sec. 58. Minnesota Statutes 2022, section 103G.301, subdivision 7, is amended to read:

Subd. 7. **Recommendation of local units of government and federally recognized Indian Tribes.** (a) If the proposed activity for which the permit is requested is within a municipality, or is within or affects a watershed district or a soil and water conservation district, the commissioner may obtain a written recommendation of the managers of the district and the board of supervisors of the soil and water conservation district or the mayor of the municipality before issuing or denying the permit.

(b) The managers, supervisors, or mayor must file a recommendation within 30 days after receiving of a copy of the application for permit.

(c) If the proposed activity for which the permit is requested is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, the federally recognized Indian Tribe may:

(1) submit recommendations to the commissioner within 30 days of receiving the application; or

(2) request Tribal consultation according to section 10.65 within 30 days of receiving the application.

(d) If Tribal consultation is requested under paragraph (c), clause (2), a permit application is not complete until after the consultation occurs or 90 days after the request for consultation is made, whichever is sooner.

Sec. 59. Minnesota Statutes 2022, section 115.061, is amended to read:

**115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.**

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice to the potentially impacted public and to any downstream drinking water facility that may be impacted by the discharge. Notice to the public and to any drinking water facility must be made using the most efficient communications system available to the facility owner such as in person, telephone call, radio, social media, web page, or another expedited form. In addition, signage must be posted at all impacted public use areas within the same jurisdiction or notification must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the discharge, a description of the material released, a warning of the potential public health risk, and the permittee's contact information.

(d) The agency must provide guidance that includes but is not limited to methods and protocols for providing timely notice under this section.

Sec. 60. Minnesota Statutes 2022, section 179A.10, is amended by adding a subdivision to read:

Subd. 5. **Law enforcement supervisors unit.** "Unit" shall include state patrol majors, state patrol captains, state patrol lieutenants, nr district supervisors, nr program managers 2, nr program managers 3, Bureau of Criminal Apprehension special agent in charge, Bureau of Criminal Apprehension assistant special agent in charge, supervisory special agent for the Commerce Fraud Bureau, special agent in charge and assistant special agent in charge for the Alcohol and Gaming Enforcement Division, corrections investigation assistant director, correction investigation supervisor for the Department of Corrections, and other licensed peace officer positions currently in the general supervisory employee's unit or Middle Management Association.

Sec. 61. Laws 2022, chapter 80, section 3, is amended to read:

Sec. 3. **LAW ENFORCEMENT SUPERVISORS TRANSITION.**

(a) Until a negotiated collective bargaining agreement with an exclusive representative of the law enforcement supervisors unit is approved under Minnesota Statutes, section 3.855:

(1) state patrol ~~supervisors~~ majors, captains, lieutenants and nr enforcement supervisors, and nr program managers 2 and 3 employed by the Department of Natural Resources shall remain in the commissioner's plan, managerial plan, or other applicable plan;

(2) criminal apprehension ~~investigative supervisors~~ special agents in charge, assistant special agents in charge, and other law enforcement ~~supervisor~~ peace officer positions currently in the general supervisory employees unit shall remain in the general supervisory employees unit represented by the Middle Management Association; and

(3) employees in positions to be included in the law enforcement supervisors unit shall be authorized to participate in certification elections for the law enforcement supervisors unit and any negotiation and collective bargaining activities of the law enforcement supervisors unit.

(b) In assigning positions included in the law enforcement supervisors unit, employees in positions under paragraph (a), clause (2), shall have the right to remain in the general supervisory employees unit represented by the Middle Management Association. If a group of employees exercises this right, the appropriate unit for such employees shall be the general supervisory employees unit represented by the Middle Management Association, and the commissioner shall assign them to such unit.

(c) When negotiating a collective bargaining agreement for the law enforcement supervisors unit, the parties shall negotiate a provision addressing potential conflicts of interest between the job classifications related to disciplinary matters.

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

Sec. 62. **WATER-USE PERMITS; CITY OF LAKE ELMO.**

(a) Notwithstanding any other provision of law, the commissioner of natural resources may:

(1) issue permits necessary for the city of Lake Elmo to construct and operate a new municipal water supply well; and

(2) amend existing water-use permits issued to the city of Lake Elmo to increase the authorized volume of water that may be appropriated under the permits to a level consistent with the amount anticipated to be needed each year according to a water supply plan approved by the commissioner under Minnesota Statutes, section 103G.291.

(b) Notwithstanding paragraph (a), all new and amended water-use permits issued by the commissioner to the city of Lake Elmo must contain the same water-use conservation and planning measures required by law for municipal wells located wholly or partially within the five-mile radius of White Bear Lake.

(c) This section expires June 30, 2027.

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

Sec. 63. **WHITE BEAR LAKE AREA WATER-USE PERMIT MODIFICATION MORATORIUM.**

(a) Except as provided under paragraph (b), the commissioner of natural resources may not reduce the total maximum amount of groundwater use permitted under a White Bear Lake area water-use permit issued or amended before January 1, 2023.

(b) Notwithstanding paragraph (a), the commissioner of natural resources may reduce the authorized amount of groundwater use permitted or impose additional restrictions or conditions if necessary to address emergency preparedness or other public health and safety issues as determined by the commissioner.

(c) Except as provided under paragraph (b), this section does not authorize the commissioner to reduce or eliminate water-use conservation or planning conditions imposed

on municipal water appropriation permits for wells located wholly or partially within a five-mile radius of White Bear Lake.

(d) For the purposes of this section, "White Bear Lake area water-use permit" means a water-use permit authorizing the use of groundwater from one or more municipal wells located wholly or partially within a five-mile radius of White Bear Lake.

(e) This section expires June 30, 2027.

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

Sec. 64. **REGISTRATION DECAL FORMAT TRANSITION.**

Separately displaying registration numbers is not required when a larger-format registration decal as provided under Minnesota Statutes, section 84.82, subdivision 2, is displayed according to Minnesota Statutes, section 84.82, subdivision 3b. Snowmobiles displaying valid but older, smaller-format registration decals must display the separate registration numbers. Persons may obtain duplicate registration decals in the new, larger format, when available, without being required to display the separate registration numbers.

Sec. 65. **RECOMMENDATIONS FOR REDUCING AQUATIC INVASIVE SPECIES CONTAMINATION IN TROUT STREAMS.**

By January 15, 2024, the commissioner of natural resources, in consultation with Minnesota Trout Unlimited and other trout stream angling organizations, must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources policy recommendations for statutory and program changes to reduce the risk of aquatic invasive species contamination in Minnesota trout streams.

Sec. 66. **USE OF CERTAIN MONEY BY ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 373.475, St. Louis County may use up to 50 percent of the principal in an environmental trust fund established under that section for economic development and environmental projects within the county that protect the environment or create clean economy jobs and manufacturing.

(b) By October 1, 2024, St. Louis County must report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment on how this section was implemented or how the county plans to implement it.

Sec. 67. **ANALYSIS OF CROSSBOW HUNTING'S EFFECT ON DEER POPULATION.**

By October 1, 2025, the commissioner of natural resources must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources an analysis of the effect that allowing persons who are under age 60 to hunt with a crossbow during regular archery seasons has had on the deer population in this state.

Sec. 68. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions of Minnesota Statutes, section 103G.005, listed in column A to the references listed in column B. The revisor must make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering:

| Column A | Column B |
|---|---|
| subdivision 9b | subdivision 9d |
| subdivision 13a | subdivision 13c |
| subdivision 15h | subdivision 15j |

Sec. 69. **REPEALER.**

(a) Minnesota Statutes 2022, sections 97C.055; and 97C.515, subdivisions 4 and 5, are repealed.

(b) Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; and 6100.5700, subpart 4, are repealed.

**97C.055 REMOVING DEAD FISH.**

The commissioner shall remove and dispose of dead fish that accumulate in or upon the shores of public waters in quantities that are a public nuisance or are detrimental to game fish.

**97C.515 IMPORTED MINNOWS.**

Subd. 4. **Private fish hatchery or aquatic farm.** Live minnows used for feeding fish at a licensed private fish hatchery or aquatic farm must be obtained within the state. Dead minnows may be imported for feeding hatchery or aquatic farm fish according to section 97C.341, paragraph (d).

Subd. 5. **Special permits.** (a) The commissioner may issue a special permit, without a fee, to allow a person with a private fish hatchery license, which private fish hatchery has been designated as a containment facility under section 17.4982, subdivision 8, to import live minnows from other states for export. A containment facility for the purposes of this section applies to live minnows imported for later export and does not need to comply with section 17.4982, subdivision 8, clause (4). The permit shall include conditions necessary to avoid spreading aquatic invasive species and fish pathogens. Permits shall not be issued to containment facilities located within a 25-year floodplain.

(b) An applicant for a permit under this subdivision shall submit to the commissioner sufficient information to identify potential threats to native plant and animal species and an evaluation of the feasibility of the proposal. The permit may include reasonable restrictions on importation, transportation, possession, containment, disease certification, and disposal of minnows to ensure that native species are protected. The permit may have a term of up to two years and may be modified, suspended, or revoked by the commissioner for cause, including violation of a condition of the permit.

(c) The premises, property, vehicles, private aquatic life, and equipment that are part of a containment facility permitted under this subdivision are subject to reasonable and necessary inspections at reasonable times by a fish health specialist delegated by the commissioner. The owner, operator, or designee may be present when inspections are conducted. During the inspection, a representative sample of imported minnows may be collected for the purpose of fish pathogen or invasive species screening.

(d) The commissioner may require the applicant to furnish evidence of financial responsibility at the time of application for a permit under this section, as prescribed by the commissioner.

**6100.5000 SNOWMOBILE REGISTRATION AND DISPLAY OF NUMBERS.**

Subp. 3. [Repealed, L 2023 c 60 art 4 s 112]

Subp. 4. [Repealed, L 2023 c 60 art 4 s 112]

Subp. 5. [Repealed, L 2023 c 60 art 4 s 112]

**6100.5700 REQUIRED EQUIPMENT.**

Subp. 4. [Repealed, L 2023 c 60 art 4 s 112]

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Koran | Miller | Rasmusson |
| Boldon | Fateh | Kreun | Mitchell | Rest |
| Carlson | Frentz | Kunesh | Mohamed | Seeberger |
| Champion | Green | Kupec | Morrison | Utke |
| Coleman | Gruenhagen | Lang | Murphy | Weber |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Mann | Pha | Xiong |
| Draheim | Housley | Marty | Port | |
| Duckworth | Jasinski | Mathews | Pratt | |
| Dziedzic | Johnson | Maye Quade | Putnam | |
| Eichorn | Klein | McEwen | Rarick | |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Latz, Mann, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Howe | Lucero | Wesenberg |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2904:** A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; requiring reports; making technical corrections; amending Minnesota Statutes 2022, sections 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 85.015, subdivision 10; 85.052, subdivision 6; 89A.11; 90.181, subdivision 2; 97A.015, subdivision 51; 97A.031; 97A.126; 97A.137, subdivisions 3, 5; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97B.031, subdivision 1; 97B.071; 97B.301, subdivisions 2, 6; 97B.318, subdivision 1; 97B.668; 97C.041; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.836; 103G.005, by adding subdivisions; 103G.287, subdivision 2; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 6, 7; 115.061; proposing coding for new law in Minnesota Statutes, chapters 11A; 97C; 103G; repealing Minnesota Statutes 2022, section 97C.055; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4.

President Champion called Senator Klein to preside.

Senator Hawj moved to amend S.F. No. 2904 as follows:

Page 19, delete section 34

Page 30, after line 4, insert:

"Sec. 57. **RECOMMENDATIONS FOR REDUCING AQUATIC INVASIVE SPECIES CONTAMINATION IN TROUT STREAMS.**

By January 15, 2024, the commissioner of natural resources, in consultation with Minnesota Trout Unlimited and other trout stream angling organizations, must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources policy recommendations for statutory and program changes to reduce the risk of aquatic invasive species contamination in Minnesota trout streams."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Drazkowski moved to amend S.F. No. 2904 as follows:

Page 17, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2022, section 97B.318, subdivision 1, is amended to read:

Subdivision 1. **Shotgun use area.** During the regular firearms season in the shotgun use area, only legal shotguns loaded with single-slug shotgun shells, legal muzzle-loading long guns, and legal handguns may be used for taking deer. Legal shotguns include those with rifled barrels. The shotgun use area is that portion of the state ~~lying within the following described boundary: Beginning on the west boundary of the state at the northern boundary of Clay County; thence along the northern boundary of Clay County to State Trunk Highway (STH) 32; thence along STH 32 to STH 34; thence along STH 34 to Interstate Highway 94 (I-94); thence along I-94 to County State-Aid Highway (CSAH) 40, Douglas County; thence along CSAH 40 to CSAH 82, Douglas County; thence along CSAH 82 to CSAH 22, Douglas County; thence along CSAH 22 to CSAH 6, Douglas County; thence along CSAH 6 to CSAH 14, Douglas County; thence along CSAH 14 to STH 29; thence along STH 29 to CSAH 46, Otter Tail County; thence along CSAH 46, Otter Tail County, to CSAH 22, Todd County; thence along CSAH 22 to U.S. Highway 71; thence along U.S. Highway 71 to STH 27; thence along STH 27 to the Mississippi River; thence along the east bank of the Mississippi River to STH 23; thence along STH 23 to STH 95; thence along STH 95 to U.S. Highway 8; thence along U.S. Highway 8 to the eastern boundary of the state; thence along the east, south, and west boundaries of the state to the point of beginning~~ consisting of Olmsted County."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Lieske | Putnam |
| Anderson | Duckworth | Jasinski | Limmer | Rarick |
| Bahr | Eichorn | Johnson | Lucero | Rasmusson |
| Coleman | Farnsworth | Koran | Mathews | Utke |
| Dahms | Green | Kreun | Miller | Wesenberg |
| Dornink | Gruenhagen | Kupec | Nelson | Westrom |
| Draheim | Housley | Lang | Pratt | |

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Latz | Mohamed | Port |
| Carlson | Gustafson | Mann | Morrison | Rest |
| Cwodzinski | Hauschild | Marty | Murphy | Seeberger |
| Dibble | Hawj | Maye Quade | Oumou Verbeten | Westlin |
| Dziedzic | Hoffman | McEwen | Pappas | Wiklund |
| Fateh | Klein | Mitchell | Pha | Xiong |

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Latz, Mann, and Xiong.

The motion prevailed. So the amendment was adopted.

Senator Koran moved to amend S.F. No. 2904 as follows:

Page 22, after line 21, insert:

"Sec. 46. Minnesota Statutes 2022, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** (a) The commissioner may not issue a new ~~water-use permits that will~~ permit to appropriate water for potable water use from the Mt. Simon-Hinckley aquifer unless ~~the appropriation is for potable water use,~~:

(1) the commissioner determines that there are no feasible or practical alternatives to this source~~, and~~;

(2) a water conservation plan that incorporates best available water conservation technology and practices is incorporated ~~with~~ in the permit; and

(3) the permit is consistent with the requirements of sections 103G.255 to 103G.299 and the general permit requirements of sections 103G.301 and 103G.311, as applicable.

(b) The commissioner may not issue a new permit to appropriate water for nonpotable use from the Mt. Simon-Hinckley aquifer unless the permit satisfies the requirements of paragraph (a) and the requested appropriation is outside a metropolitan county, as defined in section 473.121, subdivision 4."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Seeberger moved to amend S.F. No. 2904 as follows:

Page 29, delete sections 55 and 56 and insert:

"Sec. 55. **WATER-USE PERMITS; CITY OF LAKE ELMO.**

(a) Notwithstanding any other provision of law, the commissioner of natural resources may:

(1) issue permits necessary for the city of Lake Elmo to construct and operate a new municipal water supply well; and

(2) amend existing water-use permits issued to the city of Lake Elmo to increase the authorized volume of water that may be appropriated under the permits to a level consistent with the amount anticipated to be needed each year according to a water supply plan approved by the commissioner under Minnesota Statutes, section 103G.291.

(b) Notwithstanding paragraph (a), all new and amended water-use permits issued by the commissioner to the city of Lake Elmo must contain the same water-use conservation and planning measures required by law for municipal wells located wholly or partially within the five-mile radius of White Bear Lake.

(c) This section expires June 30, 2027.

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

Sec. 56. **WHITE BEAR LAKE AREA WATER-USE PERMIT MODIFICATION MORATORIUM.**

(a) Except as provided under paragraph (b), the commissioner of natural resources may not reduce the total maximum amount of groundwater use permitted under a White Bear Lake area water-use permit issued or amended before January 1, 2023.

(b) Notwithstanding paragraph (a), the commissioner of natural resources may reduce the authorized amount of groundwater use permitted or impose additional restrictions or conditions if necessary to address emergency preparedness or other public health and safety issues as determined by the commissioner.

(c) Except as provided under paragraph (b), this section does not authorize the commissioner to reduce or eliminate water-use conservation or planning conditions imposed on municipal water appropriation permits for wells located wholly or partially within a five-mile radius of White Bear Lake.

(d) For the purposes of this section, "White Bear Lake area water-use permit" means a water-use permit authorizing the use of groundwater from one or more municipal wells located wholly or partially within a five-mile radius of White Bear Lake.

(e) This section expires June 30, 2027.

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

The motion prevailed. So the amendment was adopted.

Senator Wesenberg moved to amend S.F. No. 2904 as follows:

Page 11, after line 7, insert:

"Sec. 16. Minnesota Statutes 2022, section 97A.015, subdivision 29, is amended to read:

Subd. 29. **Minnows.** "Minnows" means:

(1) members of the minnow family, Cyprinidae, except carp and goldfish;

(2) members of the mudminnow family, Umbridae;

(3) members of the sucker family, Catostomidae~~, not over 12 inches in length~~;

(4) bullheads, ciscoes, lake whitefish, goldeyes, and mooneyes, not over seven inches long;

(5) leeches; and

(6) tadpole madtoms (willow cats) and stonecats."

Page 19, after line 6, insert:

"Sec. 33. Minnesota Statutes 2022, section 97C.211, subdivision 2a, is amended to read:

Subd. 2a. **Acquiring fish.** (a) A private fish hatchery may not obtain fish outside of the state unless the fish or the source of the fish are approved by the commissioner. The commissioner may apply more stringent requirements to fish or a source of fish from outside the state than are applied to fish and sources of fish from within the state. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval. ~~Minnows acquired must be processed and not released into public waters, except as provided in section 97C.515, subdivision 4.~~ A request may be for annual acquisition.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

(1) designate approved sources to obtain the desired fish or fish eggs; or

(2) sell the fish or fish eggs from state fish hatcheries at fair market value."

Page 20, after line 22, insert:

"Sec. 41. Minnesota Statutes 2022, section 97C.515, subdivision 2, is amended to read:

Subd. 2. **Permit for ~~transportation~~ importation.** (a) A person may ~~transport~~ import live minnows ~~through~~ into the state with a permit from the commissioner. ~~The permit must state the name and address of the person, the number and species of minnows, the point of entry into the state, the destination, and the route through the state. The permit is not valid for more than 12 hours after it is issued.~~ A person must not import minnows into the state except as provided in this section.

~~(b) Minnows transported under this subdivision must be in a tagged container. The tag number must correspond with tag numbers listed on the minnow transportation permit.~~

~~(c) The commissioner may require the person transporting minnow species found on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, to provide health certification for viral~~

~~hemorrhagic septicemia. The certification must disclose any incidentally isolated replicating viruses, and must be dated within the 12 months preceding transport.~~

(b) Minnows must be certified as healthy according to standards of the World Organisation for Animal Health or the Fish Health Section Blue Book of the American Fisheries Society.

(c) Minnows must be certified free of viral hemorrhagic septicemia, infectious hematopoietic necrosis, infectious pancreatic necrosis, spring viremia of carp virus, fathead minnow nidovirus, and Heterosporis within the past 12 months.

(d) Minnows must originate from a biosecure facility that has tested negative for invasive species in the past 12 months.

(e) Only a person that holds a minnow dealer's license issued under section 97C.501, subdivision 2, may obtain a permit to import minnows.

(f) The following information must be available to the commissioner upon request for each load of imported minnows:

(1) the date minnows were imported;

(2) the number of pounds or gallons imported;

(3) the facility name from which the minnows originated; and

(4) a fish health certificate for the minnows.

(g) Minnows may be imported to feed hatchery fish if the requirements in paragraphs (a) to (f) are met."

Page 30, delete section 59 and insert:

"Sec. 62. **REPEALER.**

(a) Minnesota Statutes 2022, sections 97C.055; and 97C.515, subdivisions 4 and 5, are repealed.

(b) Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; and 6100.5700, subpart 4, are repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Hoffman moved to amend the Wesenberg amendment to S.F. No. 2904 as follows:

Page 2, after line 30, insert:

"(h) The commissioner may use the expedited rulemaking process under section 14.389 to amend rules under this section."

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Wesenberg amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Gruenhagen moved to amend S.F. No. 2904 as follows:

Page 19, line 11, delete "and"

Page 19, line 13, delete the second period and insert "; and"

Page 19, after line 13, insert:

"(4) two lines may be used by anglers who are under 18 years of age to take fish from any lake or river in Minnesota between Memorial Day and Labor Day."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 41, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Eichorn | Jasinski | Limmer | Rasmusson |
| Dahms | Farnsworth | Johnson | Lucero | Utke |
| Dornink | Green | Kreun | Mathews | Weber |
| Draheim | Gruenhagen | Lang | Miller | Wesenberg |
| Drazkowski | Howe | Lieske | Rarick | Westrom |

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Kunesh | Morrison | Rest |
| Boldon | Frentz | Kupec | Murphy | Seeberger |
| Carlson | Gustafson | Latz | Nelson | Westlin |
| Champion | Hauschild | Mann | Oumou Verbeten | Wiklund |
| Coleman | Hawj | Marty | Pappas | Xiong |
| Cwodzinski | Hoffman | Maye Quade | Pha | |
| Dibble | Housley | McEwen | Port | |
| Duckworth | Klein | Mitchell | Pratt | |
| Dziedzic | Koran | Mohamed | Putnam | |

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Hauschild moved to amend S.F. No. 2904 as follows:

Page 29, after line 4, insert:

"Sec. 55. Minnesota Statutes 2022, section 373.475, is amended to read:

**373.475 COUNTY ENVIRONMENTAL TRUST FUND.**

(a) Notwithstanding the provisions of chapter 282 and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under Laws 1998, chapter 389, article 16, section 31, subdivision 3, into an environmental trust fund established by the county under this section. The principal from the sale of the land may not be expended, and the county board may spend interest earned on the principal only for purposes related to the improvement of natural resources. To the extent money received from the sale is attributable to tax-forfeited land from another county, the money must be deposited in an environmental trust fund established under this section by that county board.

(b) Notwithstanding paragraph (a), St. Louis County may use up to 50 percent of the principal in an environmental trust fund established under this section for economic development and environmental projects within the county that protect the environment or create clean economy jobs and manufacturing."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Senator Nelson moved to amend the Drazkowski amendment to S.F. No. 2904, adopted by the Senate April 26, 2023, as follows:

Page 1, line 21, delete "Olmsted County" and insert "Dodge and Olmsted Counties"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 50 and nays 15, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Dziedzic | Klein | Miller | Pratt |
| Boldon | Farnsworth | Kreun | Mitchell | Putnam |
| Carlson | Fateh | Kunesh | Mohamed | Rest |
| Champion | Frentz | Kupec | Morrison | Seeberger |
| Coleman | Gustafson | Latz | Murphy | Utke |
| Cwodzinski | Hauschild | Limmer | Nelson | Weber |
| Dahms | Hawj | Mann | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Marty | Pappas | Westrom |
| Dornink | Housley | Maye Quade | Pha | Wiklund |
| Duckworth | Jasinski | McEwen | Port | Xiong |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Jasinski.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Eichorn | Howe | Lieske | Rarick |
| Draheim | Green | Koran | Lucero | Rasmusson |
| Drazkowski | Gruenhagen | Lang | Mathews | Wesenberg |

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Lang and Rarick.

The motion prevailed. So the amendment was adopted.

Senator Hoffman moved to amend S.F. No. 2904 as follows:

Page 29, after line 4, insert:

"Sec. 55. Minnesota Statutes 2022, section 179A.10, is amended by adding a subdivision to read:

Subd. 5. **Law enforcement supervisors unit.** "Unit" shall include state patrol majors, state patrol captains, state patrol lieutenants, nr district supervisors, nr program managers 2, nr program managers 3, Bureau of Criminal Apprehension special agent in charge, Bureau of Criminal Apprehension assistant special agent in charge, supervisory special agent for the Commerce Fraud Bureau, special agent in charge and assistant special agent in charge for the Alcohol and Gaming Enforcement Division, corrections investigation assistant director, correction investigation supervisor for the Department of Corrections, and other licensed peace officer positions currently in the general supervisory employee's unit or Middle Management Association.

Sec. 56. Laws 2022, chapter 80, section 3, is amended to read:

Sec. 3. **LAW ENFORCEMENT SUPERVISORS TRANSITION.**

(a) Until a negotiated collective bargaining agreement with an exclusive representative of the law enforcement supervisors unit is approved under Minnesota Statutes, section 3.855:

(1) state patrol ~~supervisors~~ majors, captains, lieutenants and nr enforcement supervisors, and nr program managers 2 and 3 employed by the Department of Natural Resources shall remain in the commissioner's plan, managerial plan, or other applicable plan;

(2) criminal apprehension ~~investigative supervisors~~ special agents in charge, assistant special agents in charge, and other law enforcement ~~supervisor~~ peace officer positions currently in the general supervisory employees unit shall remain in the general supervisory employees unit represented by the Middle Management Association; and

(3) employees in positions to be included in the law enforcement supervisors unit shall be authorized to participate in certification elections for the law enforcement supervisors unit and any negotiation and collective bargaining activities of the law enforcement supervisors unit.

(b) In assigning positions included in the law enforcement supervisors unit, employees in positions under paragraph (a), clause (2), shall have the right to remain in the general supervisory employees unit represented by the Middle Management Association. If a group of employees exercises this right, the appropriate unit for such employees shall be the general supervisory employees unit represented by the Middle Management Association, and the commissioner shall assign them to such unit.

(c) When negotiating a collective bargaining agreement for the law enforcement supervisors unit, the parties shall negotiate a provision addressing potential conflicts of interest between the job classifications related to disciplinary matters.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pha moved to amend S.F. No. 2904 as follows:

Page 16, after line 2, insert:

"Sec. 25. Minnesota Statutes 2022, section 97B.036, is amended to read:

**97B.036 CROSSBOW HUNTING DURING FIREARMS ~~SEASON~~ AND ARCHERY SEASONS.**

Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, or turkey by crossbow during the respective firearms and archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the firearms and archery deer, bear, or turkey season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, or turkey by crossbow under this section must have a valid license to take the respective game by firearm or bow. This section does not allow the use of a crossbow by licensed muzzleloader hunters during the muzzleloader firearms deer season under section 97B.311.

Sec. 26. Minnesota Statutes 2022, section 97B.037, is amended to read:

**97B.037 CROSSBOW HUNTING~~; AGE 60 OR OVER~~.**

Notwithstanding section 97B.035, subdivisions 1 and 2, a person ~~age 60 or over~~ may take deer, bear, turkey, or rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, or rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person ~~age 60 or over~~ taking deer, bear, turkey, or rough fish by crossbow under this section must have a valid license to take the respective game.

**EXPIRATION DATE.** This section expires on June 30, 2025."

Page 30, after line 4, insert:

"Sec. 60. **ANALYSIS OF CROSSBOW HUNTING'S EFFECT ON DEER POPULATION.**

By October 1, 2025, the commissioner of natural resources must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources an analysis of the effect that allowing persons

who are under age 60 to hunt with a crossbow during regular archery seasons has had on the deer population in this state."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Howe moved to amend S.F. No. 2904 as follows:

Page 23, line 26, strike "and"

Page 23, after line 26, insert:

"(5) whether the violation occurred during a drought or abnormally dry period; and"

Page 23, line 27, strike "(5)" and insert "(6)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Hauschild moved to amend S.F. No. 2904 as follows:

Page 30, after line 4, insert:

"Sec. 58. **USE OF CERTAIN MONEY BY ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 373.475, St. Louis County may use up to 50 percent of the principal in an environmental trust fund established under that section for economic development and environmental projects within the county that protect the environment or create clean economy jobs and manufacturing.

(b) By October 1, 2024, St. Louis County must report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment on how this section was implemented or how the county plans to implement it."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 25, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Kunesh | Morrison | Rest |
| Boldon | Fateh | Kupec | Murphy | Seeberger |
| Carlson | Frentz | Latz | Nelson | Westlin |
| Champion | Gustafson | Mann | Oumou Verbeten | Wiklund |
| Coleman | Hauschild | Marty | Pappas | Xiong |
| Cwodzinski | Hawj | Maye Quade | Pha | |
| Dibble | Hoffman | McEwen | Port | |
| Duckworth | Housley | Mitchell | Putnam | |
| Dziedzic | Klein | Mohamed | Rarick | |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Jasinski | Limmer | Rasmusson |
| Bahr | Eichorn | Johnson | Lucero | Utke |
| Dahms | Green | Koran | Mathews | Weber |
| Dornink | Gruenhagen | Lang | Miller | Wesenberg |
| Draheim | Howe | Lieske | Pratt | Westrom |

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Jasinski and Lang.

The motion prevailed. So the amendment was adopted.

S.F. No. 2904 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 16, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Champion | Dibble | Duckworth | Farnsworth |
| Boldon | Coleman | Dornink | Dziedzic | Fateh |
| Carlson | Cwodzinski | Drazkowski | Eichorn | Frentz |

| | | | | |
|---|---|---|---|---|
| Gustafson | Kupec | McEwen | Pappas | Wesenberg |
| Hauschild | Lang | Miller | Pha | Westlin |
| Hawj | Latz | Mitchell | Port | Wiklund |
| Hoffman | Lieske | Mohamed | Pratt | Xiong |
| Housley | Limmer | Morrison | Putnam | |
| Klein | Mann | Murphy | Rarick | |
| Kreun | Marty | Nelson | Rest | |
| Kunesh | Maye Quade | Oumou Verbeten | Seeberger | |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, Mohamed, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Lang.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Anderson | Green | Johnson | Rasmusson |
| Bahr | Gruenhagen | Koran | Utke |
| Dahms | Howe | Lucero | Weber |
| Draheim | Jasinski | Mathews | Westrom |

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Jasinski.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1362:** A bill for an act relating to elections; modifying campaign finance provisions; modifying campaign finance reporting requirements; requiring disclosure of electioneering communications; amending provisions relating to voter registration, absentee voting, and election day voting; adopting the national popular vote compact; prohibiting certain contributions during the legislative session; making technical and clarifying changes; amending Minnesota Statutes 2022, sections 5B.06; 10A.01, subdivisions 5, 21, 26, 30, by adding subdivisions; 10A.022, subdivision 3; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding a subdivision; 10A.04, subdivisions 3, 4, 6, 9; 10A.09, subdivision 5, by adding a subdivision; 10A.121, subdivisions 1, 2; 10A.15, subdivisions 3, 5, by adding subdivisions; 10A.17, subdivision 5, by adding a subdivision; 10A.20, subdivisions 2a, 5; 10A.244; 10A.25, subdivision 3a; 10A.271, subdivision 1; 10A.273, subdivisions 1, 2; 10A.275, subdivision 1; 10A.38; 135A.17, subdivision 2; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivision 8; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivision 3; 201.145, subdivisions 3, 4; 201.1611, subdivision 1, by adding a subdivision; 201.195; 201.225, subdivision 2; 202A.18, subdivision 2a; 203B.06, subdivision 3; 203B.07, subdivisions 1, 2, 3; 203B.08, subdivisions 1, 3; 203B.11, subdivisions 1, 2, 4; 203B.121, subdivisions 2, 3; 203B.16, subdivision 2; 203B.21, subdivisions 1, 3; 203B.23, subdivision 2; 203B.24, subdivision 1; 204B.06, subdivisions 1, 1b, 4a, by adding a subdivision; 204B.09, subdivision 1; 204B.13, by adding a subdivision; 204B.14, subdivision 2; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.32, subdivision 2; 204B.35, by adding a subdivision; 204C.04, subdivision 1; 204C.07, subdivision 4; 204C.15, subdivision 1; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.33, subdivision 3; 204C.35, by adding a subdivision; 204C.39, subdivision 1; 204D.08, subdivision 6; 204D.09, subdivision 2; 204D.13, subdivisions 2, 3, by adding a subdivision; 204D.16; 204D.19, subdivision 2; 204D.22, subdivision 3; 204D.23, subdivision 2; 204D.25,

# 013. HF 463

**Vote:** 2023-05-01 | **Workbook row:** 18
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Rural Finance Authority funding provided, bonds issued, and money appropriated.

## Included complete bill documents

**1. Introduction, posted 2023-01-17** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/463/versions/0/pdf/

## Original Senate journal context

PDF pages 6-6. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230501060.pdf#page=6

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/463/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 463

01/17/2023 Authored by Vang and Anderson, P. H.,
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy
01/25/2023 Adoption of Report: Re-referred to the Committee on Capital Investment
03/02/2023 Adoption of Report: Re-referred to the Committee on Ways and Means
04/04/2023 Adoption of Report: Placed on the General Register
Read for the Second Time
04/13/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
05/01/2023 Passed by the Senate and returned to the House
05/08/2023 Presented to Governor
Governor Approval

A bill for an act

relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **RURAL FINANCE AUTHORITY.**

Subdivision 1. **Appropriation.** $50,000,000 is appropriated from the bond proceeds fund to the Rural Finance Authority for the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Subd. 2. **Bond sale expenses.** $50,000 is appropriated from the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 3. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $50,050,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 463.

## SPECIAL ORDER

**H.F. No. 463:** A bill for an act relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

H.F. No. 463 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Klein | McEwen | Rasmusson |
| Anderson | Eichorn | Koran | Miller | Rest |
| Bahr | Farnsworth | Kreun | Mitchell | Seeberger |
| Boldon | Fateh | Kunesh | Mohamed | Utke |
| Carlson | Frentz | Kupec | Morrison | Weber |
| Champion | Green | Lang | Murphy | Wesenberg |
| Coleman | Gruenhagen | Latz | Nelson | Westlin |
| Cwodzinski | Gustafson | Lieske | Oumou Verbeten | Westrom |
| Dahms | Hauschild | Limmer | Pappas | Wiklund |
| Dibble | Hawj | Lucero | Pha | Xiong |
| Dornink | Hoffman | Mann | Port | |
| Draheim | Housley | Marty | Pratt | |
| Drazkowski | Jasinski | Mathews | Putnam | |
| Duckworth | Johnson | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Dziedzic.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Lang and Nelson.

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senator Howe was excused from the Session of today.

## ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 11:00 a.m., Tuesday, May 2, 2023. The motion prevailed.

# 014. HF 1937

**Vote:** 2023-05-09 | **Workbook row:** 19
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 5 nays

**Workbook subject:** Veterans and military affairs finance bill.

## Included complete bill documents

**1. 4th Engrossment, posted 2023-05-09** - 23 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/1937/versions/4/pdf/

## Original Senate journal context

PDF pages 19-24. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230509065.pdf#page=23

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/1937/

This Document can be made available in alternative formats upon request

State of Minnesota

Printed Page No. 199

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1937

02/16/2023 Authored by Newton and Hussein
The bill was read for the first time and referred to the Committee on Rules and Legislative Administration
02/21/2023 Adoption of Report: Re-referred to the Committee on Veterans and Military Affairs Finance and Policy
03/30/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/13/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/18/2023 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
04/21/2023 Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed
05/08/2023 Conference Committee Report Adopted
Read Third Time as Amended by Conference and repassed by the House
05/09/2023 Read Third Time as Amended by Conference and repassed by the Senate
05/15/2023 Presented to Governor
Governor Approval

A bill for an act

relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; establishing the veteran domiciliary resident quality of care working group; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## MILITARY AFFAIRS AND VETERANS AFFAIRS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

| | APPROPRIATIONS Available for the Year Ending June 30 | |
|---|---|---|
| | **2024** | **2025** |
| Sec. 2. **MILITARY AFFAIRS** | | |
| Subdivision 1. **Total Appropriation** | **$ 61,020,000** | **$ 29,357,000** |

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $26,724,000 in fiscal year 2026 and $26,730,000 in fiscal year 2027 and each fiscal year thereafter.

| | | |
|---|---|---|
| Subd. 2. **Maintenance of Training Facilities** | 9,951,000 | 10,064,000 |
| Subd. 3. **General Support** | 36,755,000 | 5,279,000 |

The base for this appropriation is $4,246,000 in fiscal year 2026 and $4,252,000 in fiscal year 2027 and each fiscal year thereafter.

(a) **MN Cyber Coordination Cell (C3).** $552,000 the first year and $558,000 the second year are for administrative and payroll costs to create and operate a Cyber Coordination Cell in the Minnesota National Guard. The base for this appropriation is $297,000 in fiscal year 2026 and $303,000 in fiscal year 2027 and each fiscal year thereafter.

(b) **Army Combat Fitness Test Field House.** $17,600,000 the first year is for predesign, design, construction, furnishing and equipping costs for an Army Combat Fitness Test Field House. This is a onetime appropriation and is available until June 30, 2027.

(c) **Minnesota Military Museum at Camp Ripley.** $14,055,000 the first year is for the design and construction of the Minnesota military museum at Camp Ripley. This appropriation is in addition to the appropriation made in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 6, for the same purposes. This is a onetime appropriation and is available until June 30, 2027.

(d) **Holistic Health and Fitness (H2F).** $760,000 the first year and $772,000 the second year are for administrative and payroll costs to create and operate Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard. This is a onetime appropriation.

Subd. 4. **Enlistment Incentives** 13,614,000 13,614,000

The appropriations in this subdivision are available until June 30, 2027. The base for this appropriation is $12,114,000 in fiscal year 2026 and each fiscal year thereafter.

If the amount for fiscal year 2024 is insufficient, the amount for 2025 is available in fiscal year 2024. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 5. **Emergency Services** 700,000 400,000

**Sustain Domestic Operations Communication Capabilities.** For ongoing replacement of communications systems to support domestic operations when ordered into state service by the governor. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation** **$ 146,548,000 $ 132,011,000**

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $123,645,000 in fiscal year 2026 and $124,693,000 in fiscal year 2027 and each fiscal year thereafter.

Subd. 2. **Veterans Programs and Services** 56,523,000 31,214,000

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $30,258,000 in fiscal year 2026 and each fiscal year thereafter.

(a) **State's Veterans Cemeteries.** $4,282,000 each year is for the operation of the state's veterans cemeteries. The base for this appropriation is $3,782,000 in fiscal year 2026 and each fiscal year thereafter.

(b) **Veterans Service Organizations.** $500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for

surviving family members of deceased veterans.

(f) **County Veterans Service Office.** $1,550,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(g) **Camp Bliss**. $150,000 each year is for a grant to Camp Bliss as provided under article 2, section 9.

(h) **Veterans on the Lake.** $50,000 each year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans. These are onetime appropriations.

(i) **Veteran Resilience Project.** $300,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation is $200,000 in fiscal year 2026 and each fiscal year thereafter.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program

expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(j) **CORE Program.** $1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(k) **LinkVet Call Center.** $369,000 each year is for the operation of the state's LinkVet Call Center.

(l) **Recently Separated Veterans Program.** $350,000 each year is for operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that were provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

(m) **Homeless Veterans and SOAR Program.** $1,035,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts. The base for this

appropriation is $1,344,000 in fiscal year 2026 and each fiscal year thereafter.

(n) **Minnesota Assistance Council for Veterans.** $7,865,000 the first year and $1,075,000 the second year are for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and veterans' families who are homeless or in danger of homelessness, including assistance with:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs;

(5) transportation;

(6) the acquisition and creation of permanent supportive housing; and

(7) property management of permanent supportive housing.

Of these amounts, $6,350,000 the first year is for the establishment of permanent supportive housing options for homeless veterans and former service members. This is a onetime appropriation and is available until June 30, 2026. $440,000 the first year is for the direct veteran assistance grant. This is a onetime appropriation. Any unencumbered balance remaining in this subdivision in the first year for grants to the Minnesota Assistance Council for Veterans does not cancel and is available for the second year. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for

30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(o) **Veterans Bonus Program.** $15,000,000 the first year is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2024.

(p) **Metro Meals on Wheels.** $540,000 each year is for a grant to Metro Meals on Wheels to provide: (1) home-delivered meals to veterans; and (2) technical, enrollment, outreach, and volunteer recruitment assistance to member programs. Metro Meals on Wheels must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by September 1 each year with a detailed explanation of how the grant money was used and the number of veterans and service members served by the program. This is a onetime appropriation.

(q) **Minnesota Military and Veterans Museum.** $225,000 the second year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

(r) **Every Third Saturday.** $100,000 each year is for a grant to Every Third Saturday to provide veterans with emergency assistance and internships. Every Third Saturday must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance no later than September 1, 2024, and by September 1 of each subsequent year. Each report must include, at a minimum, a detailed explanation of how the grant money was used and the number of veterans served by the program. These are onetime appropriations.

(s) **Veteran Homelessness Initiative.** $4,311,000 the first year and $1,311,000 the second year are for an initiative to prevent and end veteran homelessness.

(t) **Veterans Campground Wastewater System Upgrades.** $744,000 the first year is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

Subd. 3. **Veterans Health Care** 90,025,000 100,797,000

(a) The base for this appropriation in fiscal year 2026 is $93,387,000 and $94,435,000 in fiscal year 2027 and each fiscal year thereafter.

(b) $88,885,000 the first year and $99,847,000 the second year may be transferred to a veterans homes special revenue account in the

special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is $92,437,000 in fiscal year 2026 and $93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) $400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(e) $190,000 the first year is for the working group established under article 2, section 8.

Sec. 4. **CANCELLATION; FISCAL YEAR 2023.**

(a) $3,000,000 of the fiscal year 2023 general fund appropriation under Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, paragraph (i), is canceled to the general fund by June 30, 2023.

(b) $744,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter 54, article 1, section 3, subdivision 2, paragraph (k), is canceled to the general fund by June 30, 2023.

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

## ARTICLE 2
## VETERANS AFFAIRS STATUTORY CHANGES

Section 1. Minnesota Statutes 2022, section 197.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Applicant" means a veteran or a veteran's guardian, conservator, or personal representative or a beneficiary or a beneficiary's guardian, conservator, or personal representative who has filed an application with the commissioner for a bonus under this section.

(b) "Application" means a request for a bonus payment by a veteran, a veteran's beneficiary, or a veteran's guardian, conservator, or personal representative through submission of written information on a form designed by the commissioner for this purpose.

(c) "Beneficiary" means in relation to a deceased veteran and in the order named:

(1) the surviving spouse, if not remarried;

(2) the children of the veteran, if there is no surviving spouse or the surviving spouse has remarried;

(3) the veteran's surviving parent or parents;

(4) the veteran's surviving sibling or siblings; or

(5) the veteran's estate.

(d) "Commissioner" means the commissioner of the Department of Veterans Affairs.

(e) "Department" means the Department of Veterans Affairs.

(f) "Eligibility period for the bonus" means the period from September 11, 2001, to August 30, 2021.

(g) "Guardian" or "conservator" means the legally appointed representative of a minor or incapacitated beneficiary or veteran, the chief officer of a hospital or institution in which the incapacitated veteran is placed if the officer is authorized to accept money for the benefit of the minor or incapacitated veteran, the person determined by the commissioner to be the person who is legally charged with the responsibility for the care of the minor or incapacitated beneficiary or veteran, or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incapacitated beneficiary or veteran.

(h) "Honorable service" means honorable federal service in the United States armed forces, as evidenced by:

(1) an honorable discharge;

(2) a general discharge under honorable conditions;

(3) in the case of an officer, a certificate of honorable service; or

(4) in the case of an applicant who is currently serving in active duty in the United States armed forces, a certificate from an appropriate service authority that the applicant's service to date has been honorable.

(i) "Incapacitated person" means an individual who, for reasons other than being a minor, lacks sufficient understanding or the capacity to make personal decisions and who is unable to meet the individual's own personal needs for medical care, nutrition, clothing, shelter, or safety even when assisted by appropriate technology or supported decision making.

(j) "Resident veteran" means a veteran who served in active duty in the United States armed forces at any time during the eligibility period for the bonus, and who also:

(1) has been separated or discharged from the United States armed forces~~, and whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD-214 or other documents the commissioner may authorize, is the state of Minnesota~~ and ~~who~~ resides in Minnesota at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

(2) is currently serving in the United States armed forces, and has a certificate from an appropriate service authority stating that the person: (i) served in active duty in the United States armed forces at any time during the eligibility period for the bonus; and (ii) has Minnesota listed as the veteran's home of record in the veteran's official military personnel file.

(k) "Service connected" means caused by an injury or disease incurred or aggravated while on active duty, as determined by the United States Department of Veterans Affairs.

(l) "Veteran" has the meaning given in section 197.447 and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes a person who is providing

honorable service on active duty in the United States armed forces and has not been separated or discharged.

Sec. 2. Minnesota Statutes 2022, section 197.79, subdivision 2, is amended to read:

Subd. 2. **Bonus amount.** (a) For a resident veteran who provided honorable service in the United States armed forces at any time during the eligibility period for the bonus, the bonus amount is:

(1) $600, if the veteran did not receive the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus;

(2) $1200, if the veteran received the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus; or

(3) $2,000, if the veteran was eligible for the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus, and died during that time period as a direct result of a service connected injury, disease, or condition.

(b) In the case of a deceased veteran, the commissioner shall pay the bonus to the veteran's beneficiary.

Sec. 3. Minnesota Statutes 2022, section 197.79, is amended by adding a subdivision to read:

Subd. 11. **Reapplication allowed.** Notwithstanding any law to the contrary, an eligible veteran who previously applied for a bonus under this section may reapply if the veteran either was denied a bonus or is entitled to receive a larger bonus than was originally awarded based on the amendments to this section contained in this act.

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

Sec. 4. Minnesota Statutes 2022, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Affairs.

(c) The amount of educational assistance for any eligible person who is a ~~full-time~~ student must not exceed the following:

(1) ~~$3,000~~ $5,000 per state fiscal year; and

(2) ~~$10,000~~ $15,000 in a lifetime.

~~(d) For a part-time student, the amount of educational assistance must not exceed $500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is $50 per term.~~

Sec. 5. Minnesota Statutes 2022, section 197.791, subdivision 6, is amended to read:

Subd. 6. **Apprenticeship and on-the-job training.** (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) $3,000 per fiscal year for apprenticeship expenses;

(2) $3,000 per fiscal year for on-the-job training;

(3) $1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) $1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

(e) No more than $5,000 in aggregate benefits under this subdivision may be paid to or on behalf of an individual in one fiscal year.

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5b must not exceed ~~$10,000~~ $15,000 in the eligible person's lifetime.

(g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

(1) the training must be with an eligible employer;

(2) the training must be documented and reported;

(3) the training must reasonably be expected to lead to an entry-level position; and

(4) the position must require at least six months of training to become fully trained.

Sec. 6. Minnesota Statutes 2022, section 197.791, subdivision 7, is amended to read:

Subd. 7. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

(b) A person is eligible for additional benefits under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

(1) $3,000 per state fiscal year; and

(2) ~~$10,000~~ $15,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5a must not exceed ~~$10,000~~ $15,000 in the eligible person's lifetime.

(e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4).

Sec. 7. Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, is amended to read:

| | | |
|---|---|---|
| Subd. 2. **Veterans Programs and Services** | 27,073,000 | 22,153,000 |
| (a) **CORE Program.** $750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program. | | |
| (b) **Veterans Service Organizations.** $353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations. | | |
| (c) **Minnesota Assistance Council for Veterans.** $750,000 each year is for a grant | | |

to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** $6,172,000 the first year and $1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, $4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** $1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** $3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is $1,311,000.

(j) **Camp Bliss.** $75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** $50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) **Veterans Resilience Project.** $400,000 each year is for a grant to the veterans resilience project. Grant funds must be used

to make eye movement desensitization and reprocessing therapy available to veterans ~~and~~, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is $200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** $500,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

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

Sec. 8. **VETERAN DOMICILIARY RESIDENT QUALITY OF CARE WORKING GROUP.**

Subdivision 1. **Creation.** The veteran domiciliary resident quality of care working group consists of the following members:

(1) commissioners of the following agencies or the commissioners' designees:

(i) the Department of Veterans Affairs; and

(ii) the Department of Health;

(2) two Department of Veterans Affairs staff with expertise in veterans homes, appointed by the commissioner of veterans affairs;

(3) two Department of Health staff with expertise in boarding care homes, domiciliary settings, assisted living, and related standards of care, appointed by the commissioner of health;

(4) five medical professionals, including a medical doctor, a nurse, a mental health professional, and two other health care professionals, with expertise in veterans' health care, appointed by the governor;

(5) up to three past or current domiciliary staff with experience caring for residents appointed by the governor; and

(6) four public members who have an interest in veterans affairs, including two public members appointed by the speaker of the house of representatives and two public members appointed by the majority leader of the senate.

Subd. 2. **Duties.** The working group shall meet on a regular basis and the first meeting must be no later than 45 days after the effective date of this section. The working group shall review and analyze the acuity of domiciliary residents and the current care model, including admission, care plans, and day-to-day care, and the current staffing structure and ratios. The working group shall provide recommendations on:

(1) staffing levels that are necessary to properly care for residents based on the residents' range of acuity;

(2) a care delivery model that focuses on appropriate and adequate care for residents;

(3) additional and ongoing training for domiciliary staff;

(4) a sufficient management structure to ensure support and provide guidance to staff; and

(5) outcomes to determine if staffing levels and care delivery are appropriate or if, based on the outcomes, adjustments are necessary.

The working group shall provide information and recommendations to the legislature by January 15, 2024, that the legislature can use to make decisions and effectuate change to

ensure that the standard of care and staffing levels are sufficient for different resident acuity levels in the domiciliary.

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs or the commissioner's designee must convene the initial meeting of the working group. Upon the request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or cochairs from the members of the working group at the initial meeting.

(b) Public members of the working group serve without compensation or payment of expenses.

(c) The working group expires January 15, 2024, or upon submission of the report required under subdivision 2, whichever is earlier.

(d) The working group may accept gifts and grants that are accepted on behalf of the state and constitute donations to the state. Money received under this paragraph is appropriated to the commissioner of veterans affairs for the purposes of the working group.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2023.

Sec. 9. **CAMP BLISS GRANT PROGRAM.**

Subdivision 1. **Grant program; eligibility; reimbursement requirements.** (a) The commissioner of veterans affairs shall issue a grant to Independent Lifestyles, Inc., for expenses related to retreats for eligible veterans and the veterans' family members at Camp Bliss in the city of Walker.

(b) The grant recipient may use grant money to provide therapy, transportation, and activities customized for eligible veterans and the veterans' family members.

(c) The commissioner must reimburse the grant recipient at least $850 for each eligible veteran or family member who the commissioner verifies attended the camp and received services from the grant recipient. The commissioner shall disburse money to the grant recipient for up to two visits per year to the camp for each eligible veteran or family member.

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

(b) "Eligible veteran" means a Minnesota resident who is either:

(1) a former armed forces service member who has a DD-214 or other official document from the official military personnel file of the veteran that describes the honorable service of the veteran; or

(2) a current armed forces member, whether serving in the active or reserve component of the armed forces.

(c) "Family member" means an eligible veteran's spouse, domestic partner, and children.

Sec. 10. **VETERANS HOMES COST OF CARE CALCULATION.**

Notwithstanding Minnesota Statutes, section 198.03, subdivision 2, and Minnesota Rules, part 9050.0500, the commissioner of veterans affairs is not required to perform the annual calculation of the cost of care for veterans homes in Montevideo, Preston, and Bemidji in fiscal years 2024 and 2025. In fiscal years 2024 and 2025, the commissioner must calculate the average daily cost of care per resident by averaging the cost of care of veterans homes in Luverne and Fergus Falls. The commissioner must only use this method of calculating the cost of care of veterans homes in fiscal years 2024 and 2025. This section expires on June 30, 2025.

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** $6,172,000 the first year and $1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, $4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** $1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** $3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to

alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is $1,311,000.

(j) **Camp Bliss.** $75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** $50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

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The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** $500,000 the first year is for the Advisory Task Force on 9/11 and

Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

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

Sec. 8. **VETERAN DOMICILIARY RESIDENT QUALITY OF CARE WORKING GROUP.**

Subdivision 1. **Creation.** The veteran domiciliary resident quality of care working group consists of the following members:

(1) commissioners of the following agencies or the commissioners' designees:

(i) the Department of Veterans Affairs; and

(ii) the Department of Health;

(2) two Department of Veterans Affairs staff with expertise in veterans homes, appointed by the commissioner of veterans affairs;

(3) two Department of Health staff with expertise in boarding care homes, domiciliary settings, assisted living, and related standards of care, appointed by the commissioner of health;

(4) five medical professionals, including a medical doctor, a nurse, a mental health professional, and two other health care professionals, with expertise in veterans' health care, appointed by the governor;

(5) up to three past or current domiciliary staff with experience caring for residents appointed by the governor; and

(6) four public members who have an interest in veterans affairs, including two public members appointed by the speaker of the house of representatives and two public members appointed by the majority leader of the senate.

Subd. 2. **Duties.** The working group shall meet on a regular basis and the first meeting must be no later than 45 days after the effective date of this section. The working group shall review and analyze the acuity of domiciliary residents and the current care model, including admission, care plans, and day-to-day care, and the current staffing structure and ratios. The working group shall provide recommendations on:

(1) staffing levels that are necessary to properly care for residents based on the residents' range of acuity;

(2) a care delivery model that focuses on appropriate and adequate care for residents;

(3) additional and ongoing training for domiciliary staff;

(4) a sufficient management structure to ensure support and provide guidance to staff; and

(5) outcomes to determine if staffing levels and care delivery are appropriate or if, based on the outcomes, adjustments are necessary.

The working group shall provide information and recommendations to the legislature by January 15, 2024, that the legislature can use to make decisions and effectuate change to ensure that the standard of care and staffing levels are sufficient for different resident acuity levels in the domiciliary.

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs or the commissioner's designee must convene the initial meeting of the working group. Upon the request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or cochairs from the members of the working group at the initial meeting.

(b) Public members of the working group serve without compensation or payment of expenses.

(c) The working group expires January 15, 2024, or upon submission of the report required under subdivision 2, whichever is earlier.

(d) The working group may accept gifts and grants that are accepted on behalf of the state and constitute donations to the state. Money received under this paragraph is appropriated to the commissioner of veterans affairs for the purposes of the working group.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2023.

Sec. 9. **CAMP BLISS GRANT PROGRAM.**

Subdivision 1. **Grant program; eligibility; reimbursement requirements.** (a) The commissioner of veterans affairs shall issue a grant to Independent Lifestyles, Inc., for expenses related to retreats for eligible veterans and the veterans' family members at Camp Bliss in the city of Walker.

(b) The grant recipient may use grant money to provide therapy, transportation, and activities customized for eligible veterans and the veterans' family members.

(c) The commissioner must reimburse the grant recipient at least $850 for each eligible veteran or family member who the commissioner verifies attended the camp and received services from the grant recipient. The commissioner shall disburse money to the grant recipient for up to two visits per year to the camp for each eligible veteran or family member.

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

(b) "Eligible veteran" means a Minnesota resident who is either:

(1) a former armed forces service member who has a DD-214 or other official document from the official military personnel file of the veteran that describes the honorable service of the veteran; or

(2) a current armed forces member, whether serving in the active or reserve component of the armed forces.

(c) "Family member" means an eligible veteran's spouse, domestic partner, and children.

Sec. 10. **VETERANS HOMES COST OF CARE CALCULATION.**

Notwithstanding Minnesota Statutes, section 198.03, subdivision 2, and Minnesota Rules, part 9050.0500, the commissioner of veterans affairs is not required to perform the annual calculation of the cost of care for veterans homes in Montevideo, Preston, and Bemidji in fiscal years 2024 and 2025. In fiscal years 2024 and 2025, the commissioner must calculate the average daily cost of care per resident by averaging the cost of care of veterans homes in Luverne and Fergus Falls. The commissioner must only use this method of calculating the cost of care of veterans homes in fiscal years 2024 and 2025. This section expires on June 30, 2025."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; establishing the veteran domiciliary resident quality of care working group; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2."

We request the adoption of this report and repassage of the bill.

House Conferees: Jerry Newton, Steve Elkins, Matt Bliss

Senate Conferees: Nicole Mitchell, Erin Murphy, Bruce Anderson

Senator Mitchell moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1937 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1937 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 5, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Cwodzinski | Dornink | Dziedzic |
| Anderson | Champion | Dahms | Draheim | Eichorn |
| Boldon | Coleman | Dibble | Duckworth | Farnsworth |

| | | | | |
|---|---|---|---|---|
| Fateh | Johnson | Marty | Oumou Verbeten | Weber |
| Frentz | Klein | Mathews | Pappas | Wesenberg |
| Green | Koran | Maye Quade | Pha | Westlin |
| Gruenhagen | Kreun | McEwen | Port | Westrom |
| Gustafson | Kunesh | Miller | Pratt | Wiklund |
| Hauschild | Kupec | Mitchell | Putnam | Xiong |
| Hawj | Lang | Mohamed | Rasmusson | |
| Hoffman | Latz | Morrison | Rest | |
| Housley | Limmer | Murphy | Seeberger | |
| Jasinski | Mann | Nelson | Utke | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Drazkowski | Howe | Lieske | Lucero |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2335, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2335 is herewith transmitted to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 8, 2023

## CONFERENCE COMMITTEE REPORT ON H. F. No. 2335

A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; modifying various housing policy and finance provisions; expanding and establishing certain homeownership, manufactured home, and rent assistance programs; expanding requirements, uses, and amount of housing infrastructure bonds; establishing metropolitan region sales tax; establishing local affordable housing aid; establishing requirements for nonprofit grantees; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 82.75, subdivision 8; 297A.99, subdivision 1; 327C.095, subdivisions 12, 13, 16; 462.357, subdivision 1; 462A.05, subdivision 14, by adding subdivisions; 462A.201, subdivision 2; 462A.2035, subdivision 1b; 462A.204, subdivisions 3, 8; 462A.21, subdivision 3b; 462A.22, subdivision 1; 462A.33, subdivision 2, by adding a subdivision; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, 5, by adding subdivisions; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 469.002, subdivision 12, by adding a subdivision; 473.145; 500.20, subdivision 2a; Laws 2021, First Special Session chapter

# 015. HF 24

**Vote:** 2023-05-09 | **Workbook row:** 20
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 2 nays

**Workbook subject:** Lead drinking water service line replacement grant program established, report required, and money appropriated.

## Included complete bill documents

**1. 4th Engrossment, posted 2023-04-21** - 7 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/24/versions/4/pdf/

**2. 1st Unofficial Engrossment, posted 2023-05-09** - 7 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2023/0/HF/24/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 84-86. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230509065.pdf#page=85

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/24/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 24

01/04/2023 Authored by Jordan; Hassan; Hansen, R.; Olson, L.; Fischer and others
The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy
01/23/2023 Adoption of Report: Amended and re-referred to the Committee on Health Finance and Policy
02/06/2023 Adoption of Report: Re-referred to the Committee on Environment and Natural Resources Finance and Policy
02/13/2023 Adoption of Report: Amended and re-referred to the Committee on Capital Investment
04/11/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/18/2023 Adoption of Report: Placed on the General Register
Read for the Second Time
04/21/2023 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

A bill for an act

relating to capital investment; modifying authority to ensure safe drinking water; modifying provisions of drinking water revolving fund; establishing grant program to replace lead drinking water service lines; requiring report; appropriating money; amending Minnesota Statutes 2022, sections 144.383; 446A.081, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 446A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 144.383, is amended to read:

**144.383 AUTHORITY OF COMMISSIONER.**

In order to insure safe drinking water in all public water supplies, the commissioner has the following powers:

(a) To approve the site, design, and construction and alteration of all public water supplies and, for community and nontransient noncommunity water systems as defined in Code of Federal Regulations, title 40, section 141.2, to approve documentation that demonstrates the technical, managerial, and financial capacity of those systems to comply with rules adopted under this section;

(b) To enter the premises of a public water supply, or part thereof, to inspect the facilities and records kept pursuant to rules promulgated by the commissioner, to conduct sanitary surveys and investigate the standard of operation and service delivered by public water supplies;

(c) To contract with community health boards as defined in section 145A.02, subdivision 5, for routine surveys, inspections, and testing of public water supply quality;

(d) To develop an emergency plan to protect the public when a decline in water quality or quantity creates a serious health risk, and to issue emergency orders if a health risk is imminent;

(e) To promulgate rules, pursuant to chapter 14 but no less stringent than federal regulation, which may include the granting of variances and exemptions.; and

(f) To maintain an asset management database of community public water supply systems, provide technical assistance to community systems, and ensure the lead service line inventory data is accessible to the public with relevant educational materials about health risks related to lead and ways to reduce exposure.

Sec. 2. **[446A.077] LEAD SERVICE LINE REPLACEMENT; GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section the following terms have the meanings given.

(b) "Lead service line" means a water supply connection that is made of or lined with a material consisting of lead and that connects a water main to a building. A lead pigtail, lead gooseneck, or other lead fitting is considered a lead service line, regardless of the composition of the service line or other portions of piping to which the piece is attached. A galvanized service line is considered a lead service line.

(c) "Service line" means any piping, tubing, or fitting connecting a water main to a building. Service line includes the property owner side and the system side of a service line.

Subd. 2. **Establishment.** The authority must establish a program to replace lead drinking water service lines in the state by 2033 and must provide grants to entities for this purpose. The program must be structured to maximize use of federal funds available for the purposes described in subdivision 4.

Subd. 3. **Eligible recipients.** (a) The following are eligible recipients of grants under this section:

(1) community public water suppliers of a community water system as defined in Code of Federal Regulations, title 40, section 141.2, as amended;

(2) municipalities;

(3) suppliers of other residential drinking water systems; and

(4) any applicant eligible for loans and grants under the federal Safe Drinking Water Act.

(b) All eligible recipients as part of the grant application process must apply to be listed on the Department of Health project priority list.

Subd. 4. **Eligible uses.** (a) An eligible recipient may use a grant provided under this program for:

(1) removing and replacing lead drinking water service lines;

(2) repaying debt incurred for the purposes described in clauses (1), (3), and (4);

(3) providing information to residents on the benefits of removing lead service lines; or

(4) performing necessary construction activities required for and associated with removing and replacing lead service lines.

(b) Grant money used for removing and replacing lead drinking water service lines under paragraph (a), clause (1), must pay for 100 percent of the cost of replacing the privately owned portions of those lines.

(c) Grant money used for removing and replacing lead drinking water service lines under paragraph (a), clause (1), may pay for a maximum of 50 percent of the cost of replacing the publicly owned portions of those lines.

(d) Grant money used for repaying debt under paragraph (a), clause (2), must pay the full balance of the outstanding debt.

Subd. 5. **Grant priorities.** (a) An eligible recipient must submit a plan to the commissioner of health for replacement of all lead service lines in the service area. The plan must describe how the eligible recipient will prioritize the expenditure of grant money received under this section, including:

(1) removing lead service lines that are an imminent threat to public health and safety;

(2) targeting areas with children with elevated blood lead levels;

(3) targeting areas with children under the age of five;

(4) targeting areas with lower-income residents and other disadvantaged communities;

(5) coordinating the replacement of publicly owned and privately owned portions of lead lines; and

(6) coordinating the replacement of lead service lines with water main replacement projects for the most efficient use of money.

(b) In prioritizing the expenditure of grant money received under this section, the authority, in consultation with the commissioner of health, must give priority to eligible recipients whose plans comprehensively address the priorities in paragraph (a).

(c) The authority must use available money received under this section first for grants to repay debt incurred under subdivision 4, paragraph (a), clause (2).

Subd. 6. **Workforce plan.** Applicants who serve 15,000 service connections or more must submit a workforce plan as part of their application. The workforce plan must include a description of how the applicant will maximize the use of registered apprentices, along with populations under-represented in the construction industry in the lead removal and replacement work.

Subd. 7. **Reporting.** (a) By August 1 each year, the authority must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance on the operation of the program during the previous fiscal year. The report must include:

(1) details on how the lead was stored, handled, and disposed of; and

(2) descriptions of the measures taken to protect the environment and workers removing and handling the lead from contamination.

(b) On or before October 1, 2023, and on or before each January 1, April 1, July 1, and October 1 thereafter, the authority, in consultation with the commissioner of health, must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over economic development finance and policy, health policy and finance, environment and natural resources policy and finance, and capital investment on the administration of grant priorities under subdivision 5. The report must include:

(1) a list of the eligible recipients that submitted a plan to the commissioner of health;

(2) information about how the authority prioritized grants to eligible recipients; and

(3) a list of the eligible recipients that received a grant under this section, in order of priority as determined by the authority.

Subd. 8. **Prevailing wage.** Laborers and mechanics performing work on a project funded by a grant under this section, including removing and replacing lead drinking water service lines and installing replacement drinking water service lines, must be paid the prevailing wage rate for the work as defined in section 177.42, subdivision 6. The project is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 9. **Mapping and inventory costs.** The authority may use up to $20,000,000 of appropriations to the lead service line replacement grant program under this section for costs related to mapping and inventory activities that will identify lead service lines for replacement under this section. The authority may enter into interagency agreements with the Department of Health, including agreements to transfer funds, for the Department of Health to provide technical assistance to eligible recipients, as defined under subdivision 3, for producing an inventory of publicly and privately owned lead service lines and associated replacement plans within their jurisdiction. Any amounts not spent on mapping and inventory work must be used by the authority for replacement of lead service lines under this section.

Sec. 3. **[446A.078] LEAD LINE REMOVAL GOAL.**

It is the goal of the state of Minnesota to remove all lead service lines in public drinking water systems by 2033.

Sec. 4. Minnesota Statutes 2022, section 446A.081, subdivision 8, is amended to read:

Subd. 8. **Loan conditions.** (a) When making loans from the drinking water revolving fund, the authority shall comply with the conditions of the federal Safe Drinking Water Act, including the criteria in this subdivision.

(b) Loans must be made at or below market interest rates, including zero interest loans, for terms not to exceed those allowed under the federal Safe Drinking Water Act.

(c) The annual principal and interest payments must begin no later than one year after completion of the project. Loans must be amortized no later than 20 years after project completion, unless the recipient's average annual residential drinking water system cost after completion of the project would exceed 1.2 percent of median household income in the recipient governmental unit or entity, in which case the loan must be fully amortized no later than 30 years after project completion.

(d) A loan recipient must identify and establish a dedicated source of revenue for repayment of the loan, and provide for a source of revenue to properly operate, maintain, and repair the water system.

(e) The fund must be credited with all payments of principal and interest on all loans, except the costs as permitted under section 446A.04, subdivision 5, paragraph (a).

(f) A loan may not be used to pay operating expenses or current obligations, unless specifically allowed by the federal Safe Drinking Water Act.

(g) A loan made by the authority must be secured by notes or bonds of the governmental unit and collateral to be determined by the authority for private borrowers.

(h) Notwithstanding Minnesota Rules, part 7380.0272, the interest rate for loans made to replace lead service lines is zero percent.

Sec. 5. Minnesota Statutes 2022, section 446A.081, subdivision 9, is amended to read:

Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used as provided in the act, including the following uses:

(1) to buy or refinance the debt obligations, at or below market rates, of public water systems for drinking water systems, where the debt was incurred after the date of enactment of the act, for the purposes of construction of the necessary improvements to comply with the national primary drinking water regulations under the federal Safe Drinking Water Act;

(2) to purchase or guarantee insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;

(5) to earn interest on fund accounts;

(6) to pay the reasonable costs incurred by the authority, the Department of Employment and Economic Development, and the Department of Health for conducting activities as authorized and required under the act up to the limits authorized under the act;

(7) to develop and administer programs for water system supervision, source water protection, and related programs required under the act;

(8) to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law, based on the criteria and requirements established for drinking water projects under the water infrastructure funding program under section 446A.072;

(9) to provide loans, principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities;

(10) to provide principal forgiveness, or grants for 80 percent of project costs up to a maximum of $100,000 for projects needed to comply with national primary drinking water standards for an existing nonmunicipal community public water system; ~~and~~

(11) to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal laws ~~for 50 percent of the project costs up to a maximum of $250,000~~ for projects to replace the privately owned portion of drinking water lead service lines~~.~~; and

(12) to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal laws for 50 percent of project costs up to a maximum of $3,000,000 for projects to address emerging contaminants in drinking water as defined by the United States Environmental Protection Agency. Priority must be given to projects that address an imminent threat to public health or safety.

(b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not exceed 25 percent of the eligible project costs as determined by the Department of Health for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of $1,000,000.

Sec. 6. **LEAD SERVICE LINE REPLACEMENT; APPROPRIATION.**

$240,000,000 in fiscal year 2024 is appropriated from the general fund to the Public Facilities Authority for the lead service line replacement grant program under Minnesota Statutes, section 446A.077. This appropriation is available until June 30, 2043.

A bill for an act

relating to capital investment; establishing a grant program to replace lead drinking water service lines; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 144.383; 446A.081, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 446A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 144.383, is amended to read:

**144.383 AUTHORITY OF COMMISSIONER.**

In order to ~~insure~~ ensure safe drinking water in all public water supplies, the commissioner has the following powers:

(a) To approve the site, design, and construction and alteration of all public water supplies and, for community and nontransient noncommunity water systems as defined in Code of Federal Regulations, title 40, section 141.2, to approve documentation that demonstrates the technical, managerial, and financial capacity of those systems to comply with rules adopted under this section;

(b) To enter the premises of a public water supply, or part thereof, to inspect the facilities and records kept pursuant to rules promulgated by the commissioner, to conduct sanitary surveys and investigate the standard of operation and service delivered by public water supplies;

(c) To contract with community health boards as defined in section 145A.02, subdivision 5, for routine surveys, inspections, and testing of public water supply quality;

(d) To develop an emergency plan to protect the public when a decline in water quality or quantity creates a serious health risk, and to issue emergency orders if a health risk is imminent;

(e) To promulgate rules, pursuant to chapter 14 but no less stringent than federal regulation, which may include the granting of variances and exemptions; and

(f) To maintain an asset management database of community public water supply systems, provide technical assistance to community systems, and ensure the lead service line inventory data is accessible to the public with relevant educational materials about health risks related to lead and ways to reduce exposure.

Sec. 2. **[446A.077] LEAD SERVICE LINE REPLACEMENT; GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Lead service line" means a water supply connection that is made of or lined with a material consisting of lead and that connects a water main to a building. A lead pigtail, lead gooseneck, or other lead fitting is considered a lead service line, regardless of the composition of the service line or other portions of piping to which the piece is attached. A galvanized service line is considered a lead service line.

(c) "Service line" means any piping, tubing, or fitting connecting a water main to a building. Service line includes the property owner side and the system side of a service line.

Subd. 2. **Establishment.** The authority must establish a program to replace lead drinking water service lines in the state and must provide grants to entities for this purpose. The program must be structured to maximize use of federal funds available for the purposes described in subdivision 4.

Subd. 3. **Eligible recipients.** (a) The following are eligible recipients of grants under this section:

(1) community public water suppliers of a community water system as defined in Code of Federal Regulations, title 40, section 141.2, as amended;

(2) municipalities;

(3) suppliers of other residential drinking water systems; and

(4) any applicant eligible for loans and grants under the federal Safe Drinking Water Act.

(b) All eligible recipients as part of the grant application process must apply to be listed on the Department of Health project priority list.

Subd. 4. **Eligible uses.** (a) An eligible recipient may use a grant provided under this program for:

(1) removing and replacing lead drinking water service lines;

(2) repaying debt incurred for the purposes described in clauses (1), (3), and (4);

(3) providing information to residents on the benefits of removing lead service lines; or

(4) performing necessary construction activities required for and associated with removing and replacing lead service lines.

(b) Grant money used for removing and replacing lead drinking water service lines under paragraph (a), clause (1), must pay for 100 percent of the cost of replacing the privately owned portions of those lines.

(c) Grant money used for removing and replacing lead drinking water service lines under paragraph (a), clause (1), may pay for not more than 50 percent of the cost of replacing the publicly owned portions of those lines.

Subd. 5. **Grant priorities.** (a) Each applicant must submit a plan to the Department of Health for replacement of all lead service lines in the service area that describes how the recipient will prioritize the expenditure of grant money received under this section, including:

(1) removing lead service lines that are an imminent threat to public health and safety;

(2) targeting areas with children with elevated blood lead levels;

(3) targeting areas with children under the age of five;

(4) how the recipient will target the removal and replacement of lead service lines that provide drinking water to schools, licensed child care facilities, or other properties known to the recipient to be used by disproportionately large numbers of children;

(5) targeting areas with lower-income residents and other disadvantaged communities;

(6) coordinating the replacement of publicly owned and privately owned portions of lead service lines; and

(7) coordinating the replacement of lead service lines with water main replacement projects for the most efficient use of money.

(b) The authority must use available money received for the program under this section first for grants to repay debt incurred under subdivision 4, paragraph (a), clause (2).

Subd. 6. **Workforce plan.** Applicants who serve 15,000 service connections or more must submit a workforce plan as part of their application. The workforce plan must include a description of how the applicant will maximize the use of registered apprentices, along with populations under-represented in the construction industry in the lead removal and replacement work.

Subd. 7. **Reporting.** By September 15 each year, the authority must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance, health policy and finance, and economic development finance and policy, on the operation of the program during the previous fiscal year. The report must also include:

(1) an estimate of the total cost to remove and replace all lead service lines in public drinking water systems in Minnesota, an estimate of the total cost to remove and replace all privately owned lead drinking water service lines in Minnesota, and a computation of the amount the estimates changed since the program was created. If either of the cost estimates changed since the most recent previous report was submitted, the report must include an explanation of the reasons the estimate changed;

(2) the number of elementary schools, middle schools, or secondary schools as those terms are defined in section 120A.05, within a municipal community public water supply service area served by lead service lines;

(3) the number of licensed child care settings that are served by lead service lines;

(4) any amounts appropriated for the grant program that remain unspent;

(5) a list of the eligible recipients that submitted a plan to the commissioner of health; and

(6) a list of the eligible recipients that received a grant under this section in order of priority as determined by the authority.

Subd. 8. **Prevailing wage.** Laborers and mechanics performing work on a project funded by a grant under this section, including removing and replacing lead drinking water service lines and installing replacement drinking water service lines, must be paid the prevailing wage rate for the work as defined in section 177.42, subdivision 6. The project is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 9. **Mapping and inventory costs.** The authority may spend up to ten percent of the amounts appropriated for the grant program for costs related to mapping and inventory

activities that will be used in identifying lead service lines for replacement under this section. The authority may enter into interagency agreements with the Department of Health, including agreements to transfer funds, for the Department of Health to provide technical assistance to community public water suppliers, as defined in the federal Safe Drinking Water Act, for producing an inventory of publicly and privately owned lead service lines and associated replacement plans within their jurisdiction. Any amounts not spent on mapping and inventory work must be used by the authority for replacement of lead service lines under this section.

Sec. 3. **[446A.078] LEAD LINE REMOVAL GOAL.**

It is the goal of the state of Minnesota to remove all lead service lines in public drinking water systems by 2033.

Sec. 4. Minnesota Statutes 2022, section 446A.081, subdivision 8, is amended to read:

Subd. 8. **Loan conditions.** (a) When making loans from the drinking water revolving fund, the authority shall comply with the conditions of the federal Safe Drinking Water Act, including the criteria in this subdivision.

(b) Loans must be made at or below market interest rates, including zero interest loans, for terms not to exceed those allowed under the federal Safe Drinking Water Act.

(c) The annual principal and interest payments must begin no later than one year after completion of the project. Loans must be amortized no later than 20 years after project completion, unless the recipient's average annual residential drinking water system cost after completion of the project would exceed 1.2 percent of median household income in the recipient governmental unit or entity, in which case the loan must be fully amortized no later than 30 years after project completion.

(d) A loan recipient must identify and establish a dedicated source of revenue for repayment of the loan, and provide for a source of revenue to properly operate, maintain, and repair the water system.

(e) The fund must be credited with all payments of principal and interest on all loans, except the costs as permitted under section 446A.04, subdivision 5, paragraph (a).

(f) A loan may not be used to pay operating expenses or current obligations, unless specifically allowed by the federal Safe Drinking Water Act.

(g) A loan made by the authority must be secured by notes or bonds of the governmental unit and collateral to be determined by the authority for private borrowers.

(h) Notwithstanding any law or rule to the contrary, for projects to replace lead service lines, loan and grant agreements must not exceed ten years. The interest rate for loans to replace lead service lines shall be zero percent with principal payments commencing not later than 18 months after completion of the project.

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

Sec. 5. Minnesota Statutes 2022, section 446A.081, subdivision 9, is amended to read:

Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used as provided in the act, including the following uses:

(1) to buy or refinance the debt obligations, at or below market rates, of public water systems for drinking water systems, where the debt was incurred after the date of enactment of the act, for the purposes of construction of the necessary improvements to comply with the national primary drinking water regulations under the federal Safe Drinking Water Act;

(2) to purchase or guarantee insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;

(5) to earn interest on fund accounts;

(6) to pay the reasonable costs incurred by the authority, the Department of Employment and Economic Development, and the Department of Health for conducting activities as authorized and required under the act up to the limits authorized under the act;

(7) to develop and administer programs for water system supervision, source water protection, and related programs required under the act;

(8) to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law, based on the criteria and requirements established for drinking water projects under the water infrastructure funding program under section 446A.072;

(9) to provide loans, principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities;

(10) to provide principal forgiveness, or grants for 80 percent of project costs up to a maximum of $100,000 for projects needed to comply with national primary drinking water standards for an existing nonmunicipal community public water system; ~~and~~

(11) to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal laws ~~for 50 percent of the project costs up to a maximum of $250,000~~ for projects to replace the privately owned portion of drinking water lead service lines~~.~~; and

(12) to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal laws for 50 percent of project costs up to a maximum of $3,000,000 for projects to address emerging contaminants in drinking water as defined by the United States Environmental Protection Agency.

(b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not exceed 25 percent of the eligible project costs as determined by the Department of Health for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of $1,000,000.

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

Sec. 6. **APPROPRIATION.**

$240,000,000 in fiscal year 2024 is appropriated from the general fund to the Public Facilities Authority to provide grants under Minnesota Statutes, section 446A.077. This appropriation is onetime and is available until June 30, 2033.

| | | | | |
|---|---|---|---|---|
| Cwodzinski | Gustafson | Kupec | Morrison | Seeberger |
| Dahms | Hauschild | Lang | Murphy | Utke |
| Dibble | Hawj | Latz | Nelson | Weber |
| Dornink | Hoffman | Limmer | Oumou Verbeten | Westlin |
| Draheim | Housley | Mann | Pappas | Westrom |
| Duckworth | Jasinski | Marty | Pha | Wiklund |
| Dziedzic | Johnson | Maye Quade | Port | Xiong |
| Eichorn | Klein | McEwen | Pratt | |
| Farnsworth | Koran | Miller | Putnam | |
| Fateh | Kreun | Mitchell | Rasmusson | |
| Frentz | Kunesh | Mohamed | Rest | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, Hawj, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Gruenhagen | Lieske | Mathews |
| Bahr | Green | Howe | Lucero | Wesenberg |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 24:** A bill for an act relating to capital investment; modifying authority to ensure safe drinking water; modifying provisions of drinking water revolving fund; establishing grant program to replace lead drinking water service lines; requiring report; appropriating money; amending Minnesota Statutes 2022, sections 144.383; 446A.081, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 446A.

H.F. No. 24 was read the third time.

## RECONSIDERATION

Senator McEwen moved that the third reading of H.F. No. 24 be now reconsidered. The motion prevailed. So the third reading was reconsidered.

Senator McEwen moved to amend H.F. No. 24, as amended pursuant to Rule 45, adopted by the Senate April 25, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 30.)

Page 2, after line 10, insert:

"Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Lead service line" means a water supply connection that is made of or lined with a material consisting of lead and that connects a water main to a building. A lead pigtail, lead gooseneck, or other lead fitting is considered a lead service line, regardless of the composition of the service line

or other portions of piping to which the piece is attached. A galvanized service line is considered a lead service line.

(c) "Service line" means any piping, tubing, or fitting connecting a water main to a building. Service line includes the property owner side and the system side of a service line."

Renumber the subdivisions in sequence and correct the internal references

Page 2, line 12, delete "by 2033"

Page 3, line 14, delete "daycare facilities" and insert "licensed child care facilities"

Page 3, line 19, delete "needed"

Page 3, line 28, delete "August 1" and insert "September 15"

Page 3, line 30, after "finance" insert ", health policy and finance, and economic development finance and policy,"

Page 4, line 7, delete "Minnesota schools" and insert "elementary schools, middle schools, or secondary schools as those terms are defined in section 120A.05, within a municipal community public water supply service area" and delete everything after "lines" and insert a semicolon

Page 4, delete line 8

Page 4, line 9, delete "daycare facilities" and insert "licensed child care settings" and delete "and"

Page 4, line 10, delete the period and insert a semicolon

Page 4, after line 10, insert:

"(5) a list of the eligible recipients that submitted a plan to the commissioner of health; and

(6) a list of the eligible recipients that received a grant under this section in order of priority as determined by the authority."

Page 4, line 22, delete "supplies" and insert "suppliers"

Page 7, delete line 10 and insert "$240,000,000 in fiscal year 2024 is appropriated"

Page 7, line 12, delete "These appropriations are onetime and are" and insert "This appropriation is onetime and is"

The motion prevailed. So the amendment was adopted.

H.F. No. 24 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Eichorn | Johnson | Mathews | Pratt |
| Anderson | Farnsworth | Klein | Maye Quade | Putnam |
| Boldon | Fateh | Koran | McEwen | Rasmusson |
| Carlson | Frentz | Kreun | Miller | Rest |
| Champion | Green | Kunesh | Mitchell | Seeberger |
| Coleman | Gruenhagen | Kupec | Mohamed | Utke |
| Cwodzinski | Gustafson | Lang | Morrison | Weber |
| Dahms | Hauschild | Latz | Murphy | Wesenberg |
| Dibble | Hawj | Lieske | Nelson | Westlin |
| Dornink | Hoffman | Limmer | Oumou Verbeten | Westrom |
| Draheim | Housley | Lucero | Pappas | Wiklund |
| Duckworth | Howe | Mann | Pha | Xiong |
| Dziedzic | Jasinski | Marty | Port | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, Hawj, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

| | |
|---|---|
| Bahr | Drazkowski |

So the bill, as amended, was passed and its title was agreed to.

## MEMBERS EXCUSED

Senator Rarick was excused from the Session of today.

## ADJOURNMENT

Senator Boldon moved that the Senate do now adjourn until 11:00 a.m., Wednesday, May 10, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 016. HF 2204

**Vote:** 2023-05-10 | **Workbook row:** 21
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 60 yeas, 5 nays

**Workbook subject:** Metropolitan Council redistricting provided.

## Included complete bill documents

**1. 1st Engrossment, posted 2023-03-27** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/2204/versions/1/pdf/

## Original Senate journal context

PDF pages 145-145. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230510066.pdf#page=145

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/2204/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 2204**

| | |
|---|---|
| 02/27/2023 | Authored by Freiberg |
| | The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy |
| 03/27/2023 | Adoption of Report: Placed on the General Register as Amended |
| | Read for the Second Time |
| 04/13/2023 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 05/10/2023 | Passed by the Senate and returned to the House |
| 05/18/2023 | Presented to Governor |
| 05/19/2023 | Governor Approval |

A bill for an act

relating to metropolitan government; providing for redistricting of the Metropolitan Council districts; amending Minnesota Statutes 2022, section 473.123, by adding a subdivision; repealing Minnesota Statutes 2022, section 473.123, subdivision 3e.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 473.123, is amended by adding a subdivision to read:

Subd. 3f. **District boundaries.** Metropolitan Council plan MC2023-2, on file with the Geographical Information Systems Office of the Legislative Coordinating Commission and published on its website on March 21, 2023, is adopted and constitutes the redistricting plan required by subdivision 3a. The boundaries of each Metropolitan Council district are as described in that plan.

Sec. 2. **APPLICATION.**

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. **REPEALER.**

Minnesota Statutes 2022, section 473.123, subdivision 3e, is repealed.

Sec. 4. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

**473.123 METROPOLITAN COUNCIL.**

Subd. 3e. **District boundaries.** Metropolitan Council plan MC2013-1A, on file with the Geographical Information Systems Office of the Legislative Coordinating Commission and published on its website on April 9, 2013, is adopted and constitutes the redistricting plan required by subdivision 3a. The boundaries of each Metropolitan Council district are as described in that plan.

## SPECIAL ORDER

**H.F. No. 2204:** A bill for an act relating to metropolitan government; providing for redistricting of the Metropolitan Council districts; amending Minnesota Statutes 2022, section 473.123, by adding a subdivision; repealing Minnesota Statutes 2022, section 473.123, subdivision 3e.

H.F. No. 2204 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 5, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Maye Quade | Putnam |
| Anderson | Eichorn | Johnson | McEwen | Rarick |
| Bahr | Farnsworth | Klein | Miller | Rasmusson |
| Boldon | Fateh | Koran | Mitchell | Rest |
| Carlson | Frentz | Kunesh | Mohamed | Seeberger |
| Champion | Green | Kupec | Morrison | Utke |
| Coleman | Gustafson | Lang | Murphy | Weber |
| Cwodzinski | Hauschild | Latz | Nelson | Wesenberg |
| Dahms | Hawj | Lieske | Oumou Verbeten | Westlin |
| Dornink | Hoffman | Limmer | Pappas | Westrom |
| Draheim | Housley | Mann | Pha | Wiklund |
| Duckworth | Howe | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Frentz, Marty, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Draheim.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Dibble | Drazkowski | Gruenhagen | Kreun | Lucero |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1370:** A bill for an act relating to public safety; establishing a cause of action for nonconsensual dissemination of deep fake sexual images; establishing the crime of using deep fake technology to influence an election; establishing a crime for nonconsensual dissemination of deep fake sexual images; proposing coding for new law in Minnesota Statutes, chapters 604; 609; 617.

Senator Maye Quade moved to amend H.F. No. 1370, as amended pursuant to Rule 45, adopted by the Senate April 4, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1394.)

Page 4, line 8, after the semicolon, insert "or"

Page 4, delete line 9

# 017. HF 1403

**Vote:** 2023-05-12 | **Workbook row:** 22
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 4 nays

**Workbook subject:** Aging, disability, behavioral health, substance use disorder, and statewide opioid litigation laws modified and established.

## Included complete bill documents

**1. 2nd Engrossment, posted 2023-04-25** - 108 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/1403/versions/2/pdf/

**2. 1st Unofficial Engrossment, posted 2023-05-12** - 113 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2023/0/HF/1403/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 6-12. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230512068.pdf#page=12

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/1403/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 1403**

02/08/2023 Authored by Fischer and Curran
The bill was read for the first time and referred to the Committee on Human Services Policy
03/13/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/25/2023 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

A bill for an act

relating to human services; modifying and establishing laws regarding aging, disability, behavioral health, substance use disorder, and statewide opioid litigation; amending Minnesota Statutes 2022, sections 3.757, subdivision 1; 62N.25, subdivision 5; 62Q.1055; 62Q.47; 169A.70, subdivisions 3, 4; 245.462, subdivisions 3, 12; 245.4711, subdivisions 3, 4; 245.477; 245.4835, subdivision 2; 245.4871, subdivisions 3, 19; 245.4873, subdivision 4; 245.4881, subdivisions 3, 4; 245.4885, subdivision 1; 245.4887; 245.50, subdivision 5; 245A.03, subdivision 7; 245A.043, subdivision 3; 245A.16, subdivision 1; 245D.03, subdivision 1; 245F.06, subdivision 2; 245G.01, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, 4, by adding subdivisions; 245G.07, subdivision 2; 245G.09, subdivision 3; 245G.11, subdivision 8; 245G.22, subdivisions 2, 15, 17; 245I.04, by adding subdivisions; 245I.10, subdivision 6; 246.0135; 254A.03, subdivision 3; 254A.035, subdivision 2; 254A.19, subdivisions 1, 3, 4, by adding subdivisions; 254B.01, subdivisions 5, 8, by adding subdivisions; 254B.03, subdivisions 1, 2, 5; 254B.04, subdivisions 1, 2a, by adding subdivisions; 254B.05, subdivisions 1, 1a, 5; 256.01, by adding a subdivision; 256.045, subdivision 3; 256B.0615, subdivisions 1, 5; 256B.0911, subdivision 23; 256B.092, subdivision 10; 256B.093, subdivision 1; 256B.439, subdivisions 3c, 3d, by adding a subdivision; 256B.492; 256B.493, subdivisions 2a, 4; 256D.09, subdivision 2a; 256L.03, subdivision 2; 256L.12, subdivision 8; 256S.202, subdivision 1; 260B.157, subdivisions 1, 3; 260C.157, subdivision 3; 260E.20, subdivision 1; 299A.299, subdivision 1; 524.5-104; 524.5-313; Laws 2021, First Special Session chapter 7, article 2, section 17; article 6, section 12; article 11, section 18; article 13, section 43; article 17, section 20; Laws 2022, chapter 98, article 4, section 37; proposing coding for new law in Minnesota Statutes, chapter 254B; repealing Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.05, subdivision 2; 245G.06, subdivision 2; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, 5; 254B.04, subdivisions 2b, 2c; 254B.041, subdivision 2; 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, 8; 254B.16; 256.041, subdivision 10; 256B.49, subdivision 23; 260.835, subdivision 2; Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, 6; 9530.7020, subparts 1, 1a, 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; 9530.7030, subpart 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1
## AGING, DISABILITY, AND BEHAVIORAL HEALTH SERVICES

Section 1. Minnesota Statutes 2022, section 245.462, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the community support services program as defined in subdivision 6 and are designed to help adults with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management services include developing a functional assessment, an individual ~~assessment summary~~ community support plan, referring and assisting the person to obtain needed mental health and other services, ensuring coordination of services, and monitoring the delivery of services.

Sec. 2. Minnesota Statutes 2022, section 245.462, subdivision 12, is amended to read:

Subd. 12. **Individual ~~assessment summary~~ community support plan.** "Individual ~~assessment summary~~ community support plan" means a written plan developed by a case manager on the basis of a diagnostic assessment and functional assessment. The plan identifies specific services needed by an adult with serious and persistent mental illness to develop independence or improved functioning in daily living, health and medication management, social functioning, interpersonal relationships, financial management, housing, transportation, and employment.

Sec. 3. Minnesota Statutes 2022, section 245.4711, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** Upon a determination of eligibility for case management services, and if the adult consents to the services, the case manager shall complete a written functional assessment according to section 245.462, subdivision 11a. The case manager shall develop an individual ~~assessment summary~~ community support plan for the adult according to subdivision 4, paragraph (a), review the adult's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

Sec. 4. Minnesota Statutes 2022, section 245.4711, subdivision 4, is amended to read:

Subd. 4. **Individual ~~assessment summary~~ community support plan.** (a) The case manager must develop an individual ~~assessment summary~~ community support plan for each adult that incorporates the client's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual ~~assessment summary~~ community support plan. The individual ~~assessment summary~~ community support plan must be developed within 30 days of client intake and reviewed at least every 180 days after it is developed, unless the case manager receives a written request from the client or the client's family for a review of the plan every 90 days after it is developed. The case manager is responsible for developing the individual ~~assessment summary~~ community support plan based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual ~~assessment summary~~ community support plan. To the extent possible, the adult with serious and persistent mental illness, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual ~~or family assessment summary~~ community support plan.

(b) The client's individual ~~assessment summary~~ community support plan must state:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual ~~assessment summary~~ community support plan.

Sec. 5. Minnesota Statutes 2022, section 245.477, is amended to read:

**245.477 APPEALS.**

Any adult who requests mental health services under sections 245.461 to 245.486 must be advised of services available and the right to appeal at the time of the request and each time the individual ~~assessment summary~~ community support plan or individual treatment plan is reviewed. Any adult whose request for mental health services under sections 245.461 to 245.486 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated by action or inaction for which the county board is responsible under sections 245.461 to 245.486 may contest that action or inaction before

the state agency as specified in section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 6. Minnesota Statutes 2022, section 245.4835, subdivision 2, is amended to read:

Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

(2) the degree to which a county is expanding use of alternative services that meet mental health needs, but do not count as mental health services within existing reporting systems. If approved by the commissioner, the alternative services must be included in the county's base as well as subsequent years. The commissioner's approval for alternative services must be based on the following criteria:

(i) the service must be provided to children with emotional disturbance or adults with mental illness;

(ii) the services must be based on an individual treatment plan or individual ~~assessment summary~~ community support plan as defined in the Comprehensive Mental Health Act; and

(iii) the services must be supervised by a mental health professional and provided by staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and 256B.0623, subdivision 5.

(c) Additional county expenditures to make up for the prior year's underspending may be spread out over a two-year period.

Sec. 7. Minnesota Statutes 2022, section 245.4871, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the family community support services and are designed to help

the child with severe emotional disturbance and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include assisting in obtaining a comprehensive diagnostic assessment, developing an individual family ~~assessment summary~~ community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of services over time.

Sec. 8. Minnesota Statutes 2022, section 245.4871, subdivision 19, is amended to read:

Subd. 19. **Individual family ~~assessment summary~~ community support plan.** "Individual family ~~assessment summary~~ community support plan" means a written plan developed by a case manager in conjunction with the family and the child with severe emotional disturbance on the basis of a diagnostic assessment and a functional assessment. The plan identifies specific services needed by a child and the child's family to:

(1) treat the symptoms and dysfunctions determined in the diagnostic assessment;

(2) relieve conditions leading to emotional disturbance and improve the personal well-being of the child;

(3) improve family functioning;

(4) enhance daily living skills;

(5) improve functioning in education and recreation settings;

(6) improve interpersonal and family relationships;

(7) enhance vocational development; and

(8) assist in obtaining transportation, housing, health services, and employment.

Sec. 9. Minnesota Statutes 2022, section 245.4873, subdivision 4, is amended to read:

Subd. 4. **Individual case coordination.** The case manager designated under section 245.4881 is responsible for ongoing coordination with any other person responsible for planning, development, and delivery of social services, education, corrections, health, or vocational services for the individual child. The individual family ~~assessment summary~~ community support plan developed by the case manager shall reflect the coordination among the local service system providers.

Sec. 10. Minnesota Statutes 2022, section 245.4881, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** (a) Upon a determination of eligibility for case management services, the case manager shall develop an individual family ~~assessment summary~~ community support plan for a child as specified in subdivision 4, review the child's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall note in the child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and child's family. The case manager shall note this provision in the child's record.

Sec. 11. Minnesota Statutes 2022, section 245.4881, subdivision 4, is amended to read:

Subd. 4. **Individual family ~~assessment summary~~ community support plan.** (a) For each child, the case manager must develop an individual family ~~assessment summary~~ community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family ~~assessment summary~~ community support plan. The case manager is responsible for developing the individual family ~~assessment summary~~ community support plan within 30 days of intake based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual family ~~assessment summary~~ community support plan. The case manager must review the plan at least every 180 calendar days after it is developed, unless the case manager has received a written request from the child's family or an advocate for the child for a review of the plan every 90 days after it is developed. To the extent appropriate, the child with severe emotional disturbance, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family ~~assessment summary~~ community support plan. Notwithstanding the lack of an individual family ~~assessment summary~~ community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in section 245.4884, subdivision 1.

(b) The child's individual family ~~assessment summary~~ community support plan must state:

(1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family ~~assessment summary~~ community support plan.

Sec. 12. Minnesota Statutes 2022, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. **Admission criteria.** (a) Prior to admission or placement, except in the case of an emergency, all children referred for treatment of severe emotional disturbance in a treatment foster care setting, residential treatment facility, or informally admitted to a regional treatment center shall undergo an assessment to determine the appropriate level of care if county funds are used to pay for the child's services. An emergency includes when a child is in need of and has been referred for crisis stabilization services under section 245.4882, subdivision 6. A child who has been referred to residential treatment for crisis stabilization services in a residential treatment center is not required to undergo an assessment under this section.

(b) The county board shall determine the appropriate level of care for a child when county-controlled funds are used to pay for the child's residential treatment under this chapter, including residential treatment provided in a qualified residential treatment program as defined in section 260C.007, subdivision 26d. When a county board does not have responsibility for a child's placement and the child is enrolled in a prepaid health program under section 256B.69, the enrolled child's contracted health plan must determine the appropriate level of care for the child. When Indian Health Services funds or funds of a tribally owned facility funded under the Indian Self-Determination and Education Assistance Act, Public Law 93-638, are used for the child, the Indian Health Services or 638 tribal health facility must determine the appropriate level of care for the child. When more than one entity bears responsibility for a child's coverage, the entities shall coordinate level of care determination activities for the child to the extent possible.

(c) The child's level of care determination shall determine whether the proposed treatment:

(1) is necessary;

(2) is appropriate to the child's individual treatment needs;

(3) cannot be effectively provided in the child's home; and

(4) provides a length of stay as short as possible consistent with the individual child's needs.

(d) When a level of care determination is conducted, the county board or other entity may not determine that a screening of a child, referral, or admission to a residential treatment facility is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment of a child that evaluates the child's family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care to the child. The validated tool must be approved by the commissioner of human services and may be the validated tool approved for the child's assessment under section 260C.704 if the juvenile treatment screening team recommended placement of the child in a qualified residential treatment program. If a diagnostic assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the level of care determination process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether these services are available and accessible to the child and the child's family. The child and the child's family must be invited to any meeting where the level of care determination is discussed and decisions regarding residential treatment are made. The child and the child's family may invite other relatives, friends, or advocates to attend these meetings.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family ~~assessment summary~~ community support plan is being developed by the case manager, if assigned.

(f) The level of care determination, placement decision, and recommendations for mental health services must be documented in the child's record and made available to the child's family, as appropriate.

Sec. 13. Minnesota Statutes 2022, section 245.4887, is amended to read:

**245.4887 APPEALS.**

A child or a child's family, as appropriate, who requests mental health services under sections 245.487 to 245.4889 must be advised of services available and the right to appeal as described in this section at the time of the request and each time the individual family ~~assessment summary~~ community support plan or individual treatment plan is reviewed. A child whose request for mental health services under sections 245.487 to 245.4889 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated by action or inaction for which the county board is responsible under sections 245.487 to 245.4889 may contest that action or inaction before the state agency according to section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 14. Minnesota Statutes 2022, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a family child foster care home or family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) ~~foster care settings~~ a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on

December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care; or

(5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 and residing in the customized living setting before July 1, 2022, for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until June 30, 2023. This exception is available when:

(i) the person's customized living services are provided in a customized living service setting serving four or fewer people under the brain injury or community access for disability inclusion waiver plans under section 256B.49 in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

(ii) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and

(iii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the customized living setting as determined by the lead agency.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The

determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human

services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

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

Sec. 15. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 and background studies for family child care under chapter 245C; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those

functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and family child foster care, dual licensure of family child foster care and family adult foster care, dual licensure of child foster residence setting and community residential setting, and dual licensure of family adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(c) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(d) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(e) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(f) A license issued under this section may be issued for up to two years.

(g) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

(h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

(i) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

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

Sec. 16. Minnesota Statutes 2022, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disabilities, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the ~~brain injury, community access for disability inclusion, community alternative care, and~~ elderly waiver ~~plans~~ plan, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

~~(3) personal support as defined under the developmental disabilities waiver plan;~~

~~(4)~~ (3) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disabilities waiver plans;

~~(5)~~ (4) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

~~(6)~~ (5) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disabilities, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only;

~~(7)~~ (6) individual community living support under section 256S.13; and

~~(8)~~ (7) individualized home supports without training services as defined under the brain injury, community alternative care, and community access for disability inclusion, and developmental disabilities waiver plans.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) positive support services as defined under the brain injury and community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(2) in-home support services, including:

~~(i) in-home family support and supported living services as defined under the developmental disabilities waiver plan;~~

~~(ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;~~

~~(iii)~~ (i) semi-independent living services;

~~(iv)~~ (ii) individualized home support with training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

~~(v)~~ (iii) individualized home support with family training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(3) residential supports and services, including:

~~(i) supported living services as defined under the developmental disabilities waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;~~

~~(ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting;~~

~~(iii)~~ (i) community residential services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a corporate child foster care residence, a community residential setting, or a supervised living facility;

~~(iv)~~ (ii) family residential services as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a family child foster care residence or a family adult foster care residence; and

~~(v)~~ (iii) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD;

(4) day services, including:

~~(i) structured day services as defined under the brain injury waiver plan;~~

~~(ii)~~ (i) day support services ~~under sections 252.41 to 252.46, and~~ as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

~~(iii)~~ (ii) day training and habilitation services under sections 252.41 to 252.46~~, and as defined under the developmental disabilities waiver plan~~; and

~~(iv)~~ (iii) prevocational services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; ~~and~~

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(8) integrated community support as defined under the brain injury and community access for disability inclusion waiver plans beginning January 1, 2021, and community alternative care and developmental disabilities waiver plans beginning January 1, 2023.

Sec. 17. Minnesota Statutes 2022, section 245G.22, subdivision 15, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

(c) Notwithstanding the requirements of individual treatment plans set forth in section 245G.06:

(1) treatment plan contents for a maintenance client are not required to include goals the client must reach to complete treatment and have services terminated;

(2) treatment plans for a client in a taper or detox status must include goals the client must reach to complete treatment and have services terminated; and

(3) for the ten weeks following the day of service initiation for all new admissions, readmissions, and transfers, a weekly treatment plan review must be documented once the treatment plan is completed. Subsequently, the counselor must document treatment plan reviews in the six dimensions at least once ~~monthly~~ every three months or, when clinical need warrants, more frequently.

Sec. 18. Minnesota Statutes 2022, section 245G.22, subdivision 17, is amended to read:

Subd. 17. **Policies and procedures.** (a) A license holder must develop and maintain the policies and procedures required in this subdivision.

(b) For a program that is not open every day of the year, the license holder must maintain a policy and procedure that covers requirements under section 245G.22, subdivisions 6 and 7. Unsupervised use of medication used for the treatment of opioid use disorder for days that the program is closed for business, including but not limited to Sundays and state and federal holidays, must meet the requirements under section 245G.22, subdivisions 6 and 7.

(c) The license holder must maintain a policy and procedure that includes specific measures to reduce the possibility of diversion. The policy and procedure must:

(1) specifically identify and define the responsibilities of the medical and administrative staff for performing diversion control measures; and

(2) include a process for contacting no less than five percent of clients who have unsupervised use of medication, excluding clients approved solely under subdivision 6, paragraph (a), to require clients to physically return to the program each month. The system must require clients to return to the program within a stipulated time frame and turn in all unused medication containers related to opioid use disorder treatment. The license holder must document all related contacts on a central log and the outcome of the contact for each client in the client's record. The medical director must be informed of each outcome that results in a situation in which a possible diversion issue was identified.

(d) Medication used for the treatment of opioid use disorder must be ordered, administered, and dispensed according to applicable state and federal regulations and the standards set by applicable accreditation entities. If a medication order requires assessment by the person administering or dispensing the medication to determine the amount to be administered or dispensed, the assessment must be completed by an individual whose professional scope of practice permits an assessment. For the purposes of enforcement of this paragraph, the commissioner has the authority to monitor the person administering or dispensing the medication for compliance with state and federal regulations and the relevant standards of the license holder's accreditation agency and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's determination of noncompliance.

(e) A counselor in an opioid treatment program must not supervise more than 50 clients.

(f) Notwithstanding paragraph (e), from July 1, 2023, to June 30, 2024, a counselor in an opioid treatment program may supervise up to 60 clients. This paragraph expires July 1, 2024.

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

Sec. 19. Minnesota Statutes 2022, section 246.0135, is amended to read:

**246.0135 OPERATION OF REGIONAL TREATMENT CENTERS.**

(a) The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization. ~~For persons with developmental disabilities who move from one regional treatment center to another regional treatment center, the provisions of section 256B.092, subdivision 10, must be followed for both the discharge from one regional treatment center and admission to another regional treatment center, except that the move is not subject to the consensus requirement of section 256B.092, subdivision 10, paragraph (b).~~

(b) Prior to closing or downsizing a regional treatment center, the commissioner of human services shall be responsible for assuring that community-based alternatives developed in response are adequate to meet the program needs identified by each county within the catchment area and do not require additional local county property tax expenditures.

(c) The nonfederal share of the cost of alternative treatment or care developed as the result of the closure of a regional treatment center, including costs associated with fulfillment of responsibilities under chapter 253B shall be paid from state funds appropriated for purposes specified in section 246.013.

(d) The commissioner may not divert state funds used for providing for care or treatment of persons residing in a regional treatment center for purposes unrelated to the care and treatment of such persons.

Sec. 20. Minnesota Statutes 2022, section 254A.035, subdivision 2, is amended to read:

Subd. 2. **Membership terms, compensation, removal and expiration.** The membership of this council shall be composed of 17 persons who are American Indians and who are appointed by the commissioner. The commissioner shall appoint one representative from each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community; and two representatives from the Minneapolis Urban Indian Community and two from the St. Paul Urban Indian Community. The terms,

compensation, and removal of American Indian Advisory Council members shall be as provided in section 15.059. ~~The council expires June 30, 2023.~~

Sec. 21. Minnesota Statutes 2022, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Effective January 1, 2000, vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site ~~24 hours per day~~ whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;

(13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and

(15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

(c) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.

(d) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

(e) A vendor that is not licensed as a residential treatment program must have a policy to address staffing coverage when a client may unexpectedly need to be present at the room and board site.

Sec. 22. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) care coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management services provided according to chapter 245F;

(6) substance use disorder treatment services with medications for opioid use disorder that are licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;

(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(9) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(10) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

(11) high-intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of clinical services each week provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(12) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) ~~meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements~~ is licensed under ~~section~~ chapter 245A and sections 245G.01 to 245G.19~~, subdivision 4~~; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. ~~Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.~~

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

Sec. 23. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to read:

Subd. 12b. **Department of Human Services systemic critical incident review team.** (a) The commissioner may establish a Department of Human Services systemic critical incident review team to review critical incidents reported as required under section 626.557 for which the Department of Human Services is responsible under section 626.5572, subdivision 13; chapter 245D; or Minnesota Rules, chapter 9544. When reviewing a critical incident, the systemic critical incident review team shall identify systemic influences to the incident rather than determine the culpability of any actors involved in the incident. The systemic critical incident review may assess the entire critical incident process from the point of an entity reporting the critical incident through the ongoing case management process. Department staff shall lead and conduct the reviews and may utilize county staff as reviewers. The systemic critical incident review process may include but is not limited to:

(1) data collection about the incident and actors involved. Data may include the relevant critical services; the service provider's policies and procedures applicable to the incident; the community support plan as defined in section 245D.02, subdivision 4b, for the person receiving services; or an interview of an actor involved in the critical incident or the review of the critical incident. Actors may include:

(i) staff of the provider agency;

(ii) lead agency staff administering home and community-based services delivered by the provider;

(iii) Department of Human Services staff with oversight of home and community-based services;

(iv) Department of Health staff with oversight of home and community-based services;

(v) members of the community including advocates, legal representatives, health care providers, pharmacy staff, or others with knowledge of the incident or the actors in the incident; and

(vi) staff from the Office of the Ombudsman for Mental Health and Developmental Disabilities and the Office of Ombudsman for Long-Term Care;

(2) systemic mapping of the critical incident. The team conducting the systemic mapping of the incident may include any actors identified in clause (1), designated representatives of other provider agencies, regional teams, and representatives of the local regional quality council identified in section 256B.097; and

(3) analysis of the case for systemic influences.

Data collected by the critical incident review team shall be aggregated and provided to regional teams, participating regional quality councils, and the commissioner. The regional teams and quality councils shall analyze the data and make recommendations to the commissioner regarding systemic changes that would decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

(b) Cases selected for the systemic critical incident review process shall be selected by a selection committee among the following critical incident categories:

(1) cases of caregiver neglect identified in section 626.5572, subdivision 17;

(2) cases involving financial exploitation identified in section 626.5572, subdivision 9;

(3) incidents identified in section 245D.02, subdivision 11;

(4) behavior interventions identified in Minnesota Rules, part 9544.0110;

(5) service terminations reported to the department in accordance with section 245D.10, subdivision 3a; and

(6) other incidents determined by the commissioner.

(c) The systemic critical incident review under this section shall not replace the process for screening or investigating cases of alleged maltreatment of an adult under section 626.557. The department may select cases for systemic critical incident review, under the jurisdiction of the commissioner, reported for suspected maltreatment and closed following initial or final disposition.

(d) The proceedings and records of the review team are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13. Data that document a person's opinions formed as a result of the review are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state, or a county agency arising out of the matters that the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were assessed or presented during proceedings of the review team. A person who presented information before the systemic critical incident review team or who is a member of the team shall not be prevented from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person shall not be questioned about opinions formed by the person as a result of the review.

(e) By October 1 of each year, the commissioner shall prepare an annual public report containing the following information:

(1) the number of cases reviewed under each critical incident category identified in paragraph (b) and a geographical description of where cases under each category originated;

(2) an aggregate summary of the systemic themes from the critical incidents examined by the critical incident review team during the previous year;

(3) a synopsis of the conclusions, incident analyses, or exploratory activities taken in regard to the critical incidents examined by the critical incident review team; and

(4) recommendations made to the commissioner regarding systemic changes that could decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

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

Sec. 24. Minnesota Statutes 2022, section 256B.0911, subdivision 23, is amended to read:

Subd. 23. **MnCHOICES reassessments; option for alternative and self-directed waiver services.** (a) At the time of reassessment, the certified assessor shall assess a person receiving waiver residential supports and services and currently residing in a setting listed

in clauses (1) to (5) to determine if the person would prefer to be served in a community-living setting as defined in section ~~256B.49, subdivision 23~~ 256B.492, subdivision 1, paragraph (b), or in a setting not controlled by a provider, or to receive integrated community supports as described in section 245D.03, subdivision 1, paragraph (c), clause (8). The certified assessor shall offer the person through a person-centered planning process the option to receive alternative housing and service options. This paragraph applies to those currently residing in a:

(1) community residential setting;

(2) licensed adult foster care home that is either not the primary residence of the license holder or in which the license holder is not the primary caregiver;

(3) family adult foster care residence;

(4) customized living setting; or

(5) supervised living facility.

(b) At the time of reassessment, the certified assessor shall assess each person receiving waiver day services to determine if that person would prefer to receive employment services as described in section 245D.03, subdivision 1, paragraph (c), clauses (5) to (7). The certified assessor shall describe to the person through a person-centered planning process the option to receive employment services.

(c) At the time of reassessment, the certified assessor shall assess each person receiving non-self-directed waiver services to determine if that person would prefer an available service and setting option that would permit self-directed services and supports. The certified assessor shall describe to the person through a person-centered planning process the option to receive self-directed services and supports.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2022, section 256B.092, subdivision 10, is amended to read:

Subd. 10. **Admission of persons to and discharge of persons from regional treatment centers.** (a) Prior to the admission of a person to a regional treatment center program for persons with developmental disabilities, the case manager shall make efforts to secure community-based alternatives. If these alternatives are rejected by the person, the person's legal guardian or conservator, or the county agency in favor of a regional treatment center placement, the case manager shall document the reasons why the alternatives were rejected.

~~(b) When discharge of a person from a regional treatment center to a community-based service is proposed, the case manager shall convene the screening team and in addition to members of the team identified in subdivision 7, the case manager shall invite to the meeting the person's parents and near relatives, and the ombudsman established under section 245.92 if the person is under public guardianship. The meeting shall be convened at a time and place that allows for participation of all team members and invited individuals who choose to attend. The notice of the meeting shall inform the person's parents and near relatives about the screening team process, and their right to request a review if they object to the discharge, and shall provide the names and functions of advocacy organizations, and information relating to assistance available to individuals interested in establishing private guardianships under the provisions of section 252A.03. The screening team meeting shall be conducted according to subdivisions 7 and 8. Discharge of the person shall not go forward without consensus of the screening team.~~

~~(c) The results of the screening team meeting and individual service plan developed according to subdivision 1b shall be used by the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, to evaluate and make recommended modifications to the individual service plan as proposed. The individual service plan shall specify postplacement monitoring to be done by the case manager according to section 253B.15, subdivision 1a.~~

~~(d) Notice of the meeting of the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, shall be sent to all team members 15 days prior to the meeting, along with a copy of the proposed individual service plan. The case manager shall request that proposed providers visit the person and observe the person's program at the regional treatment center prior to the discharge. Whenever possible, preplacement visits by the person to proposed service sites should also be scheduled in advance of the meeting. Members of the interdisciplinary team assembled for the purpose of discharge planning shall include but not be limited to the case manager, the person, the person's legal guardian or conservator, parents and near relatives, the person's advocate, representatives of proposed community service providers, representatives of the regional treatment center residential and training and habilitation services, a registered nurse if the person has overriding medical needs that impact the delivery of services, and a qualified developmental disability professional specializing in behavior management if the person to be discharged has behaviors that may result in injury to self or others. The case manager may also invite other service providers who have expertise in an area related to specific service needs of the person to be discharged.~~

~~(e) The interdisciplinary team shall review the proposed plan to assure that it identifies service needs, availability of services, including support services, and the proposed providers' abilities to meet the service needs identified in the person's individual service plan. The interdisciplinary team shall review the most recent licensing reports of the proposed providers and corrective action taken by the proposed provider, if required. The interdisciplinary team shall review the current individual program plans for the person and agree to an interim individual program plan to be followed for the first 30 days in the person's new living arrangement. The interdisciplinary team may suggest revisions to the service plan, and all team suggestions shall be documented. If the person is to be discharged to a community intermediate care facility for persons with developmental disabilities, the team shall give preference to facilities with a licensed capacity of 15 or fewer beds. Thirty days prior to the date of discharge, the case manager shall send a final copy of the service plan to all invited members of the team, the ombudsman, if the person is under public guardianship, and the advocacy system established under United States Code, title 42, section 6042.~~

(b) Assessment and support planning must be completed in accordance with requirements identified in section 256B.0911.

~~(f)~~ (c) No discharge shall take place until disputes are resolved under section 256.045, subdivision 4a, or until a review by the commissioner is completed upon request of the chief executive officer or program director of the regional treatment center, or the county agency. For persons under public guardianship, the ombudsman may request a review or hearing under section 256.045. ~~Notification schedules required under this subdivision may be waived by members of the team when judged urgent and with agreement of the parents or near relatives participating as members of the interdisciplinary team.~~

Sec. 26. Minnesota Statutes 2022, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. **State traumatic brain injury program.** (a) The commissioner of human services shall:

(1) maintain a statewide traumatic brain injury program;

(2) supervise and coordinate services and policies for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;

(4) maintain an advisory committee to provide recommendations in reports to the commissioner regarding program and service needs of persons with brain injuries;

(5) investigate the need for the development of rules or statutes for the brain injury home and community-based services waiver; and

(6) investigate present and potential models of service coordination which can be delivered at the local level.

(b) The advisory committee required by paragraph (a), clause (4), must consist of no fewer than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair. ~~The advisory committee expires on June 30, 2023.~~

Sec. 27. Minnesota Statutes 2022, section 256B.439, subdivision 3c, is amended to read:

Subd. 3c. **Contact and demographic information for consumer surveys for home and community-based services.** For purposes of conducting the consumer surveys under subdivision 3a, the commissioner may request contact information of clients and associated key representatives and aggregate, de-identified demographic information of clients served by the provider. The commissioner may request the following demographic information: (1) age; (2) race; (3) ethnicity; and (4) gender identity. Providers must furnish the contact and demographic information available to the provider and must provide notice to clients and associated key representatives that their contact information and aggregate demographic information has been provided to the commissioner.

Sec. 28. Minnesota Statutes 2022, section 256B.439, subdivision 3d, is amended to read:

Subd. 3d. **Resident experience survey and family survey for assisted living facilities.** The commissioner shall develop and administer a resident experience survey for assisted living facility residents and a family survey for families of assisted living facility residents. Money appropriated to the commissioner to administer the resident experience survey and family survey is available in either fiscal year of the biennium in which it is appropriated. Assisted living facilities licensed under chapter 144G must participate in the surveys when the commissioner requests their participation.

Sec. 29. Minnesota Statutes 2022, section 256B.439, is amended by adding a subdivision to read:

Subd. 3e. **Demographic information for home and community-based services report card.** (a) For purposes of including relevant information in the home and community-based services report card for consumers on the populations served by providers and for other

data analysis, the commissioner may request from providers the following summary data about clients served by the provider:

(1) age;

(2) race;

(3) ethnicity; and

(4) gender identity.

(b) For the purposes of this subdivision, "summary data" has the meaning given in section 13.02, subdivision 19. Providers must furnish the summary data only if the data on individuals is available to the provider. A provider is not required to collect any demographic data from clients for the sole purpose of providing the information requested by the commissioner under this subdivision. If a provider furnishes the requested summary data to the commissioner, the provider must provide notice to clients and associated key representatives that the client's demographic information was included in the summary data provided to the commissioner.

Sec. 30. Minnesota Statutes 2022, section 256B.492, is amended to read:

**256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE WITH DISABILITIES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section the following terms have the meanings given.

(b) "Community-living setting" means a single-family home or multifamily dwelling unit where a service recipient or a service recipient's family owns or rents and maintains control over the individual unit as demonstrated by a lease agreement. Community-living setting does not include a home or dwelling unit that the service provider owns, operates, or leases or in which the service provider has a direct or indirect financial interest.

(c) "Controlling individual" has the meaning given in section 245A.02, subdivision 5a.

(d) "License holder" has the meaning given in section 245A.02, subdivision 9.

Subd. 2. **Home and community-based waiver settings.** (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in the following settings:

(1) home and community-based settings that comply with all requirements identified by the federal Centers for Medicare and Medicaid Services in the Code of Federal Regulations,

title 42, section 441.301(c), and with the requirements of the federally approved transition plan and waiver plans for each home and community-based services waiver; and

(2) settings required by the Housing Opportunities for Persons with AIDS Program.

(b) The settings in paragraph (a) must not have the qualities of an institution which include, but are not limited to: regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions agreed to and documented in the person's individual service plan shall not result in a residence having the qualities of an institution as long as the restrictions for the person are not imposed upon others in the same residence and are the least restrictive alternative, imposed for the shortest possible time to meet the person's needs.

Subd. 3. **Community-living settings.** (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in community-living settings. Community-living settings must meet the requirements of subdivision 2, paragraph (a), clause (1).

(b) For the purposes of this section, direct financial interest exists if payment passes between the license holder or any controlling individual of a licensed program and the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling. For the purposes of this section, indirect financial interest exists if the license holder or any controlling individual of a licensed program has an ownership or investment interest in the entity that owns, operates, leases, or otherwise receives payment from the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling.

(c) To ensure a service recipient or the service recipient's family maintains control over the home or dwelling unit, community-living settings are subject to the following requirements:

(1) service recipients must not be required to receive services or share services;

(2) service recipients must not be required to have a disability or specific diagnosis to live in the community-living setting;

(3) service recipients may hire service providers of their choice;

(4) service recipients may choose whether to share their household and with whom;

(5) the home or multifamily dwelling unit must include living, sleeping, bathing, and cooking areas;

(6) service recipients must have lockable access and egress;

(7) service recipients must be free to receive visitors and leave the settings at times and for durations of their own choosing;

(8) leases must comply with chapter 504B;

(9) landlords must not charge different rents to tenants who are receiving home and community-based services; and

(10) access to the greater community must be easily facilitated based on the service recipient's needs and preferences.

(d) Nothing in this section prohibits a service recipient from having another person or entity not affiliated with the service provider cosign a lease. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from modifying services with an existing cosigning service provider and, subject to the approval of the landlord, maintaining a lease cosigned by the service provider. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from terminating services with the cosigning service provider, receiving services from a new service provider, or, subject to the approval of the landlord, maintaining a lease cosigned by the new service provider.

(e) A lease cosigned by a service provider meets the requirements of paragraph (b) if the service recipient and service provider develop and implement a transition plan which must provide that, within two years of cosigning the initial lease, the service provider shall transfer the lease to the service recipient and other cosigners, if any.

(f) In the event the landlord has not approved the transfer of the lease within two years of the service provider cosigning the initial lease, the service provider must submit a time-limited extension request to the commissioner of human services to continue the cosigned lease arrangement. The extension request must include:

(1) the reason the landlord denied the transfer;

(2) the plan to overcome the denial to transfer the lease;

(3) the length of time needed to successfully transfer the lease, not to exceed an additional two years;

(4) a description of how the transition plan was followed, what occurred that led to the landlord denying the transfer, and what changes in circumstances or condition, if any, the service recipient experienced; and

(5) a revised transition plan to transfer the cosigned lease between the service provider and the service recipient to the service recipient.

(g) The commissioner must approve an extension under paragraph (f) within sufficient time to ensure the continued occupancy by the service recipient.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 31. Minnesota Statutes 2022, section 256B.493, subdivision 2a, is amended to read:

Subd. 2a. **Closure process.** (a) The commissioner shall work with stakeholders to establish a process for the application, review, approval, and implementation of setting closures. Voluntary proposals from license holders for consolidation and closure of adult foster care or community residential settings are encouraged. Whether voluntary or involuntary, all closure plans must include:

(1) a description of the proposed closure plan, identifying the home or homes and occupied beds;

(2) the proposed timetable for the proposed closure, including the proposed dates for notification to people living there and the affected lead agencies, commencement of closure, and completion of closure;

(3) the proposed relocation plan jointly developed by the counties of financial responsibility, the people living there and their legal representatives, if any, who wish to continue to receive services from the provider, and the providers for current residents of any adult foster care home designated for closure; and

(4) documentation from the provider in a format approved by the commissioner that all the adult foster care homes or community residential settings receiving a planned closure rate adjustment under the plan have accepted joint and severable for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under this plan.

(b) The commissioner shall give first priority to closure plans which:

(1) target counties and geographic areas which have:

(i) need for other types of services;

(ii) need for specialized services;

(iii) higher than average per capita use of licensed corporate foster care or community residential settings; or

(iv) residents not living in the geographic area of their choice;

(2) demonstrate savings of medical assistance expenditures; and

(3) demonstrate that alternative services are based on the recipient's choice of provider and are consistent with federal law, state law, and federally approved waiver plans.

The commissioner shall also consider any information provided by people using services, their legal representatives, family members, or the lead agency on the impact of the planned closure on people and the services they need.

~~(c) For each closure plan approved by the commissioner, a contract must be established between the commissioner, the counties of financial responsibility, and the participating license holder.~~

Sec. 32. Minnesota Statutes 2022, section 256B.493, subdivision 4, is amended to read:

Subd. 4. **Review and approval process.** (a) To be considered for approval, an application must include:

(1) a description of the proposed closure plan, which must identify the home or homes and occupied beds for which a planned closure rate adjustment is requested;

(2) the proposed timetable for any proposed closure, including the proposed dates for notification to residents and the affected lead agencies, commencement of closure, and completion of closure;

(3) the proposed relocation plan jointly developed by the counties of financial responsibility, the residents and their legal representatives, if any, who wish to continue to receive services from the provider, and the providers for current residents of any adult foster care home designated for closure; and

(4) documentation in a format approved by the commissioner that all the adult foster care homes receiving a planned closure rate adjustment under the plan have accepted joint and several liability for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under this plan.

(b) In reviewing and approving closure proposals, the commissioner shall give first priority to proposals that:

(1) target counties and geographic areas which have:

(i) need for other types of services;

(ii) need for specialized services;

(iii) higher than average per capita use of foster care settings where the license holder does not reside; or

(iv) residents not living in the geographic area of their choice;

(2) demonstrate savings of medical assistance expenditures; and

(3) demonstrate that alternative services are based on the recipient's choice of provider and are consistent with federal law, state law, and federally approved waiver plans.

The commissioner shall also consider any information provided by service recipients, their legal representatives, family members, or the lead agency on the impact of the planned closure on the recipients and the services they need.

(c) The commissioner shall select proposals that best meet the criteria established in this subdivision for planned closure of adult foster care settings. The commissioner shall notify license holders of the selections approved by the commissioner.

~~(d) For each proposal approved by the commissioner, a contract must be established between the commissioner, the counties of financial responsibility, and the participating license holder.~~

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

Sec. 33. Minnesota Statutes 2022, section 256S.202, subdivision 1, is amended to read:

Subdivision 1. **Customized living monthly service rate limits.** (a) Except for a participant assigned to case mix classification L, as described in section 256S.18, subdivision 1, paragraph (b), the customized living monthly service rate limit shall not exceed 50 percent of the monthly case mix budget cap, ~~less the maintenance needs allowance,~~ adjusted at least annually in the manner described under section 256S.18, subdivisions 5 and 6.

(b) The customized living monthly service rate limit for participants assigned to case mix classification L must be the monthly service rate limit for participants assigned to case mix classification A, reduced by 25 percent.

Sec. 34. Minnesota Statutes 2022, section 524.5-104, is amended to read:

**524.5-104 FACILITY OF TRANSFER.**

(a) A person who may transfer money or personal property to a minor may do so, as to an amount or value not exceeding the amount allowable as a tax exclusion gift under section 2503(b) of the Internal Revenue Code or a different amount that is approved by the court, by transferring it to:

(1) a person who has the care and custody of the minor and with whom the minor resides;

(2) a guardian of the minor;

(3) a custodian under the Uniform Transfers To Minors Act or custodial trustee under the Uniform Custodial Trust Act;

(4) a financial institution as a deposit in an interest-bearing account or certificate in the sole name of the minor and giving notice of the deposit to the minor; or

(5) an ABLE account. A guardian only has the authority to establish an ABLE account. The guardian may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney, conservator, spouse, parent, sibling, grandparent, or representative payee, whether an individual or organization, appointed by the Social Security Administration, in that order.

(b) This section does not apply if the person making payment or delivery knows that a conservator has been appointed or that a proceeding for appointment of a conservator of the minor is pending.

(c) A person who transfers money or property in compliance with this section is not responsible for its proper application.

(d) A guardian or other person who receives money or property for a minor under paragraph (a), clause (1) or (2), may only apply it to the support, care, education, health, and welfare of the minor, and may not derive a personal financial benefit except for reimbursement for necessary expenses. Any excess must be preserved for the future support, care, education, health, and welfare of the minor and any balance must be transferred to the minor upon emancipation or attaining majority.

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

Sec. 35. Minnesota Statutes 2022, section 524.5-313, is amended to read:

**524.5-313 POWERS AND DUTIES OF GUARDIAN.**

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to guardianship. Failure to satisfy the needs and requirements of this clause shall be grounds for removal of a private guardian, but the guardian shall have no personal or monetary liability;

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by

mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship

or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to provide needed care and services. A guardian may not restrict the ability of the person subject to guardianship to communicate, visit, or interact with others, including receiving visitors or making or receiving telephone calls, personal mail, or electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe restriction is necessary because interaction with the person poses a risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid such significant harm. In all cases, the guardian shall provide written notice of the restrictions imposed to the court, to the person subject to guardianship, and to the person subject to restrictions. The person

subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

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

Sec. 36. Laws 2021, First Special Session chapter 7, article 17, section 20, is amended to read:

Sec. 20. **HCBS WORKFORCE DEVELOPMENT GRANT.**

Subdivision 1. **Appropriation.** (a) This act includes $0 in fiscal year 2022 and $5,588,000 in fiscal year 2023 to address challenges related to attracting and maintaining direct care workers who provide home and community-based services for people with disabilities and older adults. The general fund base included in this act for this purpose is $5,588,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) At least 90 percent of funding for this provision must be directed to workers who earn ~~200~~ 300 percent or less of the most current federal poverty level issued by the United States Department of Health and Human Services.

(c) The commissioner must consult with stakeholders to finalize a report detailing the final plan for use of the funds. The commissioner must publish the report by March 1, 2022, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 2. **Public assistance eligibility.** Notwithstanding any law to the contrary, workforce development grant money received under this section is not income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

Subd. 3. **Medical assistance eligibility.** Notwithstanding any law to the contrary, workforce development grant money received under this section is not income or assets for the purposes of determining eligibility for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c; or 256B.057, subdivision 3, 3a, or 3b.

Sec. 37. **DIRECTION TO COMMISSIONER; BRAIN INJURY AND COMMUNITY ACCESS FOR DISABILITY INCLUSION WAIVER CUSTOMIZED LIVING SERVICES PROVIDERS LOCATED IN HENNEPIN AND ITASCA COUNTIES.**

The commissioner of human services shall determine the brain injury (BI) or community access for disability inclusion (CADI) waiver customized living and 24-hour customized living size limitation exception applies to:

(1) two United States Department of Housing and Urban Development-subsidized housing settings created on September 29, 1980, that are located in the city of Minneapolis, provide customized living and 24-hour customized living services for clients enrolled in

the BI and CADI waiver, and had a capacity to service six clients in the setting as of July 1, 2022; and

(2) one United States Department of Housing and Urban Development-subsidized housing setting created on April 15, 1991, that is located in the city of Grand Rapids, provides customized living and 24-hour customized living services for clients enrolled in the BI and CADI waiver, and had a capacity to service eight clients in the setting as of July 1, 2022.

Sec. 38. **REPEALER.**

Minnesota Statutes 2022, sections 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, and 8; 254B.16; 256.041, subdivision 10; 256B.49, subdivision 23; and 260.835, subdivision 2, are repealed.

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

## ARTICLE 2
## SUBSTANCE USE DISORDER DIRECT ACCESS

Section 1. Minnesota Statutes 2022, section 62N.25, subdivision 5, is amended to read:

Subd. 5. **Benefits.** Community integrated service networks must offer the health maintenance organization benefit set, as defined in chapter 62D, and other laws applicable to entities regulated under chapter 62D. Community networks and chemical dependency facilities under contract with a community network shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing enrollees for chemical dependency treatment.

Sec. 2. Minnesota Statutes 2022, section 62Q.1055, is amended to read:

**62Q.1055 CHEMICAL DEPENDENCY.**

All health plan companies shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing and ~~placing~~ treating enrollees for chemical dependency treatment.

Sec. 3. Minnesota Statutes 2022, section 62Q.47, is amended to read:

**62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.**

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons ~~placed in~~ seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency and alcoholism services, except for persons ~~placed in~~ seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) A health plan company must not impose an NQTL with respect to mental health and substance use disorders in any classification of benefits unless, under the terms of the health plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health and substance use disorders in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL with respect to medical and surgical benefits in the same classification.

(e) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal guidance or regulations issued under, those acts.

(f) The commissioner may require information from health plan companies to confirm that mental health parity is being implemented by the health plan company. Information required may include comparisons between mental health and substance use disorder treatment and other medical conditions, including a comparison of prior authorization

requirements, drug formulary design, claim denials, rehabilitation services, and other information the commissioner deems appropriate.

(g) Regardless of the health care provider's professional license, if the service provided is consistent with the provider's scope of practice and the health plan company's credentialing and contracting provisions, mental health therapy visits and medication maintenance visits shall be considered primary care visits for the purpose of applying any enrollee cost-sharing requirements imposed under the enrollee's health plan.

(h) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in consultation with the commissioner of health, shall submit a report on compliance and oversight to the chairs and ranking minority members of the legislative committees with jurisdiction over health and commerce. The report must:

(1) describe the commissioner's process for reviewing health plan company compliance with United States Code, title 42, section 18031(j), any federal regulations or guidance relating to compliance and oversight, and compliance with this section and section 62Q.53;

(2) identify any enforcement actions taken by either commissioner during the preceding 12-month period regarding compliance with parity for mental health and substance use disorders benefits under state and federal law, summarizing the results of any market conduct examinations. The summary must include: (i) the number of formal enforcement actions taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(3) detail any corrective action taken by either commissioner to ensure health plan company compliance with this section, section 62Q.53, and United States Code, title 42, section 18031(j); and

(4) describe the information provided by either commissioner to the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law.

The report must be written in nontechnical, readily understandable language and must be made available to the public by, among other means as the commissioners find appropriate, posting the report on department websites. Individually identifiable information must be excluded from the report, consistent with state and federal privacy protections.

Sec. 4. Minnesota Statutes 2022, section 169A.70, subdivision 3, is amended to read:

Subd. 3. **Assessment report.** (a) The assessment report must be on a form prescribed by the commissioner and shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic and criminal record, characteristics and history of alcohol and chemical use problems, and amenability to rehabilitation through the alcohol safety program. The report is classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) The assessment report must include:

(1) a diagnosis of the nature of the offender's chemical and alcohol involvement;

(2) an assessment of the severity level of the involvement;

(3) a recommended level of care for the offender ~~in accordance with the criteria contained~~ identified in ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (substance use disorder treatment rules)~~ section 254B.19, subdivision 1;

(4) an assessment of the offender's placement needs;

(5) recommendations for other appropriate remedial action or care, including aftercare services in section 254B.01, subdivision 3, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them; and

(6) a specific explanation why no level of care or action was recommended, if applicable.

Sec. 5. Minnesota Statutes 2022, section 169A.70, subdivision 4, is amended to read:

Subd. 4. **Assessor standards; rules; assessment time limits.** A chemical use assessment required by this section must be conducted by an assessor appointed by the court. The assessor must meet the training and qualification requirements of ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (substance use disorder treatment rules)~~ section 245G.11, subdivisions 1 and 5. Notwithstanding section 13.82 (law enforcement data), the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation. ~~An assessor providing an assessment under this section may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider, except as authorized under section 254A.19, subdivision 3. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social~~

~~services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3.~~ An appointment for the defendant to undergo the assessment must be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The assessment must be completed no later than three weeks after the defendant's court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility must be determined under chapter 256G.

Sec. 6. Minnesota Statutes 2022, section 245A.043, subdivision 3, is amended to read:

Subd. 3. **Change of ownership process.** (a) When a change in ownership is proposed and the party intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service, the license holder must provide the commissioner with written notice of the proposed change on a form provided by the commissioner at least 60 days before the anticipated date of the change in ownership. For purposes of this subdivision and subdivision 4, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on the form and in the manner prescribed by the commissioner at least 30 days before the change in ownership is complete, and must include documentation to support the upcoming change. The party must comply with background study requirements under chapter 245C and shall pay the application fee required under section 245A.10. A party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service is exempt from the requirements of sections 245G.03, subdivision 2, paragraph (b), and 254B.03, subdivision 2, paragraphs (c) and (d) ~~and (e)~~.

(c) The commissioner may streamline application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance. For purposes of this subdivision, "substantial compliance" means within the previous 12 months the commissioner did not (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make a license held by the party conditional according to section 245A.06.

(d) Except when a temporary change in ownership license is issued pursuant to subdivision 4, the existing license holder is solely responsible for operating the program

according to applicable laws and rules until a license under this chapter is issued to the party.

(e) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner (1) proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted, and (2) proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

(f) If the party is seeking a license for a program or service that has an outstanding action under section 245A.06 or 245A.07, the party must submit a letter as part of the application process identifying how the party has or will come into full compliance with the licensing requirements.

(g) The commissioner shall evaluate the party's application according to section 245A.04, subdivision 6. If the commissioner determines that the party has remedied or demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has determined that the program otherwise complies with all applicable laws and rules, the commissioner shall issue a license or conditional license under this chapter. The conditional license remains in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(i) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

Sec. 7. Minnesota Statutes 2022, section 245F.06, subdivision 2, is amended to read:

Subd. 2. **Comprehensive assessment ~~and assessment summary~~.** (a) Prior to a medically stable discharge, but not later than 72 hours following admission, a license holder must provide a comprehensive assessment ~~and assessment summary~~ according to sections 245.4863, paragraph (a), and 245G.05, for each patient who has a positive screening for a substance use disorder. If a patient's medical condition prevents a comprehensive assessment from being completed within 72 hours, the license holder must document why the assessment

was not completed. The comprehensive assessment must include documentation of the appropriateness of an involuntary referral through the civil commitment process.

(b) If available to the program, a patient's previous comprehensive assessment may be used in the patient record. If a previously completed comprehensive assessment is used, its contents must be reviewed to ensure the assessment is accurate and current and complies with the requirements of this chapter. The review must be completed by a staff person qualified according to section 245G.11, subdivision 5. The license holder must document that the review was completed and that the previously completed assessment is accurate and current, or the license holder must complete an updated or new assessment.

Sec. 8. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 20c. **Protective factors.** "Protective factors" means the actions or efforts a person can take to reduce the negative impact of certain issues, such as substance use disorders, mental health disorders, and risk of suicide. Protective factors include connecting to positive supports in the community, a nutritious diet, exercise, attending counseling or 12-step groups, and taking appropriate medications.

Sec. 9. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 20d. **Skilled treatment services.** "Skilled treatment services" has the meaning provided in section 254B.01, subdivision 10.

Sec. 10. Minnesota Statutes 2022, section 245G.02, subdivision 2, is amended to read:

Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral, diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections

245G.05; 245G.06, subdivisions 1, 1a, 2, and 4; 245G.07, subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7); and 245G.17.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 11. Minnesota Statutes 2022, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** ~~(a)~~ A comprehensive assessment of the client's substance use disorder must be administered face-to-face by an alcohol and drug counselor within ~~three~~ five calendar days from the day of service initiation for a residential program or ~~within three calendar days on which a treatment session has been provided of the day of service initiation for a client~~ by the end of the fifth day on which a treatment service is provided in a nonresidential program. The number of days to complete the comprehensive assessment excludes the day of service initiation. If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client received a comprehensive assessment that authorized the treatment service, an alcohol and drug counselor may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. ~~The comprehensive assessment must include sufficient information to complete the assessment summary according to subdivision 2 and the individual treatment plan according to section 245G.06. The comprehensive assessment must include information about the client's needs that relate to substance use and personal strengths that support recovery, including:~~

~~(1) age, sex, cultural background, sexual orientation, living situation, economic status, and level of education;~~

~~(2) a description of the circumstances on the day of service initiation;~~

~~(3) a list of previous attempts at treatment for substance misuse or substance use disorder, compulsive gambling, or mental illness;~~

~~(4) a list of substance use history including amounts and types of substances used, frequency and duration of use, periods of abstinence, and circumstances of relapse, if any. For each substance used within the previous 30 days, the information must include the date of the most recent use and address the absence or presence of previous withdrawal symptoms;~~

~~(5) specific problem behaviors exhibited by the client when under the influence of substances;~~

~~(6) the client's desire for family involvement in the treatment program, family history of substance use and misuse, history or presence of physical or sexual abuse, and level of family support;~~

~~(7) physical and medical concerns or diagnoses, current medical treatment needed or being received related to the diagnoses, and whether the concerns need to be referred to an appropriate health care professional;~~

~~(8) mental health history, including symptoms and the effect on the client's ability to function; current mental health treatment; and psychotropic medication needed to maintain stability. The assessment must utilize screening tools approved by the commissioner pursuant to section 245.4863 to identify whether the client screens positive for co-occurring disorders;~~

~~(9) arrests and legal interventions related to substance use;~~

~~(10) a description of how the client's use affected the client's ability to function appropriately in work and educational settings;~~

~~(11) ability to understand written treatment materials, including rules and the client's rights;~~

~~(12) a description of any risk-taking behavior, including behavior that puts the client at risk of exposure to blood-borne or sexually transmitted diseases;~~

~~(13) social network in relation to expected support for recovery;~~

~~(14) leisure time activities that are associated with substance use;~~

~~(15) whether the client is pregnant and, if so, the health of the unborn child and the client's current involvement in prenatal care;~~

~~(16) whether the client recognizes needs related to substance use and is willing to follow treatment recommendations; and~~

~~(17) information from a collateral contact may be included, but is not required.~~

~~(b) If the client is identified as having opioid use disorder or seeking treatment for opioid use disorder, the program must provide educational information to the client concerning:~~

~~(1) risks for opioid use disorder and dependence;~~

~~(2) treatment options, including the use of a medication for opioid use disorder;~~

~~(3) the risk of and recognizing opioid overdose; and~~

~~(4) the use, availability, and administration of naloxone to respond to opioid overdose.~~

~~(c) The commissioner shall develop educational materials that are supported by research and updated periodically. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.~~

~~(d) If the comprehensive assessment is completed to authorize treatment service for the client, at the earliest opportunity during the assessment interview the assessor shall determine if:~~

~~(1) the client is in severe withdrawal and likely to be a danger to self or others;~~

~~(2) the client has severe medical problems that require immediate attention; or~~

~~(3) the client has severe emotional or behavioral symptoms that place the client or others at risk of harm.~~

~~If one or more of the conditions in clauses (1) to (3) are present, the assessor must end the assessment interview and follow the procedures in the program's medical services plan under section 245G.08, subdivision 2, to help the client obtain the appropriate services. The assessment interview may resume when the condition is resolved.~~ An alcohol and drug counselor must sign and date the comprehensive assessment review and update.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 245G.05, is amended by adding a subdivision to read:

Subd. 3. **Comprehensive assessment requirements.** (a) A comprehensive assessment must meet the requirements under section 245I.10, subdivision 6, paragraphs (b) and (c). It must also include:

(1) a diagnosis of a substance use disorder or a finding that the client does not meet the criteria for a substance use disorder;

(2) a determination of whether the individual screens positive for co-occurring mental health disorders using a screening tool approved by the commissioner pursuant to section 245.4863;

(3) a risk rating and summary to support the risk ratings within each of the dimensions listed in section 254B.04, subdivision 4; and

(4) a recommendation for the ASAM level of care identified in section 254B.19, subdivision 1.

(b) If the individual is assessed for opioid use disorder, the program must provide educational material to the client within 24 hours of service initiation on:

(1) risks for opioid use disorder and dependence;

(2) treatment options, including the use of a medication for opioid use disorder;

(3) the risk and recognition of opioid overdose; and

(4) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.

If the client is identified as having opioid use disorder at a later point, the required educational material must be provided at that point. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 245G.06, subdivision 1, is amended to read:

Subdivision 1. **General.** Each client must have a person-centered individual treatment plan developed by an alcohol and drug counselor within ten days from the day of service initiation for a residential program ~~and within five calendar days~~, by the end of the tenth day on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program, not to exceed 30 days. Opioid treatment programs must complete the individual treatment plan within 21 days from the day of service initiation. The number of days to complete the individual treatment plan excludes the day of service initiation. The individual treatment plan must be signed by the client and the alcohol and drug counselor and document the client's involvement in the development of the plan. The individual treatment plan is developed upon the qualified staff member's dated signature. Treatment planning must include ongoing assessment of client needs. An individual treatment plan must be updated based on new information gathered about the client's condition, the client's level of participation, and on whether methods identified have the intended effect. A change to the plan must be signed by the client and the alcohol and drug counselor. If the client chooses to have family or others involved in treatment services, the client's individual treatment plan must include how the family or others will be involved in the client's treatment. If a client is receiving treatment services or an assessment via telehealth and the alcohol and drug counselor documents the reason the client's signature cannot be obtained, the alcohol and drug counselor may document the client's verbal approval or electronic written approval of the treatment plan or change to the treatment plan in lieu of the client's signature.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 1a. **Individual treatment plan contents and process.** (a) After completing a client's comprehensive assessment, the license holder must complete an individual treatment plan. The license holder must:

(1) base the client's individual treatment plan on the client's comprehensive assessment;

(2) use a person-centered, culturally appropriate planning process that allows the client's family and other natural supports to observe and participate in the client's individual treatment services, assessments, and treatment planning;

(3) identify the client's treatment goals in relation to any or all of the applicable ASAM six dimensions identified in section 254B.04, subdivision 4, to ensure measurable treatment objectives, a treatment strategy, and a schedule for accomplishing the client's treatment goals and objectives;

(4) document the level of care identified in section 254B.19, subdivision 1, and the program plans to provide to the client each week or, if less frequently than weekly, the number of hours of treatment services the program plans to provide to the client each month;

(5) identify the participants involved in the client's treatment planning. The client must participate in the client's treatment planning. If applicable, the license holder must document the reasons that the license holder did not involve the client's family or other natural supports in the client's treatment planning;

(6) identify resources to refer the client to when the client's needs will be addressed concurrently by another provider; and

(7) identify maintenance strategy goals and methods designed to address relapse prevention and to strengthen the client's protective factors.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 245G.06, subdivision 3, is amended to read:

Subd. 3. **Treatment plan review.** A treatment plan review must be ~~entered in a client's file weekly or after each treatment service, whichever is less frequent,~~ completed by the alcohol and drug counselor responsible for the client's treatment plan. The review must indicate the span of time covered by the review ~~and each of the six dimensions listed in section 245G.05, subdivision 2, paragraph (c). The review~~ and must:

(1) ~~address each goal in the~~ document client goals addressed since the last treatment plan review and whether the identified methods ~~to address the goals are~~ continue to be effective;

(2) ~~include~~ document monitoring of any physical and mental health problems and include toxicology results for alcohol and substance use, when available;

(3) document the participation of others involved in the individual's treatment planning, including when services are offered to the client's family or significant others;

(4) if changes to the treatment plan are determined to be necessary, document staff recommendations for changes in the methods identified in the treatment plan and whether the client agrees with the change; ~~and~~

(5) include a review and evaluation of the individual abuse prevention plan according to section 245A.65~~.~~; and

(6) document any referrals made since the previous treatment plan review.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 3a. **Frequency of treatment plan reviews.** (a) A license holder must ensure that the alcohol and drug counselor responsible for a client's treatment plan completes and documents a treatment plan review that meets the requirements of subdivision 3 in each client's file, according to the frequencies required in this subdivision. All ASAM levels referred to in this chapter are those described in section 254B.19, subdivision 1.

(b) For a client receiving residential ASAM level 3.3 or 3.5 high-intensity services or residential hospital-based services, a treatment plan review must be completed once every 14 days.

(c) For a client receiving residential ASAM level 3.1 low-intensity services or any other residential level not listed in paragraph (b), a treatment plan review must be completed once every 30 days.

(d) For a client receiving nonresidential ASAM level 2.5 partial hospitalization services, a treatment plan review must be completed once every 14 days.

(e) For a client receiving nonresidential ASAM level 1.0 outpatient or 2.1 intensive outpatient services or any other nonresidential level not included in paragraph (d), a treatment plan review must be completed once every 30 days.

(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22, a treatment plan review must be completed weekly for the ten weeks following completion of the treatment plan and monthly thereafter. Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) Notwithstanding paragraphs (e) and (f), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 17. Minnesota Statutes 2022, section 245G.06, subdivision 4, is amended to read:

Subd. 4. **Service discharge summary.** (a) An alcohol and drug counselor must write a service discharge summary for each client. The service discharge summary must be completed within five days of the client's service termination. A copy of the client's service discharge summary must be provided to the client upon the client's request.

(b) The service discharge summary must be recorded in the six dimensions listed in section ~~245G.05, subdivision 2, paragraph (c)~~ 254B.04, subdivision 4, and include the following information:

(1) the client's issues, strengths, and needs while participating in treatment, including services provided;

(2) the client's progress toward achieving each goal identified in the individual treatment plan;

(3) a risk ~~description according to section 245G.05~~ rating and description for each of the ASAM six dimensions;

(4) the reasons for and circumstances of service termination. If a program discharges a client at staff request, the reason for discharge and the procedure followed for the decision to discharge must be documented and comply with the requirements in section 245G.14, subdivision 3, clause (3);

(5) the client's living arrangements at service termination;

(6) continuing care recommendations, including transitions between more or less intense services, or more frequent to less frequent services, and referrals made with specific attention to continuity of care for mental health, as needed; and

(7) service termination diagnosis.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 18. Minnesota Statutes 2022, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** Client records must contain the following:

(1) documentation that the client was given information on client rights and responsibilities, grievance procedures, tuberculosis, and HIV, and that the client was provided an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4). If the client has an opioid use disorder, the record must contain documentation that the client was provided educational information according to section 245G.05, subdivision ~~1~~ 3, paragraph (b);

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

~~(4) an assessment summary completed according to section 245G.05, subdivision 2;~~

~~(5)~~ (4) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

~~(6)~~ (5) an individual treatment plan according to section 245G.06, subdivisions 1 and 2;

~~(7)~~ (6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, ~~and~~ 3, and 3a; and

~~(8)~~ (7) a summary at the time of service termination according to section 245G.06, subdivision 4.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 19. Minnesota Statutes 2022, section 245G.22, subdivision 2, is amended to read:

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

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from intended use of the medication.

(c) "Guest dose" means administration of a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a practitioner licensed to practice medicine in the jurisdiction that the opioid treatment program is located who assumes responsibility for administering all medical services performed by the program, either by performing the services directly or by delegating specific responsibility to a practitioner of the opioid treatment program.

(e) "Medication used for the treatment of opioid use disorder" means a medication approved by the Food and Drug Administration for the treatment of opioid use disorder.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636.

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under this chapter.

~~(h) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.~~

~~(i)~~ (h) "Practitioner" means a staff member holding a current, unrestricted license to practice medicine issued by the Board of Medical Practice or nursing issued by the Board of Nursing and is currently registered with the Drug Enforcement Administration to order or dispense controlled substances in Schedules II to V under the Controlled Substances Act, United States Code, title 21, part B, section 821. Practitioner includes an advanced practice registered nurse and physician assistant if the staff member receives a variance by the state opioid treatment authority under section 254A.03 and the federal Substance Abuse and Mental Health Services Administration.

~~(j)~~ (i) "Unsupervised use" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

Sec. 20. Minnesota Statutes 2022, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context. An alcohol and drug counselor may gather and document the information in paragraphs (b) and (c) when completing a comprehensive assessment according to section 245G.05.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

(1) the client's age;

(2) the client's current living situation, including the client's housing status and household members;

(3) the status of the client's basic needs;

(4) the client's education level and employment status;

(5) the client's current medications;

(6) any immediate risks to the client's health and safety, including withdrawal symptoms, medical conditions, and behavioral and emotional symptoms;

(7) the client's perceptions of the client's condition;

(8) the client's description of the client's symptoms, including the reason for the client's referral;

(9) the client's history of mental health and substance use disorder treatment; ~~and~~

(10) cultural influences on the client~~.~~; and

(11) substance use history, if applicable, including:

(i) amounts and types of substances, frequency and duration, route of administration, periods of abstinence, and circumstances of relapse; and

(ii) the impact to functioning when under the influence of substances, including legal interventions.

(c) If the assessor cannot obtain the information that this paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(3) When completing a standard diagnostic assessment of a client who is five years of age or younger, an assessor must administer the Early Childhood Service Intensity Instrument (ECSII) to the client and include the results in the client's assessment.

(4) When completing a standard diagnostic assessment of a client who is six to 17 years of age, an assessor must administer the Child and Adolescent Service Intensity Instrument (CASII) to the client and include the results in the client's assessment.

(5) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client; and

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

Sec. 21. Minnesota Statutes 2022, section 254A.03, subdivision 3, is amended to read:

Subd. 3. **Rules for substance use disorder care.** (a) ~~The commissioner of human services shall establish by rule criteria to be used in determining the appropriate level of substance use disorder care for each recipient of public assistance seeking treatment for substance misuse or substance use disorder. Upon federal approval of a comprehensive assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655,~~ An eligible vendor of comprehensive assessments under section 254B.05 may determine ~~and approve~~ the appropriate level of substance use disorder treatment for a recipient of public assistance. The process for determining an individual's financial eligibility for the behavioral health fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.

(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.

(c) If a screen result is positive for alcohol or substance misuse, a brief screening for alcohol or substance use disorder that is provided to a recipient of public assistance within a primary care clinic, hospital, or other medical setting or school setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.05, subdivision 5. The initial set of services approved for a recipient whose screen result is positive may include any combination of up to four hours of individual or group substance use disorder treatment, two hours of substance use disorder treatment coordination, or two hours of substance use disorder peer support services provided by a qualified individual according to chapter 245G. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services. ~~Minnesota Rules, parts 9530.6600 to 9530.6655, and~~ A comprehensive assessment pursuant to section 245G.05 ~~are not applicable~~ is not required to receive the initial set of services allowed under this subdivision. A positive screen result establishes eligibility for the initial set of services allowed under this subdivision.

~~(d) Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655, An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3, paragraph (d). If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations. This paragraph expires July 1, 2022.~~

(d) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

Sec. 22. Minnesota Statutes 2022, section 254A.19, subdivision 1, is amended to read:

Subdivision 1. **Persons arrested outside of home county.** When a chemical use assessment is required ~~under Minnesota Rules, parts 9530.6600 to 9530.6655,~~ for a person who is arrested and taken into custody by a peace officer outside of the person's county of residence, the ~~assessment must be completed by the person's county of residence no later than three weeks after the assessment is initially requested. If the assessment is not performed within this time limit, the county where the person is to be sentenced shall perform the assessment~~ county where the person is detained must give access to an assessor qualified under section 254A.19, subdivision 3. The county of financial responsibility is determined under chapter 256G.

Sec. 23. Minnesota Statutes 2022, section 254A.19, subdivision 3, is amended to read:

Subd. 3. ~~**Financial conflicts of interest.**~~ **Comprehensive assessments.** ~~(a) Except as provided in paragraph (b), (c), or (d), an assessor conducting a chemical use assessment under Minnesota Rules, parts 9530.6600 to 9530.6655, may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.~~

~~(b) A county may contract with an assessor having a conflict described in paragraph (a) if the county documents that:~~

~~(1) the assessor is employed by a culturally specific service provider or a service provider with a program designed to treat individuals of a specific age, sex, or sexual preference;~~

~~(2) the county does not employ a sufficient number of qualified assessors and the only qualified assessors available in the county have a direct or shared financial interest or a referral relationship resulting in shared financial gain with a treatment provider; or~~

~~(3) the county social service agency has an existing relationship with an assessor or service provider and elects to enter into a contract with that assessor to provide both assessment and treatment under circumstances specified in the county's contract, provided the county retains responsibility for making placement decisions.~~

~~(c) The county may contract with a hospital to conduct chemical assessments if the requirements in subdivision 1a are met.~~

~~An assessor under this paragraph may not place clients in treatment. The assessor shall gather required information and provide it to the county along with any required documentation. The county shall make all placement decisions for clients assessed by assessors under this paragraph.~~

~~(d)~~ An eligible vendor under section 254B.05 conducting a comprehensive assessment for an individual seeking treatment shall approve the nature, intensity level, and duration of treatment service if a need for services is indicated, but the individual assessed can access any enrolled provider that is licensed to provide the level of service authorized, including the provider or program that completed the assessment. If an individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

Sec. 24. Minnesota Statutes 2022, section 254A.19, subdivision 4, is amended to read:

Subd. 4. **Civil commitments.** ~~A Rule 25 assessment, under Minnesota Rules, part 9530.6615,~~ For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section 253B.065, 253B.09, or 253B.095 in order for a county to access the behavioral health fund under section 254B.04. The county must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04. ~~Nothing in this subdivision prohibits placement in a treatment facility or treatment program governed under this chapter or Minnesota Rules, parts 9530.6600 to 9530.6655.~~

Sec. 25. Minnesota Statutes 2022, section 254A.19, is amended by adding a subdivision to read:

Subd. 6. **Assessments for detoxification programs.** For detoxification programs licensed under chapter 245A according to Minnesota Rules, parts 9530.6510 to 9530.6590, a "chemical use assessment" is a comprehensive assessment completed according to the requirements of section 245G.05 and a "chemical dependency assessor" or "assessor" is an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.

Sec. 26. Minnesota Statutes 2022, section 254A.19, is amended by adding a subdivision to read:

Subd. 7. **Assessments for children's residential facilities.** For children's residential facilities licensed under chapter 245A according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0430 to 2960.0490, a "chemical use assessment" is a comprehensive assessment completed according to the requirements of section 245G.05 and must be completed by an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.

Sec. 27. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2a. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM criteria" means the clinical guidelines for purposes of assessment, treatment, placement, and transfer or discharge of individuals with substance use disorders. The ASAM criteria are contained in the most current edition of the *ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions*.

Sec. 28. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2b. **Behavioral health fund.** "Behavioral health fund" means money allocated for payment of treatment services under chapter 254B.

Sec. 29. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2c. **Client.** "Client" means an individual who has requested substance use disorder services or for whom substance use disorder services have been requested.

Sec. 30. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2d. **Co-payment.** "Co-payment" means:

(1) the amount an insured person is obligated to pay before the person's third-party payment source is obligated to make a payment; or

(2) the amount an insured person is obligated to pay in addition to the amount the person's third-party payment source is obligated to pay.

Sec. 31. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 4c. **Department.** "Department" means the Department of Human Services.

Sec. 32. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 4d. **Drug and Alcohol Abuse Normative Evaluation System or DAANES.** "Drug and Alcohol Abuse Normative Evaluation System" or "DAANES" means the reporting system used to collect all substance use disorder treatment data across all levels of care and providers.

Sec. 33. Minnesota Statutes 2022, section 254B.01, subdivision 5, is amended to read:

Subd. 5. **Local agency.** "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board ~~to make placements and submit state invoices according to Laws 1986, chapter 394, sections 8 to 20~~ authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.

Sec. 34. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 6a. **Minor child.** "Minor child" means an individual under the age of 18 years.

Sec. 35. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 6b. **Policyholder.** "Policyholder" means a person who has a third-party payment policy under which a third-party payment source has an obligation to pay all or part of a client's treatment costs.

Sec. 36. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 9. **Responsible relative.** "Responsible relative" means a person who is a member of the client's household and is the client's spouse or the parent of a minor child who is a client.

Sec. 37. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 10. **Skilled treatment services.** "Skilled treatment services" includes the treatment services described in section 245G.07, subdivisions 1, paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6). Skilled treatment services must be provided by qualified professionals as identified in section 245G.07, subdivision 3.

Sec. 38. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 11. **Third-party payment source** "Third-party payment source" means a person, entity, or public or private agency other than medical assistance or general assistance medical care that has a probable obligation to pay all or part of the costs of a client's substance use disorder treatment.

Sec. 39. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 12. **Vendor.** "Vendor" means a provider of substance use disorder treatment services that meets the criteria established in section 254B.05, and that has applied to participate as a provider in the medical assistance program according to Minnesota Rules, part 9505.0195.

Sec. 40. Minnesota Statutes 2022, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. **Local agency duties.** (a) Every local agency ~~shall~~ must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner ~~for placement in a substance use disorder residential or nonresidential treatment service~~. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

~~(c) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.~~

~~(d) Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655,~~ (c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3~~, paragraph (d)~~. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

~~(e)~~ (d) Beginning July 1, 2022, local agencies shall not make placement location determinations.

Sec. 41. Minnesota Statutes 2022, section 254B.03, subdivision 2, is amended to read:

Subd. 2. **Behavioral health fund payment.** (a) Payment from the behavioral health fund is limited to payments for services identified in section 254B.05, other than detoxification licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, and detoxification provided in another state that would be required to be licensed as a substance use disorder program if the program were in the state. Out of state vendors must also provide the commissioner with assurances that the program complies substantially with state licensing

requirements and possesses all licenses and certifications required by the host state to provide substance use disorder treatment. Vendors receiving payments from the behavioral health fund must not require co-payment from a recipient of benefits for services provided under this subdivision. The vendor is prohibited from using the client's public benefits to offset the cost of services paid under this section. The vendor shall not require the client to use public benefits for room or board costs. This includes but is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP benefits. Retention of SNAP benefits is a right of a client receiving services through the behavioral health fund or through state contracted managed care entities. Payment from the behavioral health fund shall be made for necessary room and board costs provided by vendors meeting the criteria under section 254B.05, subdivision 1a, or in a community hospital licensed by the commissioner of health according to sections 144.50 to 144.56 to a client who is:

(1) determined to meet the criteria for placement in a residential substance use disorder treatment program according to rules adopted under section 254A.03, subdivision 3; and

(2) concurrently receiving a substance use disorder treatment service in a program licensed by the commissioner and reimbursed by the behavioral health fund.

~~(b) A county may, from its own resources, provide substance use disorder services for which state payments are not made. A county may elect to use the same invoice procedures and obtain the same state payment services as are used for substance use disorder services for which state payments are made under this section if county payments are made to the state in advance of state payments to vendors. When a county uses the state system for payment, the commissioner shall make monthly billings to the county using the most recent available information to determine the anticipated services for which payments will be made in the coming month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.~~

~~(c)~~ (b) The commissioner shall coordinate substance use disorder services and determine whether there is a need for any proposed expansion of substance use disorder treatment services. The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.

~~(d)~~ (c) At least 60 days prior to submitting an application for new licensure under chapter 245G, the applicant must notify the county human services director in writing of the applicant's intent to open a new treatment program. The written notification must include, at a minimum:

(1) a description of the proposed treatment program; and

(2) a description of the target population to be served by the treatment program.

~~(c)~~ (d) The county human services director may submit a written statement to the commissioner, within 60 days of receiving notice from the applicant, regarding the county's support of or opposition to the opening of the new treatment program. The written statement must include documentation of the rationale for the county's determination. The commissioner shall consider the county's written statement when determining whether there is a need for the treatment program as required by paragraph (c).

Sec. 42. Minnesota Statutes 2022, section 254B.03, subdivision 5, is amended to read:

Subd. 5. **Rules; appeal.** The commissioner shall adopt rules as necessary to implement this chapter. ~~The commissioner shall establish an appeals process for use by recipients when services certified by the county are disputed. The commissioner shall adopt rules and standards for the appeal process to assure adequate redress for persons referred to inappropriate services.~~

Sec. 43. Minnesota Statutes 2022, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. ~~**Eligibility.**~~ **Scope and applicability.** ~~(a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.~~

~~(b) Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 260E.20, subdivision 1, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.~~

~~(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).~~

This section governs the administration of the behavioral health fund, establishes the criteria to be applied by local agencies to determine a client's financial eligibility under the behavioral health fund, and determines a client's obligation to pay for substance use disorder treatment services.

Sec. 44. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 260E.20, subdivision 1, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 256J;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

Sec. 45. Minnesota Statutes 2022, section 254B.04, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for ~~treatment in residential settings~~ room and board services for persons in outpatient substance use disorder treatment.** ~~Notwithstanding provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's discretion in making placements to residential treatment settings,~~ A person eligible for room and board services under ~~this~~ section 254B.05, subdivision 5, paragraph (b), clause (12), must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment in order to be assigned to services with a room and board component

reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

Sec. 46. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 4. **Assessment criteria and risk descriptions.** (a) The level of care determination must follow criteria approved by the commissioner.

(b) Dimension 1: Acute intoxication and withdrawal potential. A vendor must use the following criteria in Dimension 1 to determine a client's acute intoxication and withdrawal potential, the client's ability to cope with withdrawal symptoms, and the client's current state of intoxication.

(c) Dimension 2: Biomedical conditions and complications. The vendor must use the following criteria in Dimension 2 to determine a client's biomedical conditions and complications, the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. If the client is pregnant, the provider must determine the impact of continued substance use on the unborn child.

(d) Dimension 3: Emotional, behavioral, and cognitive conditions and complications. The vendor must use the following criteria in Dimension 3 to determine a client's emotional, behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas; and the likelihood of harm to self or others.

(e) Dimension 4: Readiness for change. The vendor must use the following criteria in Dimension 4 to determine a client's readiness for change and the support necessary to keep the client involved in treatment services.

(f) Dimension 5: Relapse, continued use, and continued problem potential. The vendor must use the following criteria in Dimension 5 to determine a client's relapse, continued use, and continued problem potential and the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems.

(g) Dimension 6: Recovery environment. The vendor must use the following criteria in Dimension 6 to determine a client's recovery environment, whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

Sec. 47. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 5. **Local agency responsibility to provide services.** The local agency may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.

Sec. 48. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 6. **Local agency to determine client financial eligibility.** (a) The local agency shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of comprehensive assessment. The local agency shall pay for eligible clients according to chapter 256G. The local agency shall enter the financial eligibility span within ten calendar days of request. Client eligibility must be determined using forms prescribed by the department. To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.

(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.

(c) The local agency must determine the client's household size as follows:

(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's birth or adoptive parents; and

(iii) the client's siblings who are minors; and

(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's spouse;

(iii) the client's minor children; and

(iv) the client's spouse's minor children.

For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

(d) The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.

(f) The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

(g) The local agency must redetermine a client's eligibility for the behavioral health fund every 12 months.

(h) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph (f). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

Sec. 49. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 7. **Client fees.** A client whose household income is within current household size and income guidelines for entitled persons as defined in section 254B.04, subdivision 1a, must pay no fee for care related to substance use disorder, including drug screens.

Sec. 50. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 8. **Vendor must participate in DAANES system.** To be eligible for payment under the behavioral health fund, a vendor must participate in the Drug and Alcohol Abuse Normative Evaluation System (DAANES) or submit to the commissioner the information required in the DAANES in the format specified by the commissioner.

Sec. 51. **[254B.19] AMERICAN SOCIETY OF ADDICTION MEDICINE STANDARDS OF CARE.**

Subdivision 1. **Level of care requirements.** For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements:

(1) For ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of skilled treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week.

(3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of skilled treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Peer recovery services and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of skilled treatment services. Services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically

indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide at least 5 hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at a minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

Subd. 2. **Patient referral arrangement agreement.** The license holder must maintain documentation of a formal patient referral arrangement agreement for each of the following ASAM levels of care not provided by the license holder:

(1) level 1.0 outpatient;

(2) level 2.1 intensive outpatient;

(3) level 2.5 partial hospitalization;

(4) level 3.1 clinically managed low-intensity residential;

(5) level 3.3 clinically managed population-specific high-intensity residential;

(6) level 3.5 clinically managed high-intensity residential;

(7) level withdrawal management 3.2 clinically managed residential withdrawal management; and

(8) level withdrawal management 3.7 medically monitored inpatient withdrawal management.

Subd. 3. **Evidence-based practices.** All services delivered within the ASAM levels of care referenced in subdivision 1, clauses (1) to (7), must have documentation of the evidence-based practices being utilized as referenced in the most current edition of the *ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions*.

Subd. 4. **Program outreach plan.** Eligible vendors providing services under ASAM levels of care referenced in subdivision 1, clauses (2) to (7), must have a program outreach plan. The treatment director must document a review and update the plan annually. The program outreach plan must include treatment coordination strategies and processes to ensure seamless transitions across the continuum of care. The plan must include how the provider will:

(1) increase the awareness of early intervention treatment services, including but not limited to the services defined in section 254A.03, subdivision 3, paragraph (c);

(2) coordinate, as necessary, with certified community behavioral health clinics when a license holder is located in a geographic region served by a certified community behavioral health clinic;

(3) establish a referral arrangement agreement with a withdrawal management program licensed under chapter 245F when a license holder is located in a geographic region in which a withdrawal management program is licensed under chapter 245F. If a withdrawal management program licensed under chapter 245F is not geographically accessible, the plan must include how the provider will address the client's need for this level of care;

(4) coordinate with inpatient acute care hospitals, including emergency departments, hospital outpatient clinics, urgent care centers, residential crisis settings, medical detoxification inpatient facilities, and ambulatory detoxification providers in the area served by the provider to help transition individuals from emergency department or hospital settings and minimize the time between assessment and treatment;

(5) develop and maintain collaboration with local county and Tribal human services agencies; and

(6) collaborate with primary care and mental health settings.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 52. Minnesota Statutes 2022, section 256D.09, subdivision 2a, is amended to read:

Subd. 2a. **Vendor payments for drug dependent persons.** If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance is drug dependent, as defined in section 254A.02, subdivision 5, the person shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for referring an individual for an assessment exists when:

(1) the person has required detoxification two or more times in the past 12 months;

(2) the person appears intoxicated at the county agency as indicated by two or more of the following:

(i) the odor of alcohol;

(ii) slurred speech;

(iii) disconjugate gaze;

(iv) impaired balance;

(v) difficulty remaining awake;

(vi) consumption of alcohol;

(vii) responding to sights or sounds that are not actually present;

(viii) extreme restlessness, fast speech, or unusual belligerence;

(3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or

(4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under ~~Minnesota Rules, part 9530.6615, subpart 2~~ section 245G.11, subdivisions 1 and 5, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant

amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert substance use disorder as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (5).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

Sec. 53. Minnesota Statutes 2022, section 256L.03, subdivision 2, is amended to read:

Subd. 2. **Substance use disorder.** Beginning July 1, 1993, covered health services shall include individual outpatient treatment of substance use disorder by a qualified health professional or outpatient program.

Persons who may need substance use disorder services under the provisions of this chapter ~~shall be assessed by a local agency as defined under section 254B.01~~ must be assessed by a qualified professional as defined in section 245G.11, subdivisions 1 and 5, and under the assessment provisions of section 254A.03, subdivision 3. A local agency or managed care plan under contract with the Department of Human Services must ~~place~~ offer services to a person in need of substance use disorder services ~~as provided in Minnesota Rules, parts 9530.6600 to 9530.6655~~ based on the recommendations of section 245G.05. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for behavioral health fund services provided under the provisions of chapter 254B shall receive substance use disorder treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the substance use disorder benefits offered under this chapter; or

(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

Recipients of covered health services under the children's health plan, as provided in Minnesota Statutes 1990, section 256.936, and as amended by Laws 1991, chapter 292, article 4, section 17, and recipients of covered health services enrolled in the children's health plan or the MinnesotaCare program after October 1, 1992, pursuant to Laws 1992, chapter 549, article 4, sections 5 and 17, are eligible to receive substance use disorder benefits under this subdivision.

Sec. 54. Minnesota Statutes 2022, section 256L.12, subdivision 8, is amended to read:

Subd. 8. **Substance use disorder assessments.** The managed care plan shall be responsible for assessing the need and ~~placement for~~ provision of substance use disorder services according to criteria set forth in ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05.

Sec. 55. Minnesota Statutes 2022, section 260B.157, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** Upon request of the court the local social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260B.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall order a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications must comply with section 245G.11, subdivisions 1 and 5, and the assessment criteria ~~shall~~ must comply with ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment ~~and placement~~ must comply with all provisions of ~~Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030~~ sections 245G.05 and 254B.04. The commissioner of human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of $100.

The court shall order a children's mental health screening conducted when a child is found to be delinquent. The screening shall be conducted with a screening instrument approved by the commissioner of human services and shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. If the screening indicates a need for assessment, the local social services agency, in consultation with the child's family, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and

treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 56. Minnesota Statutes 2022, section 260B.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The local social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision. The team, which may be the team constituted under section 245.4885 or 256B.092 or ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ chapter 254B, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate. The team may be the same team as defined in section 260C.157, subdivision 3.

(b) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, and residential placement is consistent with section 260.012, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a post-dispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall notify the county welfare agency. The county's juvenile treatment screening team must either:

(i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or

(ii) elect not to screen a given case, and notify the court of that decision within three working days.

(c) If the screening team has elected to screen and evaluate the child, the child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a

residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

Sec. 57. Minnesota Statutes 2022, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings under this chapter and chapter 260D, for a child to receive treatment for an emotional disturbance, a developmental disability, or related condition in a residential treatment facility licensed by the commissioner of human services under chapter 245A, or licensed or approved by a tribe. A screening team is not required for a child to be in: (1) a residential facility specializing in prenatal, postpartum, or parenting support; (2) a facility specializing in high-quality residential care and supportive services to children and youth who have been or are at risk of becoming victims of sex trafficking or commercial sexual exploitation; (3) supervised settings for youth who are 18 years of age or older and living independently; or (4) a licensed residential family-based treatment facility for substance abuse consistent with section 260C.190. Screenings are also not required when a child must be placed in a facility due to an emotional crisis or other mental health emergency.

(b) The responsible social services agency shall conduct screenings within 15 days of a request for a screening, unless the screening is for the purpose of residential treatment and the child is enrolled in a prepaid health program under section 256B.69, in which case the agency shall conduct the screening within ten working days of a request. The responsible social services agency shall convene the juvenile treatment screening team, which may be constituted under section 245.4885, 254B.05, or 256B.092 ~~or Minnesota Rules, parts~~

~~9530.6600 to 9530.6655~~. The team shall consist of social workers; persons with expertise in the treatment of juveniles who are emotionally disturbed, chemically dependent, or have a developmental disability; and the child's parent, guardian, or permanent legal custodian. The team may include the child's relatives as defined in section 260C.007, subdivisions 26b and 27, the child's foster care provider, and professionals who are a resource to the child's family such as teachers, medical or mental health providers, and clergy, as appropriate, consistent with the family and permanency team as defined in section 260C.007, subdivision 16a. Prior to forming the team, the responsible social services agency must consult with the child's parents, the child if the child is age 14 or older, and, if applicable, the child's tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals. This provision does not apply to paragraph (c).

(c) If the agency provides notice to tribes under section 260.761, and the child screened is an Indian child, the responsible social services agency must make a rigorous and concerted effort to include a designated representative of the Indian child's tribe on the juvenile treatment screening team, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12. The provisions of the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835, apply to this section.

(d) If the court, prior to, or as part of, a final disposition or other court order, proposes to place a child with an emotional disturbance or developmental disability or related condition in residential treatment, the responsible social services agency must conduct a screening. If the team recommends treating the child in a qualified residential treatment program, the agency must follow the requirements of sections 260C.70 to 260C.714.

The court shall ascertain whether the child is an Indian child and shall notify the responsible social services agency and, if the child is an Indian child, shall notify the Indian child's tribe as paragraph (c) requires.

(e) When the responsible social services agency is responsible for placing and caring for the child and the screening team recommends placing a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, the agency must: (1) begin the assessment and processes required in section 260C.704 without delay; and (2) conduct a relative search according to section 260C.221 to assemble the child's family and

permanency team under section 260C.706. Prior to notifying relatives regarding the family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is age 14 or older, and, if applicable, the child's tribe to ensure that the agency is providing notice to individuals who will act in the child's best interests. The child and the child's parents may identify a culturally competent qualified individual to complete the child's assessment. The agency shall make efforts to refer the assessment to the identified qualified individual. The assessment may not be delayed for the purpose of having the assessment completed by a specific qualified individual.

(f) When a screening team determines that a child does not need treatment in a qualified residential treatment program, the screening team must:

(1) document the services and supports that will prevent the child's foster care placement and will support the child remaining at home;

(2) document the services and supports that the agency will arrange to place the child in a family foster home; or

(3) document the services and supports that the agency has provided in any other setting.

(g) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

(h) The responsible social services agency must conduct and document the screening in a format approved by the commissioner of human services.

Sec. 58. Minnesota Statutes 2022, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency ~~shall conduct~~ must coordinate a ~~chemical use~~ comprehensive assessment pursuant to ~~Minnesota Rules, part 9530.6615~~ section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

Sec. 59. Minnesota Statutes 2022, section 299A.299, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county, a multicounty organization of counties formed by an agreement under section 471.59, or a city with a population of no more than 50,000, may establish a multidisciplinary chemical abuse prevention team. The chemical abuse prevention team may include, but not be limited to, representatives of health, mental health, public health, law enforcement, educational, social service, court service, community education, religious, and other appropriate agencies, and parent and youth groups. For purposes of this section, "chemical abuse" has the meaning given in ~~Minnesota Rules, part 9530.6605, subpart 6~~ section 254A.02, subdivision 6a. When possible the team must coordinate its activities with existing local groups, organizations, and teams dealing with the same issues the team is addressing.

Sec. 60. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 254B.01, in alphabetical order and correct any cross-reference changes that result.

Sec. 61. **REPEALER.**

(a) Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, and 5; 254B.04, subdivisions 2b and 2c; and 254B.041, subdivision 2, are repealed.

(b) Minnesota Statutes 2022, sections 245G.05, subdivision 2; and 245G.06, subdivision 2, are repealed.

(c) Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, and 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, and 6; 9530.7020, subparts 1, 1a, and 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; and 9530.7030, subpart 1, are repealed.

**EFFECTIVE DATE.** Paragraphs (a) and (c) are effective August 1, 2023. Paragraph (b) is effective January 1, 2024.

## ARTICLE 3

## PEER RECOVERY AND RECOVERY COMMUNITY ORGANIZATION REQUIREMENTS

Section 1. Minnesota Statutes 2022, section 245G.07, subdivision 2, is amended to read:

Subd. 2. **Additional treatment service.** A license holder may provide or arrange the following additional treatment service as a part of the client's individual treatment plan:

(1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;

(2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;

(3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;

(4) living skills development to help the client learn basic skills necessary for independent living;

(5) employment or educational services to help the client become financially independent;

(6) socialization skills development to help the client live and interact with others in a positive and productive manner;

(7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills; and

(8) peer recovery support services provided ~~one-to-one~~ by an individual in recovery qualified according to section ~~245G.11, subdivision 8~~ 245I.04, subdivision 18. Peer support services include education; advocacy; mentoring through self-disclosure of personal recovery experiences; attending recovery and other support groups with a client; accompanying the client to appointments that support recovery; assistance accessing resources to obtain housing, employment, education, and advocacy services; and nonclinical recovery support to assist the transition from treatment into the recovery community.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2022, section 245G.11, subdivision 8, is amended to read:

Subd. 8. **Recovery peer qualifications.** A recovery peer must:

(1) ~~have a high school diploma or its equivalent~~ meet the qualifications in section 245I.04, subdivision 18; and

(2) ~~have a minimum of one year in recovery from substance use disorder;~~ provide services according to the scope of practice established in section 245I.04, subdivision 19, under the supervision of an alcohol and drug counselor.

~~(3) hold a current credential from the Minnesota Certification Board, the Upper Midwest Indian Council on Addictive Disorders, or the National Association for Alcoholism and Drug Abuse Counselors. An individual may also receive a credential from a tribal nation when providing peer recovery support services in a tribally licensed program. The credential must demonstrate skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support; and~~

~~(4) receive ongoing supervision in areas specific to the domains of the recovery peer's role by an alcohol and drug counselor.~~

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2022, section 245I.04, is amended by adding a subdivision to read:

Subd. 18. **Recovery peer qualifications.** (a) A recovery peer must:

(1) have a minimum of one year in recovery from substance use disorder; and

(2) hold a current credential from the Minnesota Certification Board, the Upper Midwest Indian Council on Addictive Disorders, or the National Association for Alcoholism and Drug Abuse Counselors that demonstrates skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support.

(b) A recovery peer who receives a credential from a Tribal Nation when providing peer recovery support services in a tribally licensed program satisfies the requirement in paragraph (a), clause (2).

Sec. 4. Minnesota Statutes 2022, section 245I.04, is amended by adding a subdivision to read:

Subd. 19. **Peer recovery scope of practice.** A recovery peer, under the supervision of an alcohol and drug counselor, must:

(1) provide individualized peer support to each client;

(2) promote a client's recovery goals, self-sufficiency, self-advocacy, and development of natural supports; and

(3) support a client's maintenance of skills that the client has learned from other services.

Sec. 5. Minnesota Statutes 2022, section 254B.01, subdivision 8, is amended to read:

Subd. 8. **Recovery community organization.** "Recovery community organization" means an independent, nonprofit organization led and governed by representatives of local communities of recovery. A recovery community organization mobilizes resources within and outside of the recovery community to increase the prevalence and quality of long-term recovery from ~~alcohol and other drug addiction~~ substance use disorder. Recovery community organizations provide peer-based recovery support activities such as training of recovery peers. Recovery community organizations provide mentorship and ongoing support to individuals dealing with a substance use disorder and connect them with the resources that can support each person's recovery. A recovery community organization also promotes a

recovery-focused orientation in community education and outreach programming, and organize recovery-focused policy advocacy activities to foster healthy communities and reduce the stigma of substance use disorder.

Sec. 6. Minnesota Statutes 2022, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5).

(d) A recovery community organization that meets ~~certification~~ the requirements ~~identified by the commissioner~~ of clauses (1) to (10) and meets membership or accreditation requirements of the Association of Recovery Community Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery community organization identified by the commissioner is an eligible vendor of peer support services. Eligible vendors under this paragraph must:

(1) be nonprofit organizations;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) primarily focus on recovery from substance use disorders, with missions and visions that support this primary focus;

(4) be grassroots and reflective of and engaged with the community served;

(5) be accountable to the recovery community through processes that promote the involvement and engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building groups, and harm-reduction activities;

(7) allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) be purposeful in meeting the diverse needs of Black, Indigenous, and people of color communities, including board and staff development activities, organizational practices, service offerings, advocacy efforts, and culturally informed outreach and service plans;

(9) be stewards of recovery-friendly language that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma; and

(10) maintain an employee and volunteer code of ethics and easily accessible grievance procedures posted in physical spaces, on websites, or on program policies or forms.

(e) A vendor of peer support services that is approved by the commissioner before June 30, 2023, must meet the requirements under paragraph (d) by June 30, 2024, in order to maintain vendor eligibility for peer support services. An entity that does not meet the requirements under paragraph (d) by June 30, 2024, is subject to monetary recovery under section 256B.064 for any peer recovery support services the entity provides on or after July 1, 2024.

(f) A recovery community organization that is aggrieved by an accreditation or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (15), for reconsideration as an eligible vendor.

~~(e)~~ (g) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the

commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

Sec. 7. Minnesota Statutes 2022, section 256.045, subdivision 3, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

(1) any person applying for, receiving or having received public assistance, medical care, or a program of social services granted by the state agency or a county agency or the federal Food and Nutrition Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any patient or relative aggrieved by an order of the commissioner under section 252.27;

(3) a party aggrieved by a ruling of a prepaid health plan;

(4) except as provided under chapter 245C, any individual or facility determined by a lead investigative agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557;

(5) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under chapter 260E is denied or not acted upon with reasonable promptness, regardless of funding source;

(6) any person to whom a right of appeal according to this section is given by other provision of law;

(7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;

(8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

(9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under chapter 260E, after the individual or facility has exercised the right to administrative reconsideration under chapter 260E;

(10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section

260E.06, subdivision 1, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;

(11) any person with an outstanding debt resulting from receipt of public assistance, medical care, or the federal Food and Nutrition Act who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;

(12) a person issued a notice of service termination under section 245D.10, subdivision 3a, by a licensed provider of any residential supports or services listed in section 245D.03, subdivision 1, paragraphs (b) and (c), that is not otherwise subject to appeal under subdivision 4a;

(13) an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914; ~~or~~

(14) a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a~~.~~; or

(15) a recovery community organization seeking medical assistance vendor eligibility under section 254B.01, subdivision 8, that is aggrieved by a membership or accreditation determination and that believes the organization meets the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10). The scope of the review by the human services judge shall be limited to whether the organization meets each of the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10).

(b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a),

clause (9), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), clauses (4), (9), and (10), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (5), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(e) The scope of hearings under paragraph (a), clauses (12) and (14), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) to (f), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

(f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(g) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(h) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

(i) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 8. Minnesota Statutes 2022, section 256B.0615, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified peer specialist services, as established in subdivision 2, ~~subject to federal approval,~~ if provided to recipients who are eligible for services under sections 256B.0622, 256B.0623, and 256B.0624 and are provided by a mental health certified peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 10.

Sec. 9. Minnesota Statutes 2022, section 256B.0615, subdivision 5, is amended to read:

Subd. 5. **Certified peer specialist ~~training and~~ certification.** ~~The commissioner of human services shall develop a training and certification process for certified peer specialists. The candidates must have had a primary diagnosis of mental illness, be a current or former consumer of mental health services, and must demonstrate leadership and advocacy skills and a strong dedication to recovery. The training curriculum must teach participating consumers specific skills relevant to providing peer support to other consumers. In addition to initial training and certification, the commissioner shall develop ongoing continuing educational workshops on pertinent issues related to peer support counseling.~~ A certified peer specialist is qualified as a mental health certified peer specialist, as defined in section 245I.04.

## ARTICLE 4
## MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 3.757, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Municipality" has the meaning provided in section 466.01, subdivision 1.

(c) "Opioid litigation" means any civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

(d) "Released claim" means any cause of action or other claim that has been released in a statewide opioid settlement agreement, including matters identified as a released claim as that term or a comparable term is defined in a statewide opioid settlement agreement.

(e) "Settling defendant" means Johnson & Johnson, AmerisourceBergen Corporation, Cardinal Health, Inc., ~~and~~ McKesson Corporation, Teva Pharmaceuticals, Allergan plc, CVS Health Corporation, Walgreens Boots Alliance, Inc., and Walmart, Inc., as well as related subsidiaries, affiliates, officers, directors, and other related entities specifically named as a released entity in a statewide opioid settlement agreement.

(f) "Statewide opioid settlement agreement" means an agreement, including consent judgments, assurances of discontinuance, and related agreements or documents, between the attorney general, on behalf of the state, and a settling defendant, to provide or allocate remuneration for conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

Sec. 2. Minnesota Statutes 2022, section 245.50, subdivision 5, is amended to read:

Subd. 5. **Special contracts; bordering states.** (a) An individual who is detained, committed, or placed on an involuntary basis under chapter 253B may be confined or treated in a bordering state pursuant to a contract under this section. An individual who is detained, committed, or placed on an involuntary basis under the civil law of a bordering state may be confined or treated in Minnesota pursuant to a contract under this section. A peace or health officer who is acting under the authority of the sending state may transport an individual to a receiving agency that provides services pursuant to a contract under this section and may transport the individual back to the sending state under the laws of the sending state. Court orders valid under the law of the sending state are granted recognition and reciprocity in the receiving state for individuals covered by a contract under this section to the extent that the court orders relate to confinement for treatment or care of mental illness, chemical dependency, or detoxification. Such treatment or care may address other conditions that may be co-occurring with the mental illness or chemical dependency. These court orders are not subject to legal challenge in the courts of the receiving state. Individuals who are detained, committed, or placed under the law of a sending state and who are transferred to a receiving state under this section continue to be in the legal custody of the authority responsible for them under the law of the sending state. Except in emergencies,

those individuals may not be transferred, removed, or furloughed from a receiving agency without the specific approval of the authority responsible for them under the law of the sending state.

(b) While in the receiving state pursuant to a contract under this section, an individual shall be subject to the sending state's laws and rules relating to length of confinement, reexaminations, and extensions of confinement. No individual may be sent to another state pursuant to a contract under this section until the receiving state has enacted a law recognizing the validity and applicability of this section.

(c) If an individual receiving services pursuant to a contract under this section leaves the receiving agency without permission and the individual is subject to involuntary confinement under the law of the sending state, the receiving agency shall use all reasonable means to return the individual to the receiving agency. The receiving agency shall immediately report the absence to the sending agency. The receiving state has the primary responsibility for, and the authority to direct, the return of these individuals within its borders and is liable for the cost of the action to the extent that it would be liable for costs of its own resident.

(d) Responsibility for payment for the cost of care remains with the sending agency.

(e) This subdivision also applies to county contracts under subdivision 2 which include emergency care and treatment provided to a county resident in a bordering state.

(f) If a Minnesota resident is admitted to a facility in a bordering state under this chapter, ~~a physician, a licensed psychologist who has a doctoral degree in psychology, or an advanced practice registered nurse certified in mental health,~~ an individual who is licensed in the bordering state, may act as a court examiner under sections 253B.07, 253B.08, 253B.092, 253B.12, and 253B.17 subject to the same requirements and limitations in section 253B.02, subdivision ~~7~~ 4d. An examiner under section 253B.02, subdivision 7, may initiate an emergency hold under section 253B.051 on a Minnesota resident who is in a hospital that is under contract with a Minnesota governmental entity under this section provided the resident, in the opinion of the examiner, meets the criteria in section 253B.051.

(g) This section shall apply to detoxification services that are unrelated to treatment whether the services are provided on a voluntary or involuntary basis.

Sec. 3. Laws 2021, First Special Session chapter 7, article 2, section 17, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2021, except ~~subdivision 6, paragraph (b), is effective upon federal approval and~~ subdivision 15 is effective the day following final enactment. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 4. Laws 2021, First Special Session chapter 7, article 6, section 12, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2021~~, or upon federal approval, whichever is later~~. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 5. Laws 2021, First Special Session chapter 7, article 11, section 18, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2021, ~~or upon federal approval, whichever is later,~~ except paragraph (f) is effective the day following final enactment. ~~The commissioner shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 6. Laws 2021, First Special Session chapter 7, article 13, section 43, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective January 1, 2022~~, or upon federal approval, whichever is later, except the fifth sentence in paragraph (d) is effective January 1, 2022~~. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 7. Laws 2022, chapter 98, article 4, section 37, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2022~~, or upon federal approval, whichever is later~~. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

**169A.70 ALCOHOL SAFETY PROGRAMS; CHEMICAL USE ASSESSMENTS.**

Subd. 6. **Method of assessment.** (a) As used in this subdivision, "collateral contact" means an oral or written communication initiated by an assessor for the purpose of gathering information from an individual or agency, other than the offender, to verify or supplement information provided by the offender during an assessment under this section. The term includes contacts with family members and criminal justice agencies.

(b) An assessment conducted under this section must include at least one personal interview with the offender designed to make a determination about the extent of the offender's past and present chemical and alcohol use or abuse. It must also include collateral contacts and a review of relevant records or reports regarding the offender including, but not limited to, police reports, arrest reports, driving records, chemical testing records, and test refusal records. If the offender has a probation officer, the officer must be the subject of a collateral contact under this subdivision. If an assessor is unable to make collateral contacts, the assessor shall specify why collateral contacts were not made.

**245G.05 COMPREHENSIVE ASSESSMENT AND ASSESSMENT SUMMARY.**

Subd. 2. **Assessment summary.** (a) An alcohol and drug counselor must complete an assessment summary within three calendar days from the day of service initiation for a residential program and within three calendar days on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program. The comprehensive assessment summary is complete upon a qualified staff member's dated signature. If the comprehensive assessment is used to authorize the treatment service, the alcohol and drug counselor must prepare an assessment summary on the same date the comprehensive assessment is completed. If the comprehensive assessment and assessment summary are to authorize treatment services, the assessor must determine appropriate services for the client using the dimensions in Minnesota Rules, part 9530.6622, and document the recommendations.

(b) An assessment summary must include:

(1) a risk description according to section 245G.05 for each dimension listed in paragraph (c);

(2) a narrative summary supporting the risk descriptions; and

(3) a determination of whether the client has a substance use disorder.

(c) An assessment summary must contain information relevant to treatment service planning and recorded in the dimensions in clauses (1) to (6). The license holder must consider:

(1) Dimension 1, acute intoxication/withdrawal potential; the client's ability to cope with withdrawal symptoms and current state of intoxication;

(2) Dimension 2, biomedical conditions and complications; the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. The license holder must determine the impact of continued substance use on the unborn child, if the client is pregnant;

(3) Dimension 3, emotional, behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas and the likelihood of harm to self or others;

(4) Dimension 4, readiness for change; the support necessary to keep the client involved in treatment service;

(5) Dimension 5, relapse, continued use, and continued problem potential; the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems; and

(6) Dimension 6, recovery environment; whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

**245G.06 INDIVIDUAL TREATMENT PLAN.**

Subd. 2. **Plan contents.** An individual treatment plan must be recorded in the six dimensions listed in section 245G.05, subdivision 2, paragraph (c), must address each issue identified in the assessment summary, prioritized according to the client's needs and focus, and must include:

(1) specific goals and methods to address each identified need in the comprehensive assessment summary, including amount, frequency, and anticipated duration of treatment service. The methods must be appropriate to the client's language, reading skills, cultural background, and strengths;

(2) resources to refer the client to when the client's needs are to be addressed concurrently by another provider; and

(3) goals the client must reach to complete treatment and terminate services.

**245G.22 OPIOID TREATMENT PROGRAMS.**

Subd. 19. **Placing authorities.** A program must provide certain notification and client-specific updates to placing authorities for a client who is enrolled in Minnesota health care programs. At the request of the placing authority, the program must provide client-specific updates, including but not limited to informing the placing authority of positive drug testings and changes in medications used for the treatment of opioid use disorder ordered for the client.

**254A.02 DEFINITIONS.**

Subd. 8a. **Placing authority.** "Placing authority" means a county, prepaid health plan, or tribal governing board governed by Minnesota Rules, parts 9530.6600 to 9530.6655.

**254A.16 RESPONSIBILITIES OF THE COMMISSIONER.**

Subd. 6. **Monitoring.** The commissioner shall gather and placing authorities shall provide information to measure compliance with Minnesota Rules, parts 9530.6600 to 9530.6655. The commissioner shall specify the format for data collection to facilitate tracking, aggregating, and using the information.

**254A.19 CHEMICAL USE ASSESSMENTS.**

Subd. 1a. **Emergency room patients.** A county may enter into a contract with a hospital to provide chemical use assessments under Minnesota Rules, parts 9530.6600 to 9530.6655, for patients admitted to an emergency room or inpatient hospital when:

(1) an assessor is not available; and

(2) detoxification services in the county are at full capacity.

Subd. 2. **Probation officer as contact.** When a chemical use assessment is required under Minnesota Rules, parts 9530.6600 to 9530.6655, for a person who is on probation or under other correctional supervision, the assessor, either orally or in writing, shall contact the person's probation officer to verify or supplement the information provided by the person.

Subd. 5. **Assessment via telehealth.** Notwithstanding Minnesota Rules, part 9530.6615, subpart 3, item A, a chemical use assessment may be conducted via telehealth as defined in section 256B.0625, subdivision 3b.

**254B.04 ELIGIBILITY FOR BEHAVIORAL HEALTH FUND SERVICES.**

Subd. 2b. **Eligibility for placement in opioid treatment programs.** Prior to placement of an individual who is determined by the assessor to require treatment for opioid addiction, the assessor must provide educational information concerning treatment options for opioid addiction, including the use of a medication for the use of opioid addiction. The commissioner shall develop educational materials supported by research and updated periodically that must be used by assessors to comply with this requirement.

Subd. 2c. **Eligibility to receive peer recovery support and treatment service coordination.** Notwithstanding Minnesota Rules, part 9530.6620, subpart 6, a placing authority may authorize peer recovery support and treatment service coordination for a person who scores a severity of one or more in dimension 4, 5, or 6, under Minnesota Rules, part 9530.6622. Authorization for peer recovery support and treatment service coordination under this subdivision does not need to be provided in conjunction with treatment services under Minnesota Rules, part 9530.6622, subpart 4, 5, or 6.

**254B.041 SUBSTANCE USE DISORDER RULES.**

Subd. 2. **Vendor collections; rule amendment.** The commissioner may amend Minnesota Rules, parts 9530.7000 to 9530.7025, to require a vendor of substance use disorder transitional and extended care rehabilitation services to collect the cost of care received under a program from an eligible person who has been determined to be partially responsible for treatment costs, and to remit

the collections to the commissioner. The commissioner shall pay to a vendor, for the collections, an amount equal to five percent of the collections remitted to the commissioner by the vendor.

**254B.13 PILOT PROJECTS; CHEMICAL HEALTH CARE.**

Subdivision 1. **Authorization for navigator pilot projects.** The commissioner may approve and implement navigator pilot projects developed under the planning process required under Laws 2009, chapter 79, article 7, section 26, to provide alternatives to and enhance coordination of the delivery of chemical health services required under section 254B.03.

Subd. 2. **Program design and implementation.** (a) The commissioner and counties participating in the navigator pilot projects shall continue to work in partnership to refine and implement the navigator pilot projects initiated under Laws 2009, chapter 79, article 7, section 26.

(b) The commissioner and counties participating in the navigator pilot projects shall complete the planning phase and, if approved by the commissioner for implementation, enter into agreements governing the operation of the navigator pilot projects.

Subd. 2a. **Eligibility for navigator pilot program.** (a) To be considered for participation in a navigator pilot program, an individual must:

(1) be a resident of a county with an approved navigator program;

(2) be eligible for behavioral health fund services;

(3) be a voluntary participant in the navigator program;

(4) satisfy one of the following items:

(i) have at least one severity rating of three or above in dimension four, five, or six in a comprehensive assessment under section 245G.05, subdivision 2, paragraph (c), clauses (4) to (6); or

(ii) have at least one severity rating of two or above in dimension four, five, or six in a comprehensive assessment under section 245G.05, subdivision 2, paragraph (c), clauses (4) to (6), and be currently participating in a Rule 31 treatment program under chapter 245G or be within 60 days following discharge after participation in a Rule 31 treatment program; and

(5) have had at least two treatment episodes in the past two years, not limited to episodes reimbursed by the behavioral health fund. An admission to an emergency room, a detoxification program, or a hospital may be substituted for one treatment episode if it resulted from the individual's substance use disorder.

(b) New eligibility criteria may be added as mutually agreed upon by the commissioner and participating navigator programs.

Subd. 4. **Notice of navigator pilot project discontinuation.** Each county's participation in the navigator pilot project may be discontinued for any reason by the county or the commissioner of human services after 30 days' written notice to the other party.

Subd. 5. **Duties of commissioner.** (a) Notwithstanding any other provisions in this chapter, the commissioner may authorize navigator pilot projects to use the behavioral health fund to pay for nontreatment navigator pilot services:

(1) in addition to those authorized under section 254B.03, subdivision 2, paragraph (a); and

(2) by vendors in addition to those authorized under section 254B.05 when not providing substance use disorder treatment services.

(b) For purposes of this section, "nontreatment navigator pilot services" include navigator services, peer support, family engagement and support, housing support, rent subsidies, supported employment, and independent living skills.

(c) State expenditures for substance use disorder services and nontreatment navigator pilot services provided by or through the navigator pilot projects must not be greater than the behavioral health fund expected share of forecasted expenditures in the absence of the navigator pilot projects. The commissioner may restructure the schedule of payments between the state and participating counties under the local agency share and division of cost provisions under section 254B.03, subdivisions 3 and 4, as necessary to facilitate the operation of the navigator pilot projects.

(d) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the navigator pilot project, except that any substance use disorder treatment funded under this section must continue to be provided by a licensed treatment provider.

(e) The commissioner shall not approve or enter into any agreement related to navigator pilot projects authorized under this section that puts current or future federal funding at risk.

(f) The commissioner shall provide participating navigator pilot projects with transactional data, reports, provider data, and other data generated by county activity to assess and measure outcomes. This information must be transmitted or made available in an acceptable form to participating navigator pilot projects at least once every six months or within a reasonable time following the commissioner's receipt of information from the counties needed to comply with this paragraph.

Subd. 6. **Duties of county board.** The county board, or other county entity that is approved to administer a navigator pilot project, shall:

(1) administer the navigator pilot project in a manner consistent with the objectives described in subdivision 2 and the planning process in subdivision 5;

(2) ensure that no one is denied substance use disorder treatment services for which they would otherwise be eligible under section 254A.03, subdivision 3; and

(3) provide the commissioner with timely and pertinent information as negotiated in agreements governing operation of the navigator pilot projects.

Subd. 7. **Managed care.** An individual who is eligible for the navigator pilot program under subdivision 2a is excluded from mandatory enrollment in managed care until these services are included in the health plan's benefit set.

Subd. 8. **Authorization for continuation of navigator pilots.** The navigator pilot projects implemented pursuant to subdivision 1 are authorized to continue operation after July 1, 2013, under existing agreements governing operation of the pilot projects.

**254B.16 PILOT PROJECTS; TREATMENT FOR PREGNANT AND POSTPARTUM WOMEN WITH SUBSTANCE USE DISORDER.**

Subdivision 1. **Pilot projects established.** (a) Within the limits of federal funds available specifically for this purpose, the commissioner of human services shall establish pilot projects to provide substance use disorder treatment and services to pregnant and postpartum women with a primary diagnosis of substance use disorder, including opioid use disorder. Pilot projects funded under this section must:

(1) promote flexible uses of funds to provide treatment and services to pregnant and postpartum women with substance use disorders;

(2) fund family-based treatment and services for pregnant and postpartum women with substance use disorders;

(3) identify gaps in services along the continuum of care that are provided to pregnant and postpartum women with substance use disorders; and

(4) encourage new approaches to service delivery and service delivery models.

(b) A pilot project funded under this section must provide at least a portion of its treatment and services to women who receive services on an outpatient basis.

Subd. 2. **Federal funds.** The commissioner shall apply for any available grant funds from the federal Center for Substance Abuse Treatment for these pilot projects.

**256.041 CULTURAL AND ETHNIC COMMUNITIES LEADERSHIP COUNCIL.**

Subd. 10. **Expiration.** The council expires on June 30, 2025.

**256B.49 HOME AND COMMUNITY-BASED SERVICE WAIVERS FOR PERSONS WITH DISABILITIES.**

Subd. 23. **Community-living settings.** (a) For the purposes of this chapter, "community-living settings" means a single-family home or multifamily dwelling unit where a service recipient or a service recipient's family owns or rents, and maintains control over the individual unit as demonstrated by a lease agreement. Community-living settings does not include a home or dwelling

unit that the service provider owns, operates, or leases or in which the service provider has a direct or indirect financial interest.

(b) To ensure a service recipient or the service recipient's family maintains control over the home or dwelling unit, community-living settings are subject to the following requirements:

(1) service recipients must not be required to receive services or share services;

(2) service recipients must not be required to have a disability or specific diagnosis to live in the community-living setting;

(3) service recipients may hire service providers of their choice;

(4) service recipients may choose whether to share their household and with whom;

(5) the home or multifamily dwelling unit must include living, sleeping, bathing, and cooking areas;

(6) service recipients must have lockable access and egress;

(7) service recipients must be free to receive visitors and leave the settings at times and for durations of their own choosing;

(8) leases must comply with chapter 504B;

(9) landlords must not charge different rents to tenants who are receiving home and community-based services; and

(10) access to the greater community must be easily facilitated based on the service recipient's needs and preferences.

(c) Nothing in this section prohibits a service recipient from having another person or entity not affiliated with the service provider cosign a lease. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from modifying services with an existing cosigning service provider and, subject to the approval of the landlord, maintaining a lease cosigned by the service provider. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from terminating services with the cosigning service provider, receiving services from a new service provider, and, subject to the approval of the landlord, maintaining a lease cosigned by the new service provider.

(d) A lease cosigned by a service provider meets the requirements of paragraph (a) if the service recipient and service provider develop and implement a transition plan which must provide that, within two years of cosigning the initial lease, the service provider shall transfer the lease to the service recipient and other cosigners, if any.

(e) In the event the landlord has not approved the transfer of the lease within two years of the service provider cosigning the initial lease, the service provider must submit a time-limited extension request to the commissioner of human services to continue the cosigned lease arrangement. The extension request must include:

(1) the reason the landlord denied the transfer;

(2) the plan to overcome the denial to transfer the lease;

(3) the length of time needed to successfully transfer the lease, not to exceed an additional two years;

(4) a description of how the transition plan was followed, what occurred that led to the landlord denying the transfer, and what changes in circumstances or condition, if any, the service recipient experienced; and

(5) a revised transition plan to transfer the cosigned lease between the service provider and the service recipient to the service recipient.

The commissioner must approve an extension within sufficient time to ensure the continued occupancy by the service recipient.

**260.835 AMERICAN INDIAN CHILD WELFARE ADVISORY COUNCIL.**

Subd. 2. **Expiration.** The American Indian Child Welfare Advisory Council expires June 30, 2023.

**9530.7000 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of parts 9530.7000 to 9530.7030, the following terms have the meanings given them.

Subp. 2. **Chemical.** "Chemical" means alcohol, solvents, and other mood altering substances, including controlled substances as defined in Minnesota Statutes, chapter 152.

Subp. 5. **Chemical dependency treatment services.** "Chemical dependency treatment services" means services provided by chemical dependency treatment programs licensed according to Minnesota Statutes, chapter 245G, or certified according to parts 2960.0450 to 2960.0490.

Subp. 6. **Client.** "Client" means an individual who has requested chemical abuse or dependency services, or for whom chemical abuse or dependency services have been requested, from a local agency.

Subp. 7. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Department of Human Services or the commissioner's designated representative.

Subp. 8. **Behavioral health fund.** "Behavioral health fund" means money appropriated for payment of chemical dependency treatment services under Minnesota Statutes, chapter 254B.

Subp. 9. **Copayment.** "Copayment" means the amount an insured person is obligated to pay before the person's third-party payment source is obligated to make a payment, or the amount an insured person is obligated to pay in addition to the amount the person's third-party payment source is obligated to pay.

Subp. 10. **Drug and Alcohol Abuse Normative Evaluation System or DAANES.** "Drug and Alcohol Abuse Normative Evaluation System" or "DAANES" means the client information system operated by the department's Chemical Dependency Program Division.

Subp. 11. **Department.** "Department" means the Minnesota Department of Human Services.

Subp. 13. **Income.** "Income" means the total amount of cash received by an individual from the following sources:

A. cash payments for wages or salaries;

B. cash receipts from nonfarm or farm self-employment, minus deductions allowed by the federal Internal Revenue Service for business or farm expenses;

C. regular cash payments from social security, railroad retirement, unemployment compensation, workers' union funds, veterans' benefits, the Minnesota family investment program, Supplemental Security Income, General Assistance, training stipends, alimony, child support, and military family allotments;

D. cash payments from private pensions, government employee pensions, and regular insurance or annuity payments;

E. cash payments for dividends, interest, rents, or royalties; and

F. periodic cash receipts from estates or trusts.

Income does not include capital gains; any cash assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; tax refunds, gifts, lump sum inheritances, one time insurance payments, or compensation for injury; court-ordered child support or health insurance premium payments made by the client or responsible relative; and noncash benefits such as health insurance, food or rent received in lieu of wages, and noncash benefits from programs such as Medicare, Medical Assistance, the Supplemental Nutrition Assistance Program, school lunches, and housing assistance. Annual income is the amount reported and verified by an individual as current income calculated prospectively to cover one year.

Subp. 14. **Local agency.** "Local agency" means the county or multicounty agency authorized under Minnesota Statutes, sections 254B.01, subdivision 5, and 254B.03, subdivision 1, to make placements under the behavioral health fund.

Subp. 15. **Minor child.** "Minor child" means an individual under the age of 18 years.

Subp. 17a. **Policyholder.** "Policyholder" means a person who has a third-party payment policy under which a third-party payment source has an obligation to pay all or part of a client's treatment costs.

Subp. 19. **Responsible relative.** "Responsible relative" means a person who is a member of the client's household and is a client's spouse or the parent of a minor child who is a client.

Subp. 20. **Third-party payment source.** "Third-party payment source" means a person, entity, or public or private agency other than medical assistance or general assistance medical care that has a probable obligation to pay all or part of the costs of a client's chemical dependency treatment.

Subp. 21. **Vendor.** "Vendor" means a licensed provider of chemical dependency treatment services that meets the criteria established in Minnesota Statutes, section 254B.05, and that has applied according to part 9505.0195 to participate as a provider in the medical assistance program.

**9530.7005 SCOPE AND APPLICABILITY.**

Parts 9530.7000 to 9530.7030 govern the administration of the behavioral health fund, establish the criteria to be applied by local agencies to determine a client's eligibility under the behavioral health fund, and establish a client's obligation to pay for chemical dependency treatment services.

These parts must be read in conjunction with Minnesota Statutes, chapter 254B, and parts 9530.6600 to 9530.6655.

**9530.7010 COUNTY RESPONSIBILITY TO PROVIDE SERVICES.**

The local agency shall provide chemical dependency treatment services to eligible clients who have been assessed and placed by the county according to parts 9530.6600 to 9530.6655 and Minnesota Statutes, chapter 256G.

**9530.7012 VENDOR AGREEMENTS.**

When a local agency enters into an agreement with a vendor of chemical dependency treatment services, the agreement must distinguish client per unit room and board costs from per unit chemical dependency treatment services costs.

For purposes of this part, "chemical dependency treatment services costs" are costs, including related administrative costs, of services that meet the criteria in items A to C:

A. The services are provided within a program licensed according to Minnesota Statutes, chapter 245G, or certified according to parts 2960.0430 to 2960.0490.

B. The services meet the definition of chemical dependency services in Minnesota Statutes, section 254B.01, subdivision 3.

C. The services meet the applicable service standards for licensed chemical dependency treatment programs in item A, but are not under the jurisdiction of the commissioner.

This part also applies to vendors of room and board services that are provided concurrently with chemical dependency treatment services according to Minnesota Statutes, sections 254B.03, subdivision 2, and 254B.05, subdivision 1.

This part does not apply when a county contracts for chemical dependency services in an acute care inpatient hospital licensed by the Department of Health under chapter 4640.

**9530.7015 CLIENT ELIGIBILITY; BEHAVIORAL HEALTH FUND.**

Subpart 1. **Client eligibility to have treatment totally paid under the behavioral health fund.** A client who meets the criteria established in item A, B, C, or D shall be eligible to have chemical dependency treatment paid for totally with funds from the behavioral health fund.

A. The client is eligible for MFIP as determined under Minnesota Statutes, chapter 256J.

B. The client is eligible for medical assistance as determined under parts 9505.0010 to 9505.0140.

C. The client is eligible for general assistance, general assistance medical care, or work readiness as determined under parts 9500.1200 to 9500.1272.

D. The client's income is within current household size and income guidelines for entitled persons, as defined in Minnesota Statutes, section 254B.04, subdivision 1, and as determined by the local agency under part 9530.7020, subpart 1.

Subp. 2a. **Third-party payment source and client eligibility for the behavioral health fund.** Clients who meet the financial eligibility requirement in subpart 1 and who have a third-party payment source are eligible for the behavioral health fund if the third party payment source pays less than 100 percent of the treatment services determined according to parts 9530.6600 to 9530.6655.

Subp. 4. **Client ineligible to have treatment paid for from the behavioral health fund.** A client who meets the criteria in item A or B shall be ineligible to have chemical dependency treatment services paid for with behavioral health funds.

A. The client has an income that exceeds current household size and income guidelines for entitled persons as defined in Minnesota Statutes, section 254B.04, subdivision 1, and as determined by the local agency under part 9530.7020, subpart 1.

B. The client has an available third-party payment source that will pay the total cost of the client's treatment.

Subp. 5. **Eligibility of clients disenrolled from prepaid health plans.** A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund, until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client meets the criteria in item A or B. The client must:

A. continue to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

B. be eligible according to subparts 1 and 2a and be determined eligible by a local agency under part 9530.7020.

Subp. 6. **County responsibility.** When a county commits a client under Minnesota Statutes, chapter 253B, to a regional treatment center for chemical dependency treatment services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to Minnesota Statutes, section 254B.05, subdivision 4.

**9530.7020 LOCAL AGENCY TO DETERMINE CLIENT ELIGIBILITY.**

Subpart 1. **Local agency duty to determine client eligibility.** The local agency shall determine a client's eligibility for the behavioral health fund at the time the client is assessed under parts 9530.6600 to 9530.6655. Client eligibility must be determined using forms

prescribed by the department. To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's chemical dependency treatment, as specified in items A to C.

A. The local agency must determine the client's income. A client who is a minor child shall not be deemed to have income available to pay for chemical dependency treatment, unless the minor child is responsible for payment under Minnesota Statutes, section 144.347, for chemical dependency treatment services sought under Minnesota Statutes, section 144.343, subdivision 1.

B. The local agency must determine the client's household size according to subitems (1), (2), and (3).

(1) If the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(a) the client;

(b) the client's birth or adoptive parents; and

(c) the client's siblings who are minors.

(2) If the client is an adult, the household size includes the following persons living in the same dwelling unit:

(a) the client;

(b) the client's spouse;

(c) the client's minor children; and

(d) the client's spouse's minor children.

(3) For purposes of this item, household size includes a person listed in subitems (1) and (2) who is in out-of-home placement if a person listed in subitem (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

C. The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of copayment.

D. The local agency must provide the required eligibility information to the department in the manner specified by the department.

E. The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

Subp. 1a. **Redetermination of client eligibility.** The local agency shall redetermine a client's eligibility for CCDTF every six months after the initial eligibility determination, if the client has continued to receive uninterrupted chemical dependency treatment services for that six months. For purposes of this subpart, placement of a client into more than one chemical dependency treatment program in less than ten working days, or placement of a client into a residential chemical dependency treatment program followed by nonresidential chemical dependency treatment services shall be treated as a single placement.

Subp. 2. **Client, responsible relative, and policyholder obligation to cooperate.** A client, responsible relative, and policyholder shall provide income or wage verification, household size verification, and shall make an assignment of third-party payment rights under subpart 1, item C. If a client, responsible relative, or policyholder does not comply with the provisions of this subpart, the client shall be deemed to be ineligible to have the behavioral health fund pay for his or her chemical dependency treatment, and the client and

responsible relative shall be obligated to pay for the full cost of chemical dependency treatment services provided to the client.

**9530.7021 PAYMENT AGREEMENTS.**

When the local agency, the client, and the vendor agree that the vendor will accept payment from a third-party payment source for an eligible client's treatment, the local agency, the client, and the vendor shall enter into a third-party payment agreement. The agreement must stipulate that the vendor will accept, as payment in full for services provided to the client, the amount the third-party payor is obligated to pay for services provided to the client. The agreement must be executed in a form prescribed by the commissioner and is not effective unless an authorized representative of each of the three parties has signed it. The local agency shall maintain a record of third-party payment agreements into which the local agency has entered.

The vendor shall notify the local agency as soon as possible and not less than one business day before discharging a client whose treatment is covered by a payment agreement under this part if the discharge is caused by disruption of the third-party payment.

**9530.7022 CLIENT FEES.**

Subpart 1. **Income and household size criteria.** A client whose household income is within current household size and income guidelines for entitled persons as defined in Minnesota Statutes, section 254B.04, subdivision 1, shall pay no fee.

**9530.7025 DENIAL OF PAYMENT.**

Subpart 1. **Denial of payment when required assessment not completed.** The department shall deny payments from the behavioral health fund to vendors for chemical dependency treatment services provided to clients who have not been assessed and placed by the county in accordance with parts 9530.6600 to 9530.6655.

Subp. 2. **Denial of state participation in behavioral health fund payments when client found not eligible.** The department shall pay vendors from the behavioral health fund for chemical dependency treatment services provided to clients and shall bill the county for 100 percent of the costs of chemical dependency treatment services as follows:

A. The department shall bill the county for 100 percent of the costs of a client's chemical dependency treatment services when the department determines that the client was not placed in accordance with parts 9530.6600 to 9530.6655.

B. When a county's allocation under Minnesota Statutes, section 254B.02, subdivisions 1 and 2, has been exhausted, and the county's maintenance of effort has been met as required under Minnesota Statutes, section 254B.02, subdivision 3, and the local agency has been notified by the department that the only clients who are eligible to have their treatment paid for from the behavioral health fund are clients who are eligible under part 9530.7015, subpart 1, the department shall bill the county for 100 percent of the costs of a client's chemical dependency treatment services when the department determines that the client was not eligible under part 9530.7015, subpart 1.

**9530.7030 VENDOR MUST PARTICIPATE IN DAANES SYSTEM.**

Subpart 1. **Participation a condition of eligibility.** To be eligible for payment under the behavioral health fund, a vendor must participate in the Drug and Alcohol Normative Evaluation System (DAANES) or submit to the commissioner the information required in DAANES in the format specified by the commissioner.

A bill for an act

relating to human services; modifying and establishing laws regarding aging, disability, behavioral health, substance use disorder, and statewide opioid litigation; amending Minnesota Statutes 2022, sections 3.757, subdivision 1; 62N.25, subdivision 5; 62Q.1055; 62Q.47; 169A.70, subdivisions 3, 4; 245.462, subdivisions 3, 12; 245.4711, subdivisions 3, 4; 245.477; 245.4835, subdivision 2; 245.4871, subdivisions 3, 19; 245.4873, subdivision 4; 245.4881, subdivisions 3, 4; 245.4885, subdivision 1; 245.4887; 245.50, subdivision 5; 245A.03, subdivision 7; 245A.043, subdivision 3; 245A.16, subdivision 1; 245D.03, subdivision 1; 245F.06, subdivision 2; 245G.01, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, 4, by adding subdivisions; 245G.07, subdivision 2; 245G.09, subdivision 3; 245G.11, subdivision 8; 245G.22, subdivisions 2, 15, 17; 245I.04, by adding subdivisions; 245I.10, subdivision 6; 246.0135; 254A.03, subdivision 3; 254A.035, subdivision 2; 254A.19, subdivisions 1, 3, 4, by adding subdivisions; 254B.01, subdivisions 5, 8, by adding subdivisions; 254B.03, subdivisions 1, 2, 5; 254B.04, subdivisions 1, 2a, by adding subdivisions; 254B.05, subdivisions 1, 1a, 5; 256.01, by adding a subdivision; 256.045, subdivision 3; 256B.0615, subdivisions 1, 5; 256B.0911, subdivision 23; 256B.092, subdivision 10; 256B.093, subdivision 1; 256B.439, subdivisions 3c, 3d, by adding a subdivision; 256B.492; 256B.493, subdivisions 2a, 4; 256D.09, subdivision 2a; 256L.03, subdivision 2; 256L.12, subdivision 8; 256S.202, subdivision 1; 260B.157, subdivisions 1, 3; 260C.157, subdivision 3; 260E.20, subdivision 1; 299A.299, subdivision 1; 524.5-104; 524.5-313; Laws 2021, First Special Session chapter 7, article 2, section 17; article 6, section 12; article 11, section 18; article 13, section 43; article 17, section 20; Laws 2022, chapter 98, article 4, section 37; proposing coding for new law in Minnesota Statutes, chapter 254B; repealing Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.05, subdivision 2; 245G.06, subdivision 2; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, 5; 254B.04, subdivisions 2b, 2c; 254B.041, subdivision 2; 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, 8; 254B.16; 256.041, subdivision 10; 256B.49, subdivision 23; 260.835, subdivision 2; Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, 6; 9530.7020, subparts 1, 1a, 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; 9530.7030, subpart 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1
## AGING, DISABILITY, AND BEHAVIORAL HEALTH SERVICES

Section 1. Minnesota Statutes 2022, section 245.462, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the community support services program as defined in subdivision 6 and are designed to help adults with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management services include developing a functional assessment, an individual ~~assessment summary~~ community support plan, referring and assisting the person to obtain needed mental health and other services, ensuring coordination of services, and monitoring the delivery of services.

Sec. 2. Minnesota Statutes 2022, section 245.462, subdivision 12, is amended to read:

Subd. 12. **Individual ~~assessment summary~~ community support plan.** "Individual ~~assessment summary~~ community support plan" means a written plan developed by a case manager on the basis of a diagnostic assessment and functional assessment. The plan identifies specific services needed by an adult with serious and persistent mental illness to develop independence or improved functioning in daily living, health and medication management, social functioning, interpersonal relationships, financial management, housing, transportation, and employment.

Sec. 3. Minnesota Statutes 2022, section 245.4711, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** Upon a determination of eligibility for case management services, and if the adult consents to the services, the case manager shall complete a written functional assessment according to section 245.462, subdivision 11a. The case manager shall develop an individual ~~assessment summary~~ community support plan for the adult according to subdivision 4, paragraph (a), review the adult's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

Sec. 4. Minnesota Statutes 2022, section 245.4711, subdivision 4, is amended to read:

Subd. 4. **Individual ~~assessment summary~~ community support plan.** (a) The case manager must develop an individual ~~assessment summary~~ community support plan for each adult that incorporates the client's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual ~~assessment summary~~ community support plan. The individual ~~assessment summary~~ community support plan must be developed within 30 days of client intake and reviewed at least every 180 days after it is developed, unless the case manager receives a written request from the client or the client's family for a review of the plan every 90 days after it is developed. The case manager is responsible for developing the individual ~~assessment summary~~ community support plan based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual ~~assessment summary~~ community support plan. To the extent possible, the adult with serious and persistent mental illness, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual ~~or family assessment summary~~ community support plan.

(b) The client's individual ~~assessment summary~~ community support plan must state:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual ~~assessment summary~~ community support plan.

Sec. 5. Minnesota Statutes 2022, section 245.477, is amended to read:

**245.477 APPEALS.**

Any adult who requests mental health services under sections 245.461 to 245.486 must be advised of services available and the right to appeal at the time of the request and each time the individual ~~assessment summary~~ community support plan or individual treatment plan is reviewed. Any adult whose request for mental health services under sections 245.461 to 245.486 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated by action or inaction for which the county board is responsible under sections 245.461 to 245.486 may contest that action or inaction before

the state agency as specified in section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 6. Minnesota Statutes 2022, section 245.4835, subdivision 2, is amended to read:

Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

(2) the degree to which a county is expanding use of alternative services that meet mental health needs, but do not count as mental health services within existing reporting systems. If approved by the commissioner, the alternative services must be included in the county's base as well as subsequent years. The commissioner's approval for alternative services must be based on the following criteria:

(i) the service must be provided to children with emotional disturbance or adults with mental illness;

(ii) the services must be based on an individual treatment plan or individual ~~assessment summary~~ community support plan as defined in the Comprehensive Mental Health Act; and

(iii) the services must be supervised by a mental health professional and provided by staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and 256B.0623, subdivision 5.

(c) Additional county expenditures to make up for the prior year's underspending may be spread out over a two-year period.

Sec. 7. Minnesota Statutes 2022, section 245.4871, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the family community support services and are designed to help

the child with severe emotional disturbance and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include assisting in obtaining a comprehensive diagnostic assessment, developing an individual family ~~assessment summary~~ community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of services over time.

Sec. 8. Minnesota Statutes 2022, section 245.4871, subdivision 19, is amended to read:

Subd. 19. **Individual family ~~assessment summary~~ community support plan.** "Individual family ~~assessment summary~~ community support plan" means a written plan developed by a case manager in conjunction with the family and the child with severe emotional disturbance on the basis of a diagnostic assessment and a functional assessment. The plan identifies specific services needed by a child and the child's family to:

(1) treat the symptoms and dysfunctions determined in the diagnostic assessment;

(2) relieve conditions leading to emotional disturbance and improve the personal well-being of the child;

(3) improve family functioning;

(4) enhance daily living skills;

(5) improve functioning in education and recreation settings;

(6) improve interpersonal and family relationships;

(7) enhance vocational development; and

(8) assist in obtaining transportation, housing, health services, and employment.

Sec. 9. Minnesota Statutes 2022, section 245.4873, subdivision 4, is amended to read:

Subd. 4. **Individual case coordination.** The case manager designated under section 245.4881 is responsible for ongoing coordination with any other person responsible for planning, development, and delivery of social services, education, corrections, health, or vocational services for the individual child. The individual family ~~assessment summary~~ community support plan developed by the case manager shall reflect the coordination among the local service system providers.

Sec. 10. Minnesota Statutes 2022, section 245.4881, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** (a) Upon a determination of eligibility for case management services, the case manager shall develop an individual family ~~assessment summary~~ community support plan for a child as specified in subdivision 4, review the child's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall note in the child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and child's family. The case manager shall note this provision in the child's record.

Sec. 11. Minnesota Statutes 2022, section 245.4881, subdivision 4, is amended to read:

Subd. 4. **Individual family ~~assessment summary~~ community support plan.** (a) For each child, the case manager must develop an individual family ~~assessment summary~~ community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family ~~assessment summary~~ community support plan. The case manager is responsible for developing the individual family ~~assessment summary~~ community support plan within 30 days of intake based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual family ~~assessment summary~~ community support plan. The case manager must review the plan at least every 180 calendar days after it is developed, unless the case manager has received a written request from the child's family or an advocate for the child for a review of the plan every 90 days after it is developed. To the extent appropriate, the child with severe emotional disturbance, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family ~~assessment summary~~ community support plan. Notwithstanding the lack of an individual family ~~assessment summary~~ community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in section 245.4884, subdivision 1.

(b) The child's individual family ~~assessment summary~~ community support plan must state:

(1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family ~~assessment summary~~ community support plan.

Sec. 12. Minnesota Statutes 2022, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. **Admission criteria.** (a) Prior to admission or placement, except in the case of an emergency, all children referred for treatment of severe emotional disturbance in a treatment foster care setting, residential treatment facility, or informally admitted to a regional treatment center shall undergo an assessment to determine the appropriate level of care if county funds are used to pay for the child's services. An emergency includes when a child is in need of and has been referred for crisis stabilization services under section 245.4882, subdivision 6. A child who has been referred to residential treatment for crisis stabilization services in a residential treatment center is not required to undergo an assessment under this section.

(b) The county board shall determine the appropriate level of care for a child when county-controlled funds are used to pay for the child's residential treatment under this chapter, including residential treatment provided in a qualified residential treatment program as defined in section 260C.007, subdivision 26d. When a county board does not have responsibility for a child's placement and the child is enrolled in a prepaid health program under section 256B.69, the enrolled child's contracted health plan must determine the appropriate level of care for the child. When Indian Health Services funds or funds of a tribally owned facility funded under the Indian Self-Determination and Education Assistance Act, Public Law 93-638, are used for the child, the Indian Health Services or 638 tribal health facility must determine the appropriate level of care for the child. When more than one entity bears responsibility for a child's coverage, the entities shall coordinate level of care determination activities for the child to the extent possible.

(c) The child's level of care determination shall determine whether the proposed treatment:

(1) is necessary;

(2) is appropriate to the child's individual treatment needs;

(3) cannot be effectively provided in the child's home; and

(4) provides a length of stay as short as possible consistent with the individual child's needs.

(d) When a level of care determination is conducted, the county board or other entity may not determine that a screening of a child, referral, or admission to a residential treatment facility is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment of a child that evaluates the child's family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care to the child. The validated tool must be approved by the commissioner of human services and may be the validated tool approved for the child's assessment under section 260C.704 if the juvenile treatment screening team recommended placement of the child in a qualified residential treatment program. If a diagnostic assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the level of care determination process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether these services are available and accessible to the child and the child's family. The child and the child's family must be invited to any meeting where the level of care determination is discussed and decisions regarding residential treatment are made. The child and the child's family may invite other relatives, friends, or advocates to attend these meetings.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family ~~assessment summary~~ community support plan is being developed by the case manager, if assigned.

(f) The level of care determination, placement decision, and recommendations for mental health services must be documented in the child's record and made available to the child's family, as appropriate.

Sec. 13. Minnesota Statutes 2022, section 245.4887, is amended to read:

**245.4887 APPEALS.**

A child or a child's family, as appropriate, who requests mental health services under sections 245.487 to 245.4889 must be advised of services available and the right to appeal as described in this section at the time of the request and each time the individual family ~~assessment summary~~ community support plan or individual treatment plan is reviewed. A child whose request for mental health services under sections 245.487 to 245.4889 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated by action or inaction for which the county board is responsible under sections 245.487 to 245.4889 may contest that action or inaction before the state agency according to section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 14. Minnesota Statutes 2022, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a family child foster care home or family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) ~~foster care settings~~ a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on

December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care; or

(5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 and residing in the customized living setting before July 1, 2022, for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until June 30, 2023. This exception is available when:

(i) the person's customized living services are provided in a customized living service setting serving four or fewer people under the brain injury or community access for disability inclusion waiver plans under section 256B.49 in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

(ii) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and

(iii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the customized living setting as determined by the lead agency.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The

determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human

services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

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

Sec. 15. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 and background studies for family child care under chapter 245C; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those

functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and family child foster care, dual licensure of family child foster care and family adult foster care, dual licensure of child foster residence setting and community residential setting, and dual licensure of family adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(c) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(d) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(e) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(f) A license issued under this section may be issued for up to two years.

(g) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

(h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

(i) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

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

Sec. 16. Minnesota Statutes 2022, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disabilities, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the ~~brain injury, community access for disability inclusion, community alternative care, and~~ elderly waiver ~~plans~~ plan, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

~~(3) personal support as defined under the developmental disabilities waiver plan;~~

~~(4)~~ (3) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disabilities waiver plans;

~~(5)~~ (4) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

~~(6)~~ (5) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disabilities, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only;

~~(7)~~ (6) individual community living support under section 256S.13; and

~~(8)~~ (7) individualized home supports without training services as defined under the brain injury, community alternative care, and community access for disability inclusion, and developmental disabilities waiver plans.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) positive support services as defined under the brain injury and community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(2) in-home support services, including:

~~(i) in-home family support and supported living services as defined under the developmental disabilities waiver plan;~~

~~(ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;~~

~~(iii)~~ (i) semi-independent living services;

~~(iv)~~ (ii) individualized home support with training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

~~(v)~~ (iii) individualized home support with family training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(3) residential supports and services, including:

~~(i) supported living services as defined under the developmental disabilities waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;~~

~~(ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting;~~

~~(iii)~~ (i) community residential services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a corporate child foster care residence, a community residential setting, or a supervised living facility;

~~(iv)~~ (ii) family residential services as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a family child foster care residence or a family adult foster care residence; and

~~(v)~~ (iii) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD;

(4) day services, including:

~~(i) structured day services as defined under the brain injury waiver plan;~~

~~(ii)~~ (i) day support services ~~under sections 252.41 to 252.46, and~~ as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

~~(iii)~~ (ii) day training and habilitation services under sections 252.41 to 252.46~~, and as defined under the developmental disabilities waiver plan~~; and

~~(iv)~~ (iii) prevocational services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; ~~and~~

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(8) integrated community support as defined under the brain injury and community access for disability inclusion waiver plans beginning January 1, 2021, and community alternative care and developmental disabilities waiver plans beginning January 1, 2023.

Sec. 17. Minnesota Statutes 2022, section 245G.22, subdivision 15, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

~~(c) Notwithstanding the requirements of individual treatment plans set forth in section 245G.06:~~

~~(1) treatment plan contents for a maintenance client are not required to include goals the client must reach to complete treatment and have services terminated;~~

~~(2) treatment plans for a client in a taper or detox status must include goals the client must reach to complete treatment and have services terminated; and~~

~~(3) for the ten weeks following the day of service initiation for all new admissions, readmissions, and transfers, a weekly treatment plan review must be documented once the treatment plan is completed. Subsequently, the counselor must document treatment plan reviews in the six dimensions at least once monthly or, when clinical need warrants, more frequently.~~

Sec. 18. Minnesota Statutes 2022, section 245G.22, subdivision 17, is amended to read:

Subd. 17. **Policies and procedures.** (a) A license holder must develop and maintain the policies and procedures required in this subdivision.

(b) For a program that is not open every day of the year, the license holder must maintain a policy and procedure that covers requirements under section 245G.22, subdivisions 6 and 7. Unsupervised use of medication used for the treatment of opioid use disorder for days that the program is closed for business, including but not limited to Sundays and state and federal holidays, must meet the requirements under section 245G.22, subdivisions 6 and 7.

(c) The license holder must maintain a policy and procedure that includes specific measures to reduce the possibility of diversion. The policy and procedure must:

(1) specifically identify and define the responsibilities of the medical and administrative staff for performing diversion control measures; and

(2) include a process for contacting no less than five percent of clients who have unsupervised use of medication, excluding clients approved solely under subdivision 6, paragraph (a), to require clients to physically return to the program each month. The system must require clients to return to the program within a stipulated time frame and turn in all unused medication containers related to opioid use disorder treatment. The license holder must document all related contacts on a central log and the outcome of the contact for each client in the client's record. The medical director must be informed of each outcome that results in a situation in which a possible diversion issue was identified.

(d) Medication used for the treatment of opioid use disorder must be ordered, administered, and dispensed according to applicable state and federal regulations and the standards set by applicable accreditation entities. If a medication order requires assessment by the person administering or dispensing the medication to determine the amount to be administered or dispensed, the assessment must be completed by an individual whose professional scope of practice permits an assessment. For the purposes of enforcement of this paragraph, the commissioner has the authority to monitor the person administering or dispensing the medication for compliance with state and federal regulations and the relevant standards of the license holder's accreditation agency and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's determination of noncompliance.

(e) A counselor in an opioid treatment program must not supervise more than 50 clients.

(f) Notwithstanding paragraph (e), from July 1, 2023, to June 30, 2024, a counselor in an opioid treatment program may supervise up to 60 clients. The license holder may continue to serve a client who was receiving services at the program on June 30, 2024, at a counselor to client ratio of up to one to 60 and is not required to discharge any clients in order to return to the counselor to client ratio of one to 50. The license holder may not, however, serve a

new client after June 30, 2024, unless the counselor who would supervise the new client is supervising fewer than 50 existing clients.

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

Sec. 19. Minnesota Statutes 2022, section 246.0135, is amended to read:

**246.0135 OPERATION OF REGIONAL TREATMENT CENTERS.**

(a) The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization. ~~For persons with developmental disabilities who move from one regional treatment center to another regional treatment center, the provisions of section 256B.092, subdivision 10, must be followed for both the discharge from one regional treatment center and admission to another regional treatment center, except that the move is not subject to the consensus requirement of section 256B.092, subdivision 10, paragraph (b).~~

(b) Prior to closing or downsizing a regional treatment center, the commissioner of human services shall be responsible for assuring that community-based alternatives developed in response are adequate to meet the program needs identified by each county within the catchment area and do not require additional local county property tax expenditures.

(c) The nonfederal share of the cost of alternative treatment or care developed as the result of the closure of a regional treatment center, including costs associated with fulfillment of responsibilities under chapter 253B shall be paid from state funds appropriated for purposes specified in section 246.013.

(d) The commissioner may not divert state funds used for providing for care or treatment of persons residing in a regional treatment center for purposes unrelated to the care and treatment of such persons.

Sec. 20. Minnesota Statutes 2022, section 254A.035, subdivision 2, is amended to read:

Subd. 2. **Membership terms, compensation, removal and expiration.** The membership of this council shall be composed of 17 persons who are American Indians and who are appointed by the commissioner. The commissioner shall appoint one representative from each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower

Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community; and two representatives from the Minneapolis Urban Indian Community and two from the St. Paul Urban Indian Community. The terms, compensation, and removal of American Indian Advisory Council members shall be as provided in section 15.059. ~~The council expires June 30, 2023.~~

Sec. 21. Minnesota Statutes 2022, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Effective January 1, 2000, vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site ~~24 hours per day~~ whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;

(13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and

(15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

(c) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.

(d) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

(e) A vendor that is not licensed as a residential treatment program must have a policy to address staffing coverage when a client may unexpectedly need to be present at the room and board site.

Sec. 22. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) care coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management services provided according to chapter 245F;

(6) substance use disorder treatment services with medications for opioid use disorder that are licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;

(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(9) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(10) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

(11) high-intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of clinical services each week provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(12) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) ~~meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements~~ is licensed under ~~section~~ chapter 245A and sections 245G.01 to 245G.19~~, subdivision 4~~; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. ~~Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.~~

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

Sec. 23. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to read:

Subd. 12b. **Department of Human Services systemic critical incident review team.** (a) The commissioner may establish a Department of Human Services systemic critical incident review team to review critical incidents reported as required under section 626.557 for which the Department of Human Services is responsible under section 626.5572, subdivision 13; chapter 245D; or Minnesota Rules, chapter 9544. When reviewing a critical incident, the systemic critical incident review team shall identify systemic influences to the incident rather than determine the culpability of any actors involved in the incident. The systemic critical incident review may assess the entire critical incident process from the point of an entity reporting the critical incident through the ongoing case management process. Department staff shall lead and conduct the reviews and may utilize county staff as reviewers. The systemic critical incident review process may include but is not limited to:

(1) data collection about the incident and actors involved. Data may include the relevant critical services; the service provider's policies and procedures applicable to the incident; the community support plan as defined in section 245D.02, subdivision 4b, for the person

receiving services; or an interview of an actor involved in the critical incident or the review of the critical incident. Actors may include:

(i) staff of the provider agency;

(ii) lead agency staff administering home and community-based services delivered by the provider;

(iii) Department of Human Services staff with oversight of home and community-based services;

(iv) Department of Health staff with oversight of home and community-based services;

(v) members of the community including advocates, legal representatives, health care providers, pharmacy staff, or others with knowledge of the incident or the actors in the incident; and

(vi) staff from the Office of the Ombudsman for Mental Health and Developmental Disabilities and the Office of Ombudsman for Long-Term Care;

(2) systemic mapping of the critical incident. The team conducting the systemic mapping of the incident may include any actors identified in clause (1), designated representatives of other provider agencies, regional teams, and representatives of the local regional quality council identified in section 256B.097; and

(3) analysis of the case for systemic influences.

Data collected by the critical incident review team shall be aggregated and provided to regional teams, participating regional quality councils, and the commissioner. The regional teams and quality councils shall analyze the data and make recommendations to the commissioner regarding systemic changes that would decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

(b) Cases selected for the systemic critical incident review process shall be selected by a selection committee among the following critical incident categories:

(1) cases of caregiver neglect identified in section 626.5572, subdivision 17;

(2) cases involving financial exploitation identified in section 626.5572, subdivision 9;

(3) incidents identified in section 245D.02, subdivision 11;

(4) behavior interventions identified in Minnesota Rules, part 9544.0110;

(5) service terminations reported to the department in accordance with section 245D.10, subdivision 3a; and

(6) other incidents determined by the commissioner.

(c) The systemic critical incident review under this section shall not replace the process for screening or investigating cases of alleged maltreatment of an adult under section 626.557. The department may select cases for systemic critical incident review, under the jurisdiction of the commissioner, reported for suspected maltreatment and closed following initial or final disposition.

(d) The proceedings and records of the review team are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13. Data that document a person's opinions formed as a result of the review are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state, or a county agency arising out of the matters that the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were assessed or presented during proceedings of the review team. A person who presented information before the systemic critical incident review team or who is a member of the team shall not be prevented from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person shall not be questioned about opinions formed by the person as a result of the review.

(e) By October 1 of each year, the commissioner shall prepare an annual public report containing the following information:

(1) the number of cases reviewed under each critical incident category identified in paragraph (b) and a geographical description of where cases under each category originated;

(2) an aggregate summary of the systemic themes from the critical incidents examined by the critical incident review team during the previous year;

(3) a synopsis of the conclusions, incident analyses, or exploratory activities taken in regard to the critical incidents examined by the critical incident review team; and

(4) recommendations made to the commissioner regarding systemic changes that could decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

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

Sec. 24. Minnesota Statutes 2022, section 256B.0911, subdivision 23, is amended to read:

Subd. 23. **MnCHOICES reassessments; option for alternative and self-directed waiver services.** (a) At the time of reassessment, the certified assessor shall assess a person receiving waiver residential supports and services and currently residing in a setting listed in clauses (1) to (5) to determine if the person would prefer to be served in a community-living setting as defined in section ~~256B.49, subdivision 23~~ 256B.492, subdivision 1, paragraph (b), or in a setting not controlled by a provider, or to receive integrated community supports as described in section 245D.03, subdivision 1, paragraph (c), clause (8). The certified assessor shall offer the person through a person-centered planning process the option to receive alternative housing and service options. This paragraph applies to those currently residing in a:

(1) community residential setting;

(2) licensed adult foster care home that is either not the primary residence of the license holder or in which the license holder is not the primary caregiver;

(3) family adult foster care residence;

(4) customized living setting; or

(5) supervised living facility.

(b) At the time of reassessment, the certified assessor shall assess each person receiving waiver day services to determine if that person would prefer to receive employment services as described in section 245D.03, subdivision 1, paragraph (c), clauses (5) to (7). The certified assessor shall describe to the person through a person-centered planning process the option to receive employment services.

(c) At the time of reassessment, the certified assessor shall assess each person receiving non-self-directed waiver services to determine if that person would prefer an available service and setting option that would permit self-directed services and supports. The certified assessor shall describe to the person through a person-centered planning process the option to receive self-directed services and supports.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2022, section 256B.092, subdivision 10, is amended to read:

Subd. 10. **Admission of persons to and discharge of persons from regional treatment centers.** (a) Prior to the admission of a person to a regional treatment center program for

persons with developmental disabilities, the case manager shall make efforts to secure community-based alternatives. If these alternatives are rejected by the person, the person's legal guardian or conservator, or the county agency in favor of a regional treatment center placement, the case manager shall document the reasons why the alternatives were rejected.

~~(b) When discharge of a person from a regional treatment center to a community-based service is proposed, the case manager shall convene the screening team and in addition to members of the team identified in subdivision 7, the case manager shall invite to the meeting the person's parents and near relatives, and the ombudsman established under section 245.92 if the person is under public guardianship. The meeting shall be convened at a time and place that allows for participation of all team members and invited individuals who choose to attend. The notice of the meeting shall inform the person's parents and near relatives about the screening team process, and their right to request a review if they object to the discharge, and shall provide the names and functions of advocacy organizations, and information relating to assistance available to individuals interested in establishing private guardianships under the provisions of section 252A.03. The screening team meeting shall be conducted according to subdivisions 7 and 8. Discharge of the person shall not go forward without consensus of the screening team.~~

~~(c) The results of the screening team meeting and individual service plan developed according to subdivision 1b shall be used by the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, to evaluate and make recommended modifications to the individual service plan as proposed. The individual service plan shall specify postplacement monitoring to be done by the case manager according to section 253B.15, subdivision 1a.~~

~~(d) Notice of the meeting of the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, shall be sent to all team members 15 days prior to the meeting, along with a copy of the proposed individual service plan. The case manager shall request that proposed providers visit the person and observe the person's program at the regional treatment center prior to the discharge. Whenever possible, preplacement visits by the person to proposed service sites should also be scheduled in advance of the meeting. Members of the interdisciplinary team assembled for the purpose of discharge planning shall include but not be limited to the case manager, the person, the person's legal guardian or conservator, parents and near relatives, the person's advocate, representatives of proposed community service providers, representatives of the regional treatment center residential and training and habilitation services, a registered nurse if the person has overriding medical needs that impact the delivery of services, and a qualified~~

~~developmental disability professional specializing in behavior management if the person to be discharged has behaviors that may result in injury to self or others. The case manager may also invite other service providers who have expertise in an area related to specific service needs of the person to be discharged.~~

~~(e) The interdisciplinary team shall review the proposed plan to assure that it identifies service needs, availability of services, including support services, and the proposed providers' abilities to meet the service needs identified in the person's individual service plan. The interdisciplinary team shall review the most recent licensing reports of the proposed providers and corrective action taken by the proposed provider, if required. The interdisciplinary team shall review the current individual program plans for the person and agree to an interim individual program plan to be followed for the first 30 days in the person's new living arrangement. The interdisciplinary team may suggest revisions to the service plan, and all team suggestions shall be documented. If the person is to be discharged to a community intermediate care facility for persons with developmental disabilities, the team shall give preference to facilities with a licensed capacity of 15 or fewer beds. Thirty days prior to the date of discharge, the case manager shall send a final copy of the service plan to all invited members of the team, the ombudsman, if the person is under public guardianship, and the advocacy system established under United States Code, title 42, section 6042.~~

(b) Assessment and support planning must be completed in accordance with requirements identified in section 256B.0911.

~~(f)~~ (c) No discharge shall take place until disputes are resolved under section 256.045, subdivision 4a, or until a review by the commissioner is completed upon request of the chief executive officer or program director of the regional treatment center, or the county agency. For persons under public guardianship, the ombudsman may request a review or hearing under section 256.045. ~~Notification schedules required under this subdivision may be waived by members of the team when judged urgent and with agreement of the parents or near relatives participating as members of the interdisciplinary team.~~

Sec. 26. Minnesota Statutes 2022, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. **State traumatic brain injury program.** (a) The commissioner of human services shall:

(1) maintain a statewide traumatic brain injury program;

(2) supervise and coordinate services and policies for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;

(4) maintain an advisory committee to provide recommendations in reports to the commissioner regarding program and service needs of persons with brain injuries;

(5) investigate the need for the development of rules or statutes for the brain injury home and community-based services waiver; and

(6) investigate present and potential models of service coordination which can be delivered at the local level.

(b) The advisory committee required by paragraph (a), clause (4), must consist of no fewer than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair. ~~The advisory committee expires on June 30, 2023.~~

Sec. 27. Minnesota Statutes 2022, section 256B.439, subdivision 3c, is amended to read:

Subd. 3c. **Contact and demographic information for consumer surveys for home and community-based services.** For purposes of conducting the consumer surveys under subdivision 3a, the commissioner may request contact information of clients and associated key representatives and aggregate, de-identified demographic information of clients served by the provider. The commissioner may request the following demographic information: (1) age; (2) race; (3) ethnicity; and (4) gender identity. Providers must furnish the contact and demographic information available to the provider and must provide notice to clients and associated key representatives that their contact information and aggregate demographic information has been provided to the commissioner.

Sec. 28. Minnesota Statutes 2022, section 256B.439, subdivision 3d, is amended to read:

Subd. 3d. **Resident experience survey and family survey for assisted living facilities.** The commissioner shall develop and administer a resident experience survey for assisted living facility residents and a family survey for families of assisted living facility residents. Money appropriated to the commissioner to administer the resident experience survey and family survey is available in either fiscal year of the biennium in which it is appropriated. Assisted living facilities licensed under chapter 144G must participate in the surveys when the commissioner requests their participation.

Sec. 29. Minnesota Statutes 2022, section 256B.439, is amended by adding a subdivision to read:

Subd. 3e. **Demographic information for home and community-based services report card.** (a) For purposes of including relevant information in the home and community-based services report card for consumers on the populations served by providers and for other data analysis, the commissioner may request from providers the following summary data about clients served by the provider:

(1) age;

(2) race;

(3) ethnicity; and

(4) gender identity.

(b) For the purposes of this subdivision, "summary data" has the meaning given in section 13.02, subdivision 19. Providers must furnish the summary data only if the data on individuals is available to the provider. A provider is not required to collect any demographic data from clients for the sole purpose of providing the information requested by the commissioner under this subdivision. If a provider furnishes the requested summary data to the commissioner, the provider must provide notice to clients and associated key representatives that the client's demographic information was included in the summary data provided to the commissioner.

Sec. 30. Minnesota Statutes 2022, section 256B.492, is amended to read:

**256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE WITH DISABILITIES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section the following terms have the meanings given.

(b) "Community-living setting" means a single-family home or multifamily dwelling unit where a service recipient or a service recipient's family owns or rents and maintains control over the individual unit as demonstrated by a lease agreement. Community-living setting does not include a home or dwelling unit that the service provider owns, operates, or leases or in which the service provider has a direct or indirect financial interest.

(c) "Controlling individual" has the meaning given in section 245A.02, subdivision 5a.

(d) "License holder" has the meaning given in section 245A.02, subdivision 9.

Subd. 2. **Home and community-based waiver settings.** (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in the following settings:

(1) home and community-based settings that comply with all requirements identified by the federal Centers for Medicare and Medicaid Services in the Code of Federal Regulations, title 42, section 441.301(c), and with the requirements of the federally approved transition plan and waiver plans for each home and community-based services waiver; and

(2) settings required by the Housing Opportunities for Persons with AIDS Program.

(b) The settings in paragraph (a) must not have the qualities of an institution which include, but are not limited to: regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions agreed to and documented in the person's individual service plan shall not result in a residence having the qualities of an institution as long as the restrictions for the person are not imposed upon others in the same residence and are the least restrictive alternative, imposed for the shortest possible time to meet the person's needs.

Subd. 3. **Community-living settings.** (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in community-living settings. Community-living settings must meet the requirements of subdivision 2, paragraph (a), clause (1).

(b) For the purposes of this section, direct financial interest exists if payment passes between the license holder or any controlling individual of a licensed program and the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling. For the purposes of this section, indirect financial interest exists if the license holder or any controlling individual of a licensed program has an ownership or investment interest in the entity that owns, operates, leases, or otherwise receives payment from the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling.

(c) To ensure a service recipient or the service recipient's family maintains control over the home or dwelling unit, community-living settings are subject to the following requirements:

(1) service recipients must not be required to receive services or share services;

(2) service recipients must not be required to have a disability or specific diagnosis to live in the community-living setting;

(3) service recipients may hire service providers of their choice;

(4) service recipients may choose whether to share their household and with whom;

(5) the home or multifamily dwelling unit must include living, sleeping, bathing, and cooking areas;

(6) service recipients must have lockable access and egress;

(7) service recipients must be free to receive visitors and leave the settings at times and for durations of their own choosing;

(8) leases must comply with chapter 504B;

(9) landlords must not charge different rents to tenants who are receiving home and community-based services; and

(10) access to the greater community must be easily facilitated based on the service recipient's needs and preferences.

(d) Nothing in this section prohibits a service recipient from having another person or entity not affiliated with the service provider cosign a lease. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from modifying services with an existing cosigning service provider and, subject to the approval of the landlord, maintaining a lease cosigned by the service provider. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from terminating services with the cosigning service provider, receiving services from a new service provider, or, subject to the approval of the landlord, maintaining a lease cosigned by the new service provider.

(e) A lease cosigned by a service provider meets the requirements of paragraph (b) if the service recipient and service provider develop and implement a transition plan which must provide that, within two years of cosigning the initial lease, the service provider shall transfer the lease to the service recipient and other cosigners, if any.

(f) In the event the landlord has not approved the transfer of the lease within two years of the service provider cosigning the initial lease, the service provider must submit a time-limited extension request to the commissioner of human services to continue the cosigned lease arrangement. The extension request must include:

(1) the reason the landlord denied the transfer;

(2) the plan to overcome the denial to transfer the lease;

(3) the length of time needed to successfully transfer the lease, not to exceed an additional two years;

(4) a description of how the transition plan was followed, what occurred that led to the landlord denying the transfer, and what changes in circumstances or condition, if any, the service recipient experienced; and

(5) a revised transition plan to transfer the cosigned lease between the service provider and the service recipient to the service recipient.

(g) The commissioner must approve an extension under paragraph (f) within sufficient time to ensure the continued occupancy by the service recipient.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 31. Minnesota Statutes 2022, section 256B.493, subdivision 2a, is amended to read:

Subd. 2a. **Closure process.** (a) The commissioner shall work with stakeholders to establish a process for the application, review, approval, and implementation of setting closures. Voluntary proposals from license holders for consolidation and closure of adult foster care or community residential settings are encouraged. Whether voluntary or involuntary, all closure plans must include:

(1) a description of the proposed closure plan, identifying the home or homes and occupied beds;

(2) the proposed timetable for the proposed closure, including the proposed dates for notification to people living there and the affected lead agencies, commencement of closure, and completion of closure;

(3) the proposed relocation plan jointly developed by the counties of financial responsibility, the people living there and their legal representatives, if any, who wish to continue to receive services from the provider, and the providers for current residents of any adult foster care home designated for closure; and

(4) documentation from the provider in a format approved by the commissioner that all the adult foster care homes or community residential settings receiving a planned closure rate adjustment under the plan have accepted joint and severable for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under this plan.

(b) The commissioner shall give first priority to closure plans which:

(1) target counties and geographic areas which have:

(i) need for other types of services;

(ii) need for specialized services;

(iii) higher than average per capita use of licensed corporate foster care or community residential settings; or

(iv) residents not living in the geographic area of their choice;

(2) demonstrate savings of medical assistance expenditures; and

(3) demonstrate that alternative services are based on the recipient's choice of provider and are consistent with federal law, state law, and federally approved waiver plans.

The commissioner shall also consider any information provided by people using services, their legal representatives, family members, or the lead agency on the impact of the planned closure on people and the services they need.

~~(c) For each closure plan approved by the commissioner, a contract must be established between the commissioner, the counties of financial responsibility, and the participating license holder.~~

Sec. 32. Minnesota Statutes 2022, section 256B.493, subdivision 4, is amended to read:

Subd. 4. **Review and approval process.** (a) To be considered for approval, an application must include:

(1) a description of the proposed closure plan, which must identify the home or homes and occupied beds for which a planned closure rate adjustment is requested;

(2) the proposed timetable for any proposed closure, including the proposed dates for notification to residents and the affected lead agencies, commencement of closure, and completion of closure;

(3) the proposed relocation plan jointly developed by the counties of financial responsibility, the residents and their legal representatives, if any, who wish to continue to receive services from the provider, and the providers for current residents of any adult foster care home designated for closure; and

(4) documentation in a format approved by the commissioner that all the adult foster care homes receiving a planned closure rate adjustment under the plan have accepted joint and several liability for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under this plan.

(b) In reviewing and approving closure proposals, the commissioner shall give first priority to proposals that:

(1) target counties and geographic areas which have:

(i) need for other types of services;

(ii) need for specialized services;

(iii) higher than average per capita use of foster care settings where the license holder does not reside; or

(iv) residents not living in the geographic area of their choice;

(2) demonstrate savings of medical assistance expenditures; and

(3) demonstrate that alternative services are based on the recipient's choice of provider and are consistent with federal law, state law, and federally approved waiver plans.

The commissioner shall also consider any information provided by service recipients, their legal representatives, family members, or the lead agency on the impact of the planned closure on the recipients and the services they need.

(c) The commissioner shall select proposals that best meet the criteria established in this subdivision for planned closure of adult foster care settings. The commissioner shall notify license holders of the selections approved by the commissioner.

~~(d) For each proposal approved by the commissioner, a contract must be established between the commissioner, the counties of financial responsibility, and the participating license holder.~~

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

Sec. 33. Minnesota Statutes 2022, section 256S.202, subdivision 1, is amended to read:

Subdivision 1. **Customized living monthly service rate limits.** (a) Except for a participant assigned to case mix classification L, as described in section 256S.18, subdivision 1, paragraph (b), the customized living monthly service rate limit shall not exceed 50 percent of the monthly case mix budget cap, ~~less the maintenance needs allowance,~~ adjusted at least annually in the manner described under section 256S.18, subdivisions 5 and 6.

(b) The customized living monthly service rate limit for participants assigned to case mix classification L must be the monthly service rate limit for participants assigned to case mix classification A, reduced by 25 percent.

Sec. 34. Minnesota Statutes 2022, section 524.5-104, is amended to read:

**524.5-104 FACILITY OF TRANSFER.**

(a) A person who may transfer money or personal property to a minor may do so, as to an amount or value not exceeding the amount allowable as a tax exclusion gift under section 2503(b) of the Internal Revenue Code or a different amount that is approved by the court, by transferring it to:

(1) a person who has the care and custody of the minor and with whom the minor resides;

(2) a guardian of the minor;

(3) a custodian under the Uniform Transfers To Minors Act or custodial trustee under the Uniform Custodial Trust Act;

(4) a financial institution as a deposit in an interest-bearing account or certificate in the sole name of the minor and giving notice of the deposit to the minor; or

(5) an ABLE account. A guardian only has the authority to establish an ABLE account. The guardian may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney, conservator, spouse, parent, sibling, grandparent, or representative payee, whether an individual or organization, appointed by the Social Security Administration, in that order.

(b) This section does not apply if the person making payment or delivery knows that a conservator has been appointed or that a proceeding for appointment of a conservator of the minor is pending.

(c) A person who transfers money or property in compliance with this section is not responsible for its proper application.

(d) A guardian or other person who receives money or property for a minor under paragraph (a), clause (1) or (2), may only apply it to the support, care, education, health, and welfare of the minor, and may not derive a personal financial benefit except for reimbursement for necessary expenses. Any excess must be preserved for the future support, care, education, health, and welfare of the minor and any balance must be transferred to the minor upon emancipation or attaining majority.

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

Sec. 35. Minnesota Statutes 2022, section 524.5-313, is amended to read:

**524.5-313 POWERS AND DUTIES OF GUARDIAN.**

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to guardianship. Failure to satisfy the needs and requirements of this clause shall be grounds for removal of a private guardian, but the guardian shall have no personal or monetary liability;

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by

mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship

or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to provide needed care and services. A guardian may not restrict the ability of the person subject to guardianship to communicate, visit, or interact with others, including receiving visitors or making or receiving telephone calls, personal mail, or electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe restriction is necessary because interaction with the person poses a risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid such significant harm. In all cases, the guardian shall provide written notice of the restrictions imposed to the court, to the person subject to guardianship, and to the person subject to restrictions. The person

subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

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

Sec. 36. Laws 2021, First Special Session chapter 7, article 17, section 20, is amended to read:

Sec. 20. **HCBS WORKFORCE DEVELOPMENT GRANT.**

Subdivision 1. **Appropriation.** (a) This act includes $0 in fiscal year 2022 and $5,588,000 in fiscal year 2023 to address challenges related to attracting and maintaining direct care workers who provide home and community-based services for people with disabilities and older adults. The general fund base included in this act for this purpose is $5,588,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) At least 90 percent of funding for this provision must be directed to workers who earn ~~200~~ 300 percent or less of the most current federal poverty level issued by the United States Department of Health and Human Services.

(c) The commissioner must consult with stakeholders to finalize a report detailing the final plan for use of the funds. The commissioner must publish the report by March 1, 2022, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 2. **Public assistance eligibility.** Notwithstanding any law to the contrary, workforce development grant money received under this section is not income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

Subd. 3. **Medical assistance eligibility.** Notwithstanding any law to the contrary, workforce development grant money received under this section is not income or assets for the purposes of determining eligibility for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c; or 256B.057, subdivision 3, 3a, or 3b.

Sec. 37. **DIRECTION TO COMMISSIONER; BRAIN INJURY AND COMMUNITY ACCESS FOR DISABILITY INCLUSION WAIVER CUSTOMIZED LIVING SERVICES PROVIDERS LOCATED IN HENNEPIN AND ITASCA COUNTIES.**

The commissioner of human services shall determine the brain injury (BI) or community access for disability inclusion (CADI) waiver customized living and 24-hour customized living size limitation exception applies to:

(1) two United States Department of Housing and Urban Development-subsidized housing settings created on September 29, 1980, that are located in the city of Minneapolis, provide customized living and 24-hour customized living services for clients enrolled in

the BI and CADI waiver, and had a capacity to service six clients in the setting as of July 1, 2022; and

(2) one United States Department of Housing and Urban Development-subsidized housing setting created on April 15, 1991, that is located in the city of Grand Rapids, provides customized living and 24-hour customized living services for clients enrolled in the BI and CADI waiver, and had a capacity to service eight clients in the setting as of July 1, 2022.

Sec. 38. **REPEALER.**

Minnesota Statutes 2022, sections 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, and 8; 254B.16; 256.041, subdivision 10; 256B.49, subdivision 23; and 260.835, subdivision 2, are repealed.

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

## ARTICLE 2
## SUBSTANCE USE DISORDER DIRECT ACCESS

Section 1. Minnesota Statutes 2022, section 62N.25, subdivision 5, is amended to read:

Subd. 5. **Benefits.** Community integrated service networks must offer the health maintenance organization benefit set, as defined in chapter 62D, and other laws applicable to entities regulated under chapter 62D. Community networks and chemical dependency facilities under contract with a community network shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing enrollees for chemical dependency treatment.

Sec. 2. Minnesota Statutes 2022, section 62Q.1055, is amended to read:

**62Q.1055 CHEMICAL DEPENDENCY.**

All health plan companies shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing and ~~placing~~ treating enrollees for chemical dependency treatment.

Sec. 3. Minnesota Statutes 2022, section 62Q.47, is amended to read:

**62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.**

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons ~~placed in~~ seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency and alcoholism services, except for persons ~~placed in~~ seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) A health plan company must not impose an NQTL with respect to mental health and substance use disorders in any classification of benefits unless, under the terms of the health plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health and substance use disorders in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL with respect to medical and surgical benefits in the same classification.

(e) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal guidance or regulations issued under, those acts.

(f) The commissioner may require information from health plan companies to confirm that mental health parity is being implemented by the health plan company. Information required may include comparisons between mental health and substance use disorder treatment and other medical conditions, including a comparison of prior authorization

requirements, drug formulary design, claim denials, rehabilitation services, and other information the commissioner deems appropriate.

(g) Regardless of the health care provider's professional license, if the service provided is consistent with the provider's scope of practice and the health plan company's credentialing and contracting provisions, mental health therapy visits and medication maintenance visits shall be considered primary care visits for the purpose of applying any enrollee cost-sharing requirements imposed under the enrollee's health plan.

(h) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in consultation with the commissioner of health, shall submit a report on compliance and oversight to the chairs and ranking minority members of the legislative committees with jurisdiction over health and commerce. The report must:

(1) describe the commissioner's process for reviewing health plan company compliance with United States Code, title 42, section 18031(j), any federal regulations or guidance relating to compliance and oversight, and compliance with this section and section 62Q.53;

(2) identify any enforcement actions taken by either commissioner during the preceding 12-month period regarding compliance with parity for mental health and substance use disorders benefits under state and federal law, summarizing the results of any market conduct examinations. The summary must include: (i) the number of formal enforcement actions taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(3) detail any corrective action taken by either commissioner to ensure health plan company compliance with this section, section 62Q.53, and United States Code, title 42, section 18031(j); and

(4) describe the information provided by either commissioner to the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law.

The report must be written in nontechnical, readily understandable language and must be made available to the public by, among other means as the commissioners find appropriate, posting the report on department websites. Individually identifiable information must be excluded from the report, consistent with state and federal privacy protections.

Sec. 4. Minnesota Statutes 2022, section 169A.70, subdivision 3, is amended to read:

Subd. 3. **Assessment report.** (a) The assessment report must be on a form prescribed by the commissioner and shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic and criminal record, characteristics and history of alcohol and chemical use problems, and amenability to rehabilitation through the alcohol safety program. The report is classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) The assessment report must include:

(1) a diagnosis of the nature of the offender's chemical and alcohol involvement;

(2) an assessment of the severity level of the involvement;

(3) a recommended level of care for the offender ~~in accordance with the criteria contained~~ identified in ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (substance use disorder treatment rules)~~ section 254B.19, subdivision 1;

(4) an assessment of the offender's placement needs;

(5) recommendations for other appropriate remedial action or care, including aftercare services in section 254B.01, subdivision 3, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them; and

(6) a specific explanation why no level of care or action was recommended, if applicable.

Sec. 5. Minnesota Statutes 2022, section 169A.70, subdivision 4, is amended to read:

Subd. 4. **Assessor standards; rules; assessment time limits.** A chemical use assessment required by this section must be conducted by an assessor appointed by the court. The assessor must meet the training and qualification requirements of ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (substance use disorder treatment rules)~~ section 245G.11, subdivisions 1 and 5. Notwithstanding section 13.82 (law enforcement data), the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation. ~~An assessor providing an assessment under this section may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider, except as authorized under section 254A.19, subdivision 3. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social~~

~~services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3.~~ An appointment for the defendant to undergo the assessment must be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The assessment must be completed no later than three weeks after the defendant's court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility must be determined under chapter 256G.

Sec. 6. Minnesota Statutes 2022, section 245A.043, subdivision 3, is amended to read:

Subd. 3. **Change of ownership process.** (a) When a change in ownership is proposed and the party intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service, the license holder must provide the commissioner with written notice of the proposed change on a form provided by the commissioner at least 60 days before the anticipated date of the change in ownership. For purposes of this subdivision and subdivision 4, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on the form and in the manner prescribed by the commissioner at least 30 days before the change in ownership is complete, and must include documentation to support the upcoming change. The party must comply with background study requirements under chapter 245C and shall pay the application fee required under section 245A.10. A party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service is exempt from the requirements of sections 245G.03, subdivision 2, paragraph (b), and 254B.03, subdivision 2, paragraphs (c) and (d) ~~and (e)~~.

(c) The commissioner may streamline application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance. For purposes of this subdivision, "substantial compliance" means within the previous 12 months the commissioner did not (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make a license held by the party conditional according to section 245A.06.

(d) Except when a temporary change in ownership license is issued pursuant to subdivision 4, the existing license holder is solely responsible for operating the program

according to applicable laws and rules until a license under this chapter is issued to the party.

(e) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner (1) proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted, and (2) proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

(f) If the party is seeking a license for a program or service that has an outstanding action under section 245A.06 or 245A.07, the party must submit a letter as part of the application process identifying how the party has or will come into full compliance with the licensing requirements.

(g) The commissioner shall evaluate the party's application according to section 245A.04, subdivision 6. If the commissioner determines that the party has remedied or demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has determined that the program otherwise complies with all applicable laws and rules, the commissioner shall issue a license or conditional license under this chapter. The conditional license remains in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(i) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

Sec. 7. Minnesota Statutes 2022, section 245F.06, subdivision 2, is amended to read:

Subd. 2. **Comprehensive assessment ~~and assessment summary~~.** (a) Prior to a medically stable discharge, but not later than 72 hours following admission, a license holder must provide a comprehensive assessment ~~and assessment summary~~ according to sections 245.4863, paragraph (a), and 245G.05, for each patient who has a positive screening for a substance use disorder. If a patient's medical condition prevents a comprehensive assessment from being completed within 72 hours, the license holder must document why the assessment

was not completed. The comprehensive assessment must include documentation of the appropriateness of an involuntary referral through the civil commitment process.

(b) If available to the program, a patient's previous comprehensive assessment may be used in the patient record. If a previously completed comprehensive assessment is used, its contents must be reviewed to ensure the assessment is accurate and current and complies with the requirements of this chapter. The review must be completed by a staff person qualified according to section 245G.11, subdivision 5. The license holder must document that the review was completed and that the previously completed assessment is accurate and current, or the license holder must complete an updated or new assessment.

Sec. 8. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 4a. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM criteria" has the meaning provided in section 254B.01, subdivision 2a.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 20c. **Protective factors.** "Protective factors" means the actions or efforts a person can take to reduce the negative impact of certain issues, such as substance use disorders, mental health disorders, and risk of suicide. Protective factors include connecting to positive supports in the community, a nutritious diet, exercise, attending counseling or 12-step groups, and taking appropriate medications.

Sec. 10. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 20d. **Skilled treatment services.** "Skilled treatment services" has the meaning provided in section 254B.01, subdivision 10.

Sec. 11. Minnesota Statutes 2022, section 245G.02, subdivision 2, is amended to read:

Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral,

diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections 245G.05; 245G.06, subdivisions 1, 1a, 2, and 4; 245G.07, subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7); and 245G.17.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** ~~(a)~~ A comprehensive assessment of the client's substance use disorder must be administered face-to-face by an alcohol and drug counselor within ~~three~~ five calendar days from the day of service initiation for a residential program or ~~within three calendar days on which a treatment session has been provided of the day of service initiation for a client~~ by the end of the fifth day on which a treatment service is provided in a nonresidential program. The number of days to complete the comprehensive assessment excludes the day of service initiation. If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client received a comprehensive assessment that authorized the treatment service, an alcohol and drug counselor may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. ~~The comprehensive assessment must include sufficient information to complete the assessment summary according to subdivision 2 and the individual treatment plan according to section 245G.06. The comprehensive assessment must include information about the client's needs that relate to substance use and personal strengths that support recovery, including:~~

~~(1) age, sex, cultural background, sexual orientation, living situation, economic status, and level of education;~~

~~(2) a description of the circumstances on the day of service initiation;~~

~~(3) a list of previous attempts at treatment for substance misuse or substance use disorder, compulsive gambling, or mental illness;~~

~~(4) a list of substance use history including amounts and types of substances used, frequency and duration of use, periods of abstinence, and circumstances of relapse, if any. For each substance used within the previous 30 days, the information must include the date of the most recent use and address the absence or presence of previous withdrawal symptoms;~~

~~(5) specific problem behaviors exhibited by the client when under the influence of substances;~~

~~(6) the client's desire for family involvement in the treatment program, family history of substance use and misuse, history or presence of physical or sexual abuse, and level of family support;~~

~~(7) physical and medical concerns or diagnoses, current medical treatment needed or being received related to the diagnoses, and whether the concerns need to be referred to an appropriate health care professional;~~

~~(8) mental health history, including symptoms and the effect on the client's ability to function; current mental health treatment; and psychotropic medication needed to maintain stability. The assessment must utilize screening tools approved by the commissioner pursuant to section 245.4863 to identify whether the client screens positive for co-occurring disorders;~~

~~(9) arrests and legal interventions related to substance use;~~

~~(10) a description of how the client's use affected the client's ability to function appropriately in work and educational settings;~~

~~(11) ability to understand written treatment materials, including rules and the client's rights;~~

~~(12) a description of any risk-taking behavior, including behavior that puts the client at risk of exposure to blood-borne or sexually transmitted diseases;~~

~~(13) social network in relation to expected support for recovery;~~

~~(14) leisure time activities that are associated with substance use;~~

~~(15) whether the client is pregnant and, if so, the health of the unborn child and the client's current involvement in prenatal care;~~

~~(16) whether the client recognizes needs related to substance use and is willing to follow treatment recommendations; and~~

~~(17) information from a collateral contact may be included, but is not required.~~

~~(b) If the client is identified as having opioid use disorder or seeking treatment for opioid use disorder, the program must provide educational information to the client concerning:~~

~~(1) risks for opioid use disorder and dependence;~~

~~(2) treatment options, including the use of a medication for opioid use disorder;~~

~~(3) the risk of and recognizing opioid overdose; and~~

~~(4) the use, availability, and administration of naloxone to respond to opioid overdose.~~

~~(c) The commissioner shall develop educational materials that are supported by research and updated periodically. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.~~

~~(d) If the comprehensive assessment is completed to authorize treatment service for the client, at the earliest opportunity during the assessment interview the assessor shall determine if:~~

~~(1) the client is in severe withdrawal and likely to be a danger to self or others;~~

~~(2) the client has severe medical problems that require immediate attention; or~~

~~(3) the client has severe emotional or behavioral symptoms that place the client or others at risk of harm.~~

~~If one or more of the conditions in clauses (1) to (3) are present, the assessor must end the assessment interview and follow the procedures in the program's medical services plan under section 245G.08, subdivision 2, to help the client obtain the appropriate services. The assessment interview may resume when the condition is resolved.~~ An alcohol and drug counselor must sign and date the comprehensive assessment review and update.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 245G.05, is amended by adding a subdivision to read:

Subd. 3. **Comprehensive assessment requirements.** (a) A comprehensive assessment must meet the requirements under section 245I.10, subdivision 6, paragraphs (b) and (c). It must also include:

(1) a diagnosis of a substance use disorder or a finding that the client does not meet the criteria for a substance use disorder;

(2) a determination of whether the individual screens positive for co-occurring mental health disorders using a screening tool approved by the commissioner pursuant to section 245.4863;

(3) a risk rating and summary to support the risk ratings within each of the dimensions listed in section 254B.04, subdivision 4; and

(4) a recommendation for the ASAM level of care identified in section 254B.19, subdivision 1.

(b) If the individual is assessed for opioid use disorder, the program must provide educational material to the client within 24 hours of service initiation on:

(1) risks for opioid use disorder and dependence;

(2) treatment options, including the use of a medication for opioid use disorder;

(3) the risk and recognition of opioid overdose; and

(4) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.

If the client is identified as having opioid use disorder at a later point, the required educational material must be provided at that point. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 245G.06, subdivision 1, is amended to read:

Subdivision 1. **General.** Each client must have a person-centered individual treatment plan developed by an alcohol and drug counselor within ten days from the day of service initiation for a residential program ~~and within five calendar days~~, by the end of the tenth day on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program, not to exceed 30 days. Opioid treatment programs must complete the individual treatment plan within 21 days from the day of service initiation. The number of days to complete the individual treatment plan excludes the day of service initiation. The individual treatment plan must be signed by the client and the alcohol and drug counselor and document the client's involvement in the development of the plan. The individual treatment plan is developed upon the qualified staff member's dated signature. Treatment planning must include ongoing assessment of client needs. An individual treatment plan must be updated based on new information gathered about the client's condition, the client's level of participation, and on whether methods identified have the intended effect.

A change to the plan must be signed by the client and the alcohol and drug counselor. If the client chooses to have family or others involved in treatment services, the client's individual treatment plan must include how the family or others will be involved in the client's treatment. If a client is receiving treatment services or an assessment via telehealth and the alcohol and drug counselor documents the reason the client's signature cannot be obtained, the alcohol and drug counselor may document the client's verbal approval or electronic written approval of the treatment plan or change to the treatment plan in lieu of the client's signature.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 1a. **Individual treatment plan contents and process.** (a) After completing a client's comprehensive assessment, the license holder must complete an individual treatment plan. The license holder must:

(1) base the client's individual treatment plan on the client's comprehensive assessment;

(2) use a person-centered, culturally appropriate planning process that allows the client's family and other natural supports to observe and participate in the client's individual treatment services, assessments, and treatment planning;

(3) identify the client's treatment goals in relation to any or all of the applicable ASAM six dimensions identified in section 254B.04, subdivision 4, to ensure measurable treatment objectives, a treatment strategy, and a schedule for accomplishing the client's treatment goals and objectives;

(4) document the ASAM level of care identified in section 254B.19, subdivision 1, under which the client is receiving services;

(5) identify the participants involved in the client's treatment planning. The client must participate in the client's treatment planning. If applicable, the license holder must document the reasons that the license holder did not involve the client's family or other natural supports in the client's treatment planning;

(6) identify resources to refer the client to when the client's needs will be addressed concurrently by another provider; and

(7) identify maintenance strategy goals and methods designed to address relapse prevention and to strengthen the client's protective factors.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 245G.06, subdivision 3, is amended to read:

Subd. 3. **Treatment plan review.** A treatment plan review must be ~~entered in a client's file weekly or after each treatment service, whichever is less frequent,~~ completed by the alcohol and drug counselor responsible for the client's treatment plan. The review must indicate the span of time covered by the review ~~and each of the six dimensions listed in section 245G.05, subdivision 2, paragraph (c). The review~~ and must:

(1) ~~address each goal in the~~ document client goals addressed since the last treatment plan review and whether the identified methods ~~to address the goals are~~ continue to be effective;

(2) ~~include~~ document monitoring of any physical and mental health problems and include toxicology results for alcohol and substance use, when available;

(3) document the participation of others involved in the individual's treatment planning, including when services are offered to the client's family or significant others;

(4) if changes to the treatment plan are determined to be necessary, document staff recommendations for changes in the methods identified in the treatment plan and whether the client agrees with the change; ~~and~~

(5) include a review and evaluation of the individual abuse prevention plan according to section 245A.65~~.~~; and

(6) document any referrals made since the previous treatment plan review.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 17. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 3a. **Frequency of treatment plan reviews.** (a) A license holder must ensure that the alcohol and drug counselor responsible for a client's treatment plan completes and documents a treatment plan review that meets the requirements of subdivision 3 in each client's file, according to the frequencies required in this subdivision. All ASAM levels referred to in this chapter are those described in section 254B.19, subdivision 1.

(b) For a client receiving residential ASAM level 3.3 or 3.5 high-intensity services or residential hospital-based services, a treatment plan review must be completed once every 14 days.

(c) For a client receiving residential ASAM level 3.1 low-intensity services or any other residential level not listed in paragraph (b), a treatment plan review must be completed once every 30 days.

(d) For a client receiving nonresidential ASAM level 2.5 partial hospitalization services, a treatment plan review must be completed once every 14 days.

(e) For a client receiving nonresidential ASAM level 1.0 outpatient or 2.1 intensive outpatient services or any other nonresidential level not included in paragraph (d), a treatment plan review must be completed once every 30 days.

(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22:

(1) a treatment plan review must be completed weekly for the ten weeks following completion of the treatment plan; and

(2) monthly thereafter.

Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) Notwithstanding paragraphs (e) and (f), clause (2), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days. Treatment plan reviews must be completed more frequently when clinical needs warrant.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 18. Minnesota Statutes 2022, section 245G.06, subdivision 4, is amended to read:

Subd. 4. **Service discharge summary.** (a) An alcohol and drug counselor must write a service discharge summary for each client. The service discharge summary must be completed within five days of the client's service termination. A copy of the client's service discharge summary must be provided to the client upon the client's request.

(b) The service discharge summary must be recorded in the six dimensions listed in section ~~245G.05, subdivision 2, paragraph (c)~~ 254B.04, subdivision 4, and include the following information:

(1) the client's issues, strengths, and needs while participating in treatment, including services provided;

(2) the client's progress toward achieving each goal identified in the individual treatment plan;

(3) a risk ~~description according to section 245G.05~~ rating and description for each of the ASAM six dimensions;

(4) the reasons for and circumstances of service termination. If a program discharges a client at staff request, the reason for discharge and the procedure followed for the decision to discharge must be documented and comply with the requirements in section 245G.14, subdivision 3, clause (3);

(5) the client's living arrangements at service termination;

(6) continuing care recommendations, including transitions between more or less intense services, or more frequent to less frequent services, and referrals made with specific attention to continuity of care for mental health, as needed; and

(7) service termination diagnosis.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 19. Minnesota Statutes 2022, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** Client records must contain the following:

(1) documentation that the client was given information on client rights and responsibilities, grievance procedures, tuberculosis, and HIV, and that the client was provided an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4). If the client has an opioid use disorder, the record must contain documentation that the client was provided educational information according to section 245G.05, subdivision ~~1~~ 3, paragraph (b);

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

~~(4) an assessment summary completed according to section 245G.05, subdivision 2;~~

~~(5)~~ (4) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

~~(6)~~ (5) an individual treatment plan according to section 245G.06, subdivisions 1 and 2;

~~(7)~~ (6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, ~~and~~ 3, and 3a; and

~~(8)~~ (7) a summary at the time of service termination according to section 245G.06, subdivision 4.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 20. Minnesota Statutes 2022, section 245G.22, subdivision 2, is amended to read:

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

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from intended use of the medication.

(c) "Guest dose" means administration of a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a practitioner licensed to practice medicine in the jurisdiction that the opioid treatment program is located who assumes responsibility for administering all medical services performed by the program, either by performing the services directly or by delegating specific responsibility to a practitioner of the opioid treatment program.

(e) "Medication used for the treatment of opioid use disorder" means a medication approved by the Food and Drug Administration for the treatment of opioid use disorder.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636.

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under this chapter.

~~(h) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.~~

~~(i)~~ (h) "Practitioner" means a staff member holding a current, unrestricted license to practice medicine issued by the Board of Medical Practice or nursing issued by the Board of Nursing and is currently registered with the Drug Enforcement Administration to order or dispense controlled substances in Schedules II to V under the Controlled Substances Act, United States Code, title 21, part B, section 821. Practitioner includes an advanced practice registered nurse and physician assistant if the staff member receives a variance by the state

opioid treatment authority under section 254A.03 and the federal Substance Abuse and Mental Health Services Administration.

~~(j)~~ (i) "Unsupervised use" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

Sec. 21. Minnesota Statutes 2022, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context. An alcohol and drug counselor may gather and document the information in paragraphs (b) and (c) when completing a comprehensive assessment according to section 245G.05.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

(1) the client's age;

(2) the client's current living situation, including the client's housing status and household members;

(3) the status of the client's basic needs;

(4) the client's education level and employment status;

(5) the client's current medications;

(6) any immediate risks to the client's health and safety, including withdrawal symptoms, medical conditions, and behavioral and emotional symptoms;

(7) the client's perceptions of the client's condition;

(8) the client's description of the client's symptoms, including the reason for the client's referral;

(9) the client's history of mental health and substance use disorder treatment; ~~and~~

(10) cultural influences on the client~~.~~; and

(11) substance use history, if applicable, including:

(i) amounts and types of substances, frequency and duration, route of administration, periods of abstinence, and circumstances of relapse; and

(ii) the impact to functioning when under the influence of substances, including legal interventions.

(c) If the assessor cannot obtain the information that this paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(3) When completing a standard diagnostic assessment of a client who is five years of age or younger, an assessor must administer the Early Childhood Service Intensity Instrument (ECSII) to the client and include the results in the client's assessment.

(4) When completing a standard diagnostic assessment of a client who is six to 17 years of age, an assessor must administer the Child and Adolescent Service Intensity Instrument (CASII) to the client and include the results in the client's assessment.

(5) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client; and

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

Sec. 22. Minnesota Statutes 2022, section 254A.03, subdivision 3, is amended to read:

Subd. 3. **Rules for substance use disorder care.** (a) ~~The commissioner of human services shall establish by rule criteria to be used in determining the appropriate level of substance use disorder care for each recipient of public assistance seeking treatment for substance misuse or substance use disorder. Upon federal approval of a comprehensive assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655,~~ An eligible vendor of comprehensive assessments under section 254B.05 may determine ~~and approve~~ the appropriate level of substance use disorder treatment for a recipient of public assistance. The process for determining an individual's financial eligibility for the behavioral health

fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.

(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.

(c) If a screen result is positive for alcohol or substance misuse, a brief screening for alcohol or substance use disorder that is provided to a recipient of public assistance within a primary care clinic, hospital, or other medical setting or school setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.05, subdivision 5. The initial set of services approved for a recipient whose screen result is positive may include any combination of up to four hours of individual or group substance use disorder treatment, two hours of substance use disorder treatment coordination, or two hours of substance use disorder peer support services provided by a qualified individual according to chapter 245G. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services. ~~Minnesota Rules, parts 9530.6600 to 9530.6655, and~~ A comprehensive assessment pursuant to section 245G.05 ~~are not applicable~~ is not required to receive the initial set of services allowed under this subdivision. A positive screen result establishes eligibility for the initial set of services allowed under this subdivision.

~~(d) Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655, An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3, paragraph (d). If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations. This paragraph expires July 1, 2022.~~

(d) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

Sec. 23. Minnesota Statutes 2022, section 254A.19, subdivision 1, is amended to read:

Subdivision 1. **Persons arrested outside of home county.** When a chemical use assessment is required ~~under Minnesota Rules, parts 9530.6600 to 9530.6655,~~ for a person who is arrested and taken into custody by a peace officer outside of the person's county of residence, the ~~assessment must be completed by the person's county of residence no later than three weeks after the assessment is initially requested. If the assessment is not performed within this time limit, the county where the person is to be sentenced shall perform the assessment~~ county where the person is detained must give access to an assessor qualified under section 254A.19, subdivision 3. The county of financial responsibility is determined under chapter 256G.

Sec. 24. Minnesota Statutes 2022, section 254A.19, subdivision 3, is amended to read:

Subd. 3. ~~**Financial conflicts of interest.**~~ **Comprehensive assessments.** ~~(a) Except as provided in paragraph (b), (c), or (d), an assessor conducting a chemical use assessment under Minnesota Rules, parts 9530.6600 to 9530.6655, may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.~~

~~(b) A county may contract with an assessor having a conflict described in paragraph (a) if the county documents that:~~

~~(1) the assessor is employed by a culturally specific service provider or a service provider with a program designed to treat individuals of a specific age, sex, or sexual preference;~~

~~(2) the county does not employ a sufficient number of qualified assessors and the only qualified assessors available in the county have a direct or shared financial interest or a referral relationship resulting in shared financial gain with a treatment provider; or~~

~~(3) the county social service agency has an existing relationship with an assessor or service provider and elects to enter into a contract with that assessor to provide both assessment and treatment under circumstances specified in the county's contract, provided the county retains responsibility for making placement decisions.~~

~~(c) The county may contract with a hospital to conduct chemical assessments if the requirements in subdivision 1a are met.~~

~~An assessor under this paragraph may not place clients in treatment. The assessor shall gather required information and provide it to the county along with any required documentation. The county shall make all placement decisions for clients assessed by assessors under this paragraph.~~

~~(d)~~ An eligible vendor under section 254B.05 conducting a comprehensive assessment for an individual seeking treatment shall approve the nature, intensity level, and duration of treatment service if a need for services is indicated, but the individual assessed can access any enrolled provider that is licensed to provide the level of service authorized, including the provider or program that completed the assessment. If an individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

Sec. 25. Minnesota Statutes 2022, section 254A.19, subdivision 4, is amended to read:

Subd. 4. **Civil commitments.** ~~A Rule 25 assessment, under Minnesota Rules, part 9530.6615,~~ For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section 253B.065, 253B.09, or 253B.095 in order for a county to access the behavioral health fund under section 254B.04. The county must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04. ~~Nothing in this subdivision prohibits placement in a treatment facility or treatment program governed under this chapter or Minnesota Rules, parts 9530.6600 to 9530.6655.~~

Sec. 26. Minnesota Statutes 2022, section 254A.19, is amended by adding a subdivision to read:

Subd. 6. **Assessments for detoxification programs.** For detoxification programs licensed under chapter 245A according to Minnesota Rules, parts 9530.6510 to 9530.6590, a "chemical use assessment" is a comprehensive assessment completed according to the requirements of section 245G.05 and a "chemical dependency assessor" or "assessor" is an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.

Sec. 27. Minnesota Statutes 2022, section 254A.19, is amended by adding a subdivision to read:

Subd. 7. **Assessments for children's residential facilities.** For children's residential facilities licensed under chapter 245A according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0430 to 2960.0490, a "chemical use assessment" is a comprehensive assessment completed according to the requirements of section 245G.05 and must be completed by an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.

Sec. 28. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2a. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM criteria" means the clinical guidelines for purposes of assessment, treatment, placement, and transfer or discharge of individuals with substance use disorders. The ASAM criteria are contained in the most current edition of the *ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions*.

Sec. 29. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2b. **Behavioral health fund.** "Behavioral health fund" means money allocated for payment of treatment services under chapter 254B.

Sec. 30. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2c. **Client.** "Client" means an individual who has requested substance use disorder services or for whom substance use disorder services have been requested.

Sec. 31. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2d. **Co-payment.** "Co-payment" means:

(1) the amount an insured person is obligated to pay before the person's third-party payment source is obligated to make a payment; or

(2) the amount an insured person is obligated to pay in addition to the amount the person's third-party payment source is obligated to pay.

Sec. 32. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 4c. **Department.** "Department" means the Department of Human Services.

Sec. 33. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 4d. **Drug and Alcohol Abuse Normative Evaluation System or DAANES.** "Drug and Alcohol Abuse Normative Evaluation System" or "DAANES" means the reporting system used to collect all substance use disorder treatment data across all levels of care and providers.

Sec. 34. Minnesota Statutes 2022, section 254B.01, subdivision 5, is amended to read:

Subd. 5. **Local agency.** "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board ~~to make placements and submit state invoices according to Laws 1986, chapter 394, sections 8 to 20~~ authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.

Sec. 35. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 6a. **Minor child.** "Minor child" means an individual under the age of 18 years.

Sec. 36. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 6b. **Policyholder.** "Policyholder" means a person who has a third-party payment policy under which a third-party payment source has an obligation to pay all or part of a client's treatment costs.

Sec. 37. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 9. **Responsible relative.** "Responsible relative" means a person who is a member of the client's household and is the client's spouse or the parent of a minor child who is a client.

Sec. 38. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 10. **Skilled treatment services.** "Skilled treatment services" includes the treatment services described in section 245G.07, subdivisions 1, paragraph (a), clauses (1) to (4), and

2, clauses (1) to (6). Skilled treatment services must be provided by qualified professionals as identified in section 245G.07, subdivision 3.

Sec. 39. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 11. **Third-party payment source** "Third-party payment source" means a person, entity, or public or private agency other than medical assistance or general assistance medical care that has a probable obligation to pay all or part of the costs of a client's substance use disorder treatment.

Sec. 40. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 12. **Vendor.** "Vendor" means a provider of substance use disorder treatment services that meets the criteria established in section 254B.05, and that has applied to participate as a provider in the medical assistance program according to Minnesota Rules, part 9505.0195.

Sec. 41. Minnesota Statutes 2022, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. **Local agency duties.** (a) Every local agency ~~shall~~ must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner ~~for placement in a substance use disorder residential or nonresidential treatment service~~. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

~~(c) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.~~

~~(d) Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655,~~ (c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3~~, paragraph (d)~~. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

~~(e)~~ (d) Beginning July 1, 2022, local agencies shall not make placement location determinations.

Sec. 42. Minnesota Statutes 2022, section 254B.03, subdivision 2, is amended to read:

Subd. 2. **Behavioral health fund payment.** (a) Payment from the behavioral health fund is limited to payments for services identified in section 254B.05, other than detoxification licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, and detoxification provided in another state that would be required to be licensed as a substance use disorder program if the program were in the state. Out of state vendors must also provide the commissioner with assurances that the program complies substantially with state licensing requirements and possesses all licenses and certifications required by the host state to provide substance use disorder treatment. Vendors receiving payments from the behavioral health fund must not require co-payment from a recipient of benefits for services provided under this subdivision. The vendor is prohibited from using the client's public benefits to offset the cost of services paid under this section. The vendor shall not require the client to use public benefits for room or board costs. This includes but is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP benefits. Retention of SNAP benefits is a right of a client receiving services through the behavioral health fund or through state contracted managed care entities. Payment from the behavioral health fund shall be made for necessary room and board costs provided by vendors meeting the criteria under section 254B.05, subdivision 1a, or in a community hospital licensed by the commissioner of health according to sections 144.50 to 144.56 to a client who is:

(1) determined to meet the criteria for placement in a residential substance use disorder treatment program according to rules adopted under section 254A.03, subdivision 3; and

(2) concurrently receiving a substance use disorder treatment service in a program licensed by the commissioner and reimbursed by the behavioral health fund.

~~(b) A county may, from its own resources, provide substance use disorder services for which state payments are not made. A county may elect to use the same invoice procedures and obtain the same state payment services as are used for substance use disorder services~~

~~for which state payments are made under this section if county payments are made to the state in advance of state payments to vendors. When a county uses the state system for payment, the commissioner shall make monthly billings to the county using the most recent available information to determine the anticipated services for which payments will be made in the coming month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.~~

~~(c)~~ (b) The commissioner shall coordinate substance use disorder services and determine whether there is a need for any proposed expansion of substance use disorder treatment services. The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.

~~(d)~~ (c) At least 60 days prior to submitting an application for new licensure under chapter 245G, the applicant must notify the county human services director in writing of the applicant's intent to open a new treatment program. The written notification must include, at a minimum:

(1) a description of the proposed treatment program; and

(2) a description of the target population to be served by the treatment program.

~~(e)~~ (d) The county human services director may submit a written statement to the commissioner, within 60 days of receiving notice from the applicant, regarding the county's support of or opposition to the opening of the new treatment program. The written statement must include documentation of the rationale for the county's determination. The commissioner shall consider the county's written statement when determining whether there is a need for the treatment program as required by paragraph (c).

Sec. 43. Minnesota Statutes 2022, section 254B.03, subdivision 5, is amended to read:

Subd. 5. **Rules; appeal.** The commissioner shall adopt rules as necessary to implement this chapter. ~~The commissioner shall establish an appeals process for use by recipients when services certified by the county are disputed. The commissioner shall adopt rules and standards for the appeal process to assure adequate redress for persons referred to inappropriate services.~~

Sec. 44. Minnesota Statutes 2022, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. ~~**Eligibility.**~~ **Scope and applicability.** ~~(a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.~~

~~(b) Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 260E.20, subdivision 1, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.~~

~~(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).~~

This section governs the administration of the behavioral health fund, establishes the criteria to be applied by local agencies to determine a client's financial eligibility under the behavioral health fund, and determines a client's obligation to pay for substance use disorder treatment services.

Sec. 45. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 260E.20, subdivision 1, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a

facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 256J;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

Sec. 46. Minnesota Statutes 2022, section 254B.04, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for ~~treatment in residential settings~~ room and board services for persons in outpatient substance use disorder treatment.** ~~Notwithstanding provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's discretion in making placements to residential treatment settings,~~ A person eligible for room and board services under ~~this~~ section 254B.05, subdivision 5, paragraph (b), clause (12), must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment in order to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

Sec. 47. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 4. **Assessment criteria and risk descriptions.** (a) The level of care determination must follow criteria approved by the commissioner.

(b) Dimension 1: Acute intoxication and withdrawal potential. A vendor must use the following criteria in Dimension 1 to determine a client's acute intoxication and withdrawal potential, the client's ability to cope with withdrawal symptoms, and the client's current state of intoxication.

(c) Dimension 2: Biomedical conditions and complications. The vendor must use the following criteria in Dimension 2 to determine a client's biomedical conditions and complications, the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. If the client is pregnant, the provider must determine the impact of continued substance use on the unborn child.

(d) Dimension 3: Emotional, behavioral, and cognitive conditions and complications. The vendor must use the following criteria in Dimension 3 to determine a client's emotional, behavioral, and cognitive conditions and complications; the degree to which any condition

or complication is likely to interfere with treatment for substance use or with functioning in significant life areas; and the likelihood of harm to self or others.

(e) Dimension 4: Readiness for change. The vendor must use the following criteria in Dimension 4 to determine a client's readiness for change and the support necessary to keep the client involved in treatment services.

(f) Dimension 5: Relapse, continued use, and continued problem potential. The vendor must use the following criteria in Dimension 5 to determine a client's relapse, continued use, and continued problem potential and the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems.

(g) Dimension 6: Recovery environment. The vendor must use the following criteria in Dimension 6 to determine a client's recovery environment, whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

Sec. 48. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 5. **Local agency responsibility to provide services.** The local agency may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.

Sec. 49. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 6. **Local agency to determine client financial eligibility.** (a) The local agency shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of comprehensive assessment. The local agency shall pay for eligible clients according to chapter 256G. The local agency shall enter the financial eligibility span within ten calendar days of request. Client eligibility must be determined using forms prescribed by the department. To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.

(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under

section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.

(c) The local agency must determine the client's household size as follows:

(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's birth or adoptive parents; and

(iii) the client's siblings who are minors; and

(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's spouse;

(iii) the client's minor children; and

(iv) the client's spouse's minor children.

For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

(d) The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.

(f) The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

(g) The local agency must redetermine a client's eligibility for the behavioral health fund every 12 months.

(h) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph (f). If a client, responsible relative, or policyholder does not comply

with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

Sec. 50. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 7. **Client fees.** A client whose household income is within current household size and income guidelines for entitled persons as defined in section 254B.04, subdivision 1a, must pay no fee for care related to substance use disorder, including drug screens.

Sec. 51. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 8. **Vendor must participate in DAANES system.** To be eligible for payment under the behavioral health fund, a vendor must participate in the Drug and Alcohol Abuse Normative Evaluation System (DAANES) or submit to the commissioner the information required in the DAANES in the format specified by the commissioner.

Sec. 52. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) ~~outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;~~ those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);

(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and

(vii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7);

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) ~~care~~ treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) ~~on July 1, 2019, or upon federal approval, whichever is later,~~ withdrawal management services provided according to chapter 245F;

(6) substance use disorder treatment services with medications for opioid use disorder ~~that are~~ provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;

~~(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;~~

~~(9)~~ (8) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

~~(10)~~ (9) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

~~(11) high-intensity residential treatment~~ (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21

or applicable tribal license, which provide ~~30 hours of clinical services each week~~ ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

~~(12)~~ (11) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under

section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

**EFFECTIVE DATE.** The amendments to paragraph (b), clause (1), items (i) to (iv), are effective January 1, 2025, or upon federal approval, whichever is later. The amendments to paragraph (b), clause (1), items (v) to (vii), are effective January 1, 2024, or upon federal approval, whichever is later. The amendments to paragraph (b), clauses (2) to (11), are effective January 1, 2024. Paragraph (i) is effective July 1, 2023.

Sec. 53. **[254B.19] AMERICAN SOCIETY OF ADDICTION MEDICINE STANDARDS OF CARE.**

Subdivision 1. **Level of care requirements.** For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements:

(1) For ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of skilled treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week.

(3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of skilled treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Peer recovery services and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of skilled treatment services. Services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide at least 5 hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at a minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

Subd. 2. **Patient referral arrangement agreement.** The license holder must maintain documentation of a formal patient referral arrangement agreement for each of the following ASAM levels of care not provided by the license holder:

(1) level 1.0 outpatient;

(2) level 2.1 intensive outpatient;

(3) level 2.5 partial hospitalization;

(4) level 3.1 clinically managed low-intensity residential;

(5) level 3.3 clinically managed population-specific high-intensity residential;

(6) level 3.5 clinically managed high-intensity residential;

(7) level withdrawal management 3.2 clinically managed residential withdrawal management; and

(8) level withdrawal management 3.7 medically monitored inpatient withdrawal management.

Subd. 3. **Evidence-based practices.** All services delivered within the ASAM levels of care referenced in subdivision 1, clauses (1) to (7), must have documentation of the evidence-based practices being utilized as referenced in the most current edition of the *ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions*.

Subd. 4. **Program outreach plan.** Eligible vendors providing services under ASAM levels of care referenced in subdivision 1, clauses (2) to (7), must have a program outreach plan. The treatment director must document a review and update the plan annually. The program outreach plan must include treatment coordination strategies and processes to ensure seamless transitions across the continuum of care. The plan must include how the provider will:

(1) increase the awareness of early intervention treatment services, including but not limited to the services defined in section 254A.03, subdivision 3, paragraph (c);

(2) coordinate, as necessary, with certified community behavioral health clinics when a license holder is located in a geographic region served by a certified community behavioral health clinic;

(3) establish a referral arrangement agreement with a withdrawal management program licensed under chapter 245F when a license holder is located in a geographic region in which a withdrawal management program is licensed under chapter 245F. If a withdrawal management program licensed under chapter 245F is not geographically accessible, the plan must include how the provider will address the client's need for this level of care;

(4) coordinate with inpatient acute care hospitals, including emergency departments, hospital outpatient clinics, urgent care centers, residential crisis settings, medical

detoxification inpatient facilities, and ambulatory detoxification providers in the area served by the provider to help transition individuals from emergency department or hospital settings and minimize the time between assessment and treatment;

(5) develop and maintain collaboration with local county and Tribal human services agencies; and

(6) collaborate with primary care and mental health settings.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 54. Minnesota Statutes 2022, section 256D.09, subdivision 2a, is amended to read:

Subd. 2a. **Vendor payments for drug dependent persons.** If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance is drug dependent, as defined in section 254A.02, subdivision 5, the person shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for referring an individual for an assessment exists when:

(1) the person has required detoxification two or more times in the past 12 months;

(2) the person appears intoxicated at the county agency as indicated by two or more of the following:

(i) the odor of alcohol;

(ii) slurred speech;

(iii) disconjugate gaze;

(iv) impaired balance;

(v) difficulty remaining awake;

(vi) consumption of alcohol;

(vii) responding to sights or sounds that are not actually present;

(viii) extreme restlessness, fast speech, or unusual belligerence;

(3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or

(4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under ~~Minnesota Rules, part 9530.6615, subpart 2~~ section 245G.11, subdivisions 1 and 5, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert substance use disorder as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (5).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

Sec. 55. Minnesota Statutes 2022, section 256L.03, subdivision 2, is amended to read:

Subd. 2. **Substance use disorder.** Beginning July 1, 1993, covered health services shall include individual outpatient treatment of substance use disorder by a qualified health professional or outpatient program.

Persons who may need substance use disorder services under the provisions of this chapter ~~shall be assessed by a local agency as defined under section 254B.01~~ must be assessed by a qualified professional as defined in section 245G.11, subdivisions 1 and 5, and under the assessment provisions of section 254A.03, subdivision 3. A local agency or managed care plan under contract with the Department of Human Services must ~~place~~ offer services to a person in need of substance use disorder services ~~as provided in Minnesota Rules, parts 9530.6600 to 9530.6655~~ based on the recommendations of section 245G.05. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for behavioral health fund services provided under the provisions of chapter 254B shall receive substance use disorder treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the substance use disorder benefits offered under this chapter; or

(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

Recipients of covered health services under the children's health plan, as provided in Minnesota Statutes 1990, section 256.936, and as amended by Laws 1991, chapter 292, article 4, section 17, and recipients of covered health services enrolled in the children's health plan or the MinnesotaCare program after October 1, 1992, pursuant to Laws 1992, chapter 549, article 4, sections 5 and 17, are eligible to receive substance use disorder benefits under this subdivision.

Sec. 56. Minnesota Statutes 2022, section 256L.12, subdivision 8, is amended to read:

Subd. 8. **Substance use disorder assessments.** The managed care plan shall be responsible for assessing the need and ~~placement for~~ provision of substance use disorder services according to criteria set forth in ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05.

Sec. 57. Minnesota Statutes 2022, section 260B.157, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** Upon request of the court the local social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260B.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall order a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications must comply with section 245G.11, subdivisions 1 and 5, and the assessment criteria ~~shall~~ must comply with ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment ~~and placement~~ must comply with all provisions of ~~Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030~~ sections 245G.05 and 254B.04. The commissioner of human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of $100.

The court shall order a children's mental health screening conducted when a child is found to be delinquent. The screening shall be conducted with a screening instrument approved by the commissioner of human services and shall be conducted by a mental health

practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. If the screening indicates a need for assessment, the local social services agency, in consultation with the child's family, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 58. Minnesota Statutes 2022, section 260B.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The local social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision. The team, which may be the team constituted under section 245.4885 or 256B.092 or ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ chapter 254B, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate. The team may be the same team as defined in section 260C.157, subdivision 3.

(b) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, and residential placement is consistent with section 260.012, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a post-dispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall notify the county welfare agency. The county's juvenile treatment screening team must either:

(i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or

(ii) elect not to screen a given case, and notify the court of that decision within three working days.

(c) If the screening team has elected to screen and evaluate the child, the child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

Sec. 59. Minnesota Statutes 2022, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings under this chapter and chapter 260D, for a child to receive treatment for an emotional disturbance, a developmental disability, or related condition in a residential treatment facility licensed by the commissioner of human services under chapter 245A, or licensed or approved by a tribe. A screening team is not required for a child to be in: (1) a residential facility specializing in prenatal, postpartum, or parenting support; (2) a facility specializing in high-quality residential care and supportive services to children and youth who have been or are at risk of becoming victims of sex trafficking or commercial sexual exploitation; (3) supervised settings for youth who are 18 years of age or older and living independently; or (4) a licensed residential family-based treatment facility for substance abuse consistent with section

260C.190. Screenings are also not required when a child must be placed in a facility due to an emotional crisis or other mental health emergency.

(b) The responsible social services agency shall conduct screenings within 15 days of a request for a screening, unless the screening is for the purpose of residential treatment and the child is enrolled in a prepaid health program under section 256B.69, in which case the agency shall conduct the screening within ten working days of a request. The responsible social services agency shall convene the juvenile treatment screening team, which may be constituted under section 245.4885, 254B.05, or 256B.092 ~~or Minnesota Rules, parts 9530.6600 to 9530.6655~~. The team shall consist of social workers; persons with expertise in the treatment of juveniles who are emotionally disturbed, chemically dependent, or have a developmental disability; and the child's parent, guardian, or permanent legal custodian. The team may include the child's relatives as defined in section 260C.007, subdivisions 26b and 27, the child's foster care provider, and professionals who are a resource to the child's family such as teachers, medical or mental health providers, and clergy, as appropriate, consistent with the family and permanency team as defined in section 260C.007, subdivision 16a. Prior to forming the team, the responsible social services agency must consult with the child's parents, the child if the child is age 14 or older, and, if applicable, the child's tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals. This provision does not apply to paragraph (c).

(c) If the agency provides notice to tribes under section 260.761, and the child screened is an Indian child, the responsible social services agency must make a rigorous and concerted effort to include a designated representative of the Indian child's tribe on the juvenile treatment screening team, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12. The provisions of the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835, apply to this section.

(d) If the court, prior to, or as part of, a final disposition or other court order, proposes to place a child with an emotional disturbance or developmental disability or related condition in residential treatment, the responsible social services agency must conduct a screening. If the team recommends treating the child in a qualified residential treatment program, the agency must follow the requirements of sections 260C.70 to 260C.714.

The court shall ascertain whether the child is an Indian child and shall notify the responsible social services agency and, if the child is an Indian child, shall notify the Indian child's tribe as paragraph (c) requires.

(e) When the responsible social services agency is responsible for placing and caring for the child and the screening team recommends placing a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, the agency must: (1) begin the assessment and processes required in section 260C.704 without delay; and (2) conduct a relative search according to section 260C.221 to assemble the child's family and permanency team under section 260C.706. Prior to notifying relatives regarding the family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is age 14 or older, and, if applicable, the child's tribe to ensure that the agency is providing notice to individuals who will act in the child's best interests. The child and the child's parents may identify a culturally competent qualified individual to complete the child's assessment. The agency shall make efforts to refer the assessment to the identified qualified individual. The assessment may not be delayed for the purpose of having the assessment completed by a specific qualified individual.

(f) When a screening team determines that a child does not need treatment in a qualified residential treatment program, the screening team must:

(1) document the services and supports that will prevent the child's foster care placement and will support the child remaining at home;

(2) document the services and supports that the agency will arrange to place the child in a family foster home; or

(3) document the services and supports that the agency has provided in any other setting.

(g) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

(h) The responsible social services agency must conduct and document the screening in a format approved by the commissioner of human services.

Sec. 60. Minnesota Statutes 2022, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency ~~shall conduct~~ must coordinate a ~~chemical use~~ comprehensive assessment pursuant to ~~Minnesota Rules, part 9530.6615~~ section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

Sec. 61. Minnesota Statutes 2022, section 299A.299, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county, a multicounty organization of counties formed by an agreement under section 471.59, or a city with a population of no more than 50,000, may establish a multidisciplinary chemical abuse prevention team. The chemical abuse prevention team may include, but not be limited to, representatives of health, mental health, public health, law enforcement, educational, social service, court service, community education, religious, and other appropriate agencies, and parent and youth groups. For purposes of this section, "chemical abuse" has the meaning given in ~~Minnesota Rules, part 9530.6605, subpart 6~~ section 254A.02, subdivision 6a. When possible the team must coordinate its activities with existing local groups, organizations, and teams dealing with the same issues the team is addressing.

Sec. 62. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 254B.01, in alphabetical order and correct any cross-reference changes that result.

Sec. 63. **REPEALER.**

(a) Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, and 5; 254B.04, subdivisions 2b and 2c; and 254B.041, subdivision 2, are repealed.

(b) Minnesota Statutes 2022, sections 245G.05, subdivision 2; and 245G.06, subdivision 2, are repealed.

(c) Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, and 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, and 6; 9530.7020, subparts 1, 1a, and 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; and 9530.7030, subpart 1, are repealed.

**EFFECTIVE DATE.** Paragraphs (a) and (c) are effective August 1, 2023. Paragraph (b) is effective January 1, 2024.

## ARTICLE 3

## PEER RECOVERY AND RECOVERY COMMUNITY ORGANIZATION REQUIREMENTS

Section 1. Minnesota Statutes 2022, section 245G.07, subdivision 2, is amended to read:

Subd. 2. **Additional treatment service.** A license holder may provide or arrange the following additional treatment service as a part of the client's individual treatment plan:

(1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;

(2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;

(3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;

(4) living skills development to help the client learn basic skills necessary for independent living;

(5) employment or educational services to help the client become financially independent;

(6) socialization skills development to help the client live and interact with others in a positive and productive manner;

(7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills; and

(8) peer recovery support services provided ~~one-to-one~~ by an individual in recovery qualified according to section ~~245G.11, subdivision 8~~ 245I.04, subdivision 18. Peer support services include education; advocacy; mentoring through self-disclosure of personal recovery experiences; attending recovery and other support groups with a client; accompanying the client to appointments that support recovery; assistance accessing resources to obtain housing, employment, education, and advocacy services; and nonclinical recovery support to assist the transition from treatment into the recovery community.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2022, section 245G.11, subdivision 8, is amended to read:

Subd. 8. **Recovery peer qualifications.** A recovery peer must:

(1) ~~have a high school diploma or its equivalent~~ meet the qualifications in section 245I.04, subdivision 18; and

(2) ~~have a minimum of one year in recovery from substance use disorder;~~ provide services according to the scope of practice established in section 245I.04, subdivision 19, under the supervision of an alcohol and drug counselor.

~~(3) hold a current credential from the Minnesota Certification Board, the Upper Midwest Indian Council on Addictive Disorders, or the National Association for Alcoholism and Drug Abuse Counselors. An individual may also receive a credential from a tribal nation when providing peer recovery support services in a tribally licensed program. The credential must demonstrate skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support; and~~

~~(4) receive ongoing supervision in areas specific to the domains of the recovery peer's role by an alcohol and drug counselor.~~

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2022, section 245I.04, is amended by adding a subdivision to read:

Subd. 18. **Recovery peer qualifications.** (a) A recovery peer must:

(1) have a minimum of one year in recovery from substance use disorder; and

(2) hold a current credential from the Minnesota Certification Board, the Upper Midwest Indian Council on Addictive Disorders, or the National Association for Alcoholism and Drug Abuse Counselors that demonstrates skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support.

(b) A recovery peer who receives a credential from a Tribal Nation when providing peer recovery support services in a tribally licensed program satisfies the requirement in paragraph (a), clause (2).

Sec. 4. Minnesota Statutes 2022, section 245I.04, is amended by adding a subdivision to read:

Subd. 19. **Peer recovery scope of practice.** A recovery peer, under the supervision of an alcohol and drug counselor, must:

(1) provide individualized peer support to each client;

(2) promote a client's recovery goals, self-sufficiency, self-advocacy, and development of natural supports; and

(3) support a client's maintenance of skills that the client has learned from other services.

Sec. 5. Minnesota Statutes 2022, section 254B.01, subdivision 8, is amended to read:

Subd. 8. **Recovery community organization.** "Recovery community organization" means an independent, nonprofit organization led and governed by representatives of local communities of recovery. A recovery community organization mobilizes resources within and outside of the recovery community to increase the prevalence and quality of long-term recovery from ~~alcohol and other drug addiction~~ substance use disorder. Recovery community organizations provide peer-based recovery support activities such as training of recovery peers. Recovery community organizations provide mentorship and ongoing support to individuals dealing with a substance use disorder and connect them with the resources that can support each person's recovery. A recovery community organization also promotes a recovery-focused orientation in community education and outreach programming, and organize recovery-focused policy advocacy activities to foster healthy communities and reduce the stigma of substance use disorder.

Sec. 6. Minnesota Statutes 2022, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and

245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5).

(d) A recovery community organization that meets ~~certification~~ the requirements ~~identified by the commissioner~~ of clauses (1) to (10) and meets membership or accreditation requirements of the Association of Recovery Community Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery community organization identified by the commissioner is an eligible vendor of peer support services. Eligible vendors under this paragraph must:

(1) be nonprofit organizations;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) primarily focus on recovery from substance use disorders, with missions and visions that support this primary focus;

(4) be grassroots and reflective of and engaged with the community served;

(5) be accountable to the recovery community through processes that promote the involvement and engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building groups, and harm-reduction activities;

(7) allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) be purposeful in meeting the diverse needs of Black, Indigenous, and people of color communities, including board and staff development activities, organizational practices, service offerings, advocacy efforts, and culturally informed outreach and service plans;

(9) be stewards of recovery-friendly language that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma; and

(10) maintain an employee and volunteer code of ethics and easily accessible grievance procedures posted in physical spaces, on websites, or on program policies or forms.

(e) Recovery community organizations approved by the commissioner before June 30, 2023, shall retain their designation as recovery community organizations.

(f) A recovery community organization that is aggrieved by an accreditation or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (15), for reconsideration as an eligible vendor.

~~(e)~~ (g) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

Sec. 7. Minnesota Statutes 2022, section 256.045, subdivision 3, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

(1) any person applying for, receiving or having received public assistance, medical care, or a program of social services granted by the state agency or a county agency or the federal Food and Nutrition Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any patient or relative aggrieved by an order of the commissioner under section 252.27;

(3) a party aggrieved by a ruling of a prepaid health plan;

(4) except as provided under chapter 245C, any individual or facility determined by a lead investigative agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557;

(5) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under chapter 260E is denied or not acted upon with reasonable promptness, regardless of funding source;

(6) any person to whom a right of appeal according to this section is given by other provision of law;

(7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;

(8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

(9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under chapter 260E, after the individual or facility has exercised the right to administrative reconsideration under chapter 260E;

(10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 260E.06, subdivision 1, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;

(11) any person with an outstanding debt resulting from receipt of public assistance, medical care, or the federal Food and Nutrition Act who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;

(12) a person issued a notice of service termination under section 245D.10, subdivision 3a, by a licensed provider of any residential supports or services listed in section 245D.03, subdivision 1, paragraphs (b) and (c), that is not otherwise subject to appeal under subdivision 4a;

(13) an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914; ~~or~~

(14) a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a~~.~~; or

(15) a recovery community organization seeking medical assistance vendor eligibility under section 254B.01, subdivision 8, that is aggrieved by a membership or accreditation determination and that believes the organization meets the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10). The scope of the review by the human services judge shall be limited to whether the organization meets each of the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10).

(b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a), clause (9), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), clauses (4), (9), and (10), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (5), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(e) The scope of hearings under paragraph (a), clauses (12) and (14), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements

of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) to (f), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

(f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(g) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(h) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

(i) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 8. Minnesota Statutes 2022, section 256B.0615, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified peer specialist services, as established in subdivision 2, ~~subject to federal approval,~~ if provided to recipients who are eligible for services under sections 256B.0622, 256B.0623, and 256B.0624 and are provided by a mental health certified peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 10.

Sec. 9. Minnesota Statutes 2022, section 256B.0615, subdivision 5, is amended to read:

Subd. 5. **Certified peer specialist ~~training and~~ certification.** ~~The commissioner of human services shall develop a training and certification process for certified peer specialists. The candidates must have had a primary diagnosis of mental illness, be a current or former consumer of mental health services, and must demonstrate leadership and advocacy skills and a strong dedication to recovery. The training curriculum must teach participating consumers specific skills relevant to providing peer support to other consumers. In addition to initial training and certification, the commissioner shall develop ongoing continuing educational workshops on pertinent issues related to peer support counseling.~~ A certified peer specialist is qualified as a mental health certified peer specialist, as defined in section 245I.04.

## ARTICLE 4
## MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 3.757, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Municipality" has the meaning provided in section 466.01, subdivision 1.

(c) "Opioid litigation" means any civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

(d) "Released claim" means any cause of action or other claim that has been released in a statewide opioid settlement agreement, including matters identified as a released claim as that term or a comparable term is defined in a statewide opioid settlement agreement.

(e) "Settling defendant" means Johnson & Johnson, AmerisourceBergen Corporation, Cardinal Health, Inc., ~~and~~ McKesson Corporation, Teva Pharmaceuticals, Allergan plc, CVS Health Corporation, Walgreens Boots Alliance, Inc., and Walmart, Inc., as well as related subsidiaries, affiliates, officers, directors, and other related entities specifically named as a released entity in a statewide opioid settlement agreement.

(f) "Statewide opioid settlement agreement" means an agreement, including consent judgments, assurances of discontinuance, and related agreements or documents, between the attorney general, on behalf of the state, and a settling defendant, to provide or allocate

remuneration for conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

Sec. 2. Minnesota Statutes 2022, section 245.50, subdivision 5, is amended to read:

Subd. 5. **Special contracts; bordering states.** (a) An individual who is detained, committed, or placed on an involuntary basis under chapter 253B may be confined or treated in a bordering state pursuant to a contract under this section. An individual who is detained, committed, or placed on an involuntary basis under the civil law of a bordering state may be confined or treated in Minnesota pursuant to a contract under this section. A peace or health officer who is acting under the authority of the sending state may transport an individual to a receiving agency that provides services pursuant to a contract under this section and may transport the individual back to the sending state under the laws of the sending state. Court orders valid under the law of the sending state are granted recognition and reciprocity in the receiving state for individuals covered by a contract under this section to the extent that the court orders relate to confinement for treatment or care of mental illness, chemical dependency, or detoxification. Such treatment or care may address other conditions that may be co-occurring with the mental illness or chemical dependency. These court orders are not subject to legal challenge in the courts of the receiving state. Individuals who are detained, committed, or placed under the law of a sending state and who are transferred to a receiving state under this section continue to be in the legal custody of the authority responsible for them under the law of the sending state. Except in emergencies, those individuals may not be transferred, removed, or furloughed from a receiving agency without the specific approval of the authority responsible for them under the law of the sending state.

(b) While in the receiving state pursuant to a contract under this section, an individual shall be subject to the sending state's laws and rules relating to length of confinement, reexaminations, and extensions of confinement. No individual may be sent to another state pursuant to a contract under this section until the receiving state has enacted a law recognizing the validity and applicability of this section.

(c) If an individual receiving services pursuant to a contract under this section leaves the receiving agency without permission and the individual is subject to involuntary confinement under the law of the sending state, the receiving agency shall use all reasonable means to return the individual to the receiving agency. The receiving agency shall immediately report the absence to the sending agency. The receiving state has the primary responsibility for, and the authority to direct, the return of these individuals within its borders

and is liable for the cost of the action to the extent that it would be liable for costs of its own resident.

(d) Responsibility for payment for the cost of care remains with the sending agency.

(e) This subdivision also applies to county contracts under subdivision 2 which include emergency care and treatment provided to a county resident in a bordering state.

(f) If a Minnesota resident is admitted to a facility in a bordering state under this chapter, ~~a physician, a licensed psychologist who has a doctoral degree in psychology, or an advanced practice registered nurse certified in mental health,~~ an individual who is licensed in the bordering state, may act as a court examiner under sections 253B.07, 253B.08, 253B.092, 253B.12, and 253B.17 subject to the same requirements and limitations in section 253B.02, subdivision ~~7~~ 4d. An examiner under section 253B.02, subdivision 7, may initiate an emergency hold under section 253B.051 on a Minnesota resident who is in a hospital that is under contract with a Minnesota governmental entity under this section provided the resident, in the opinion of the examiner, meets the criteria in section 253B.051.

(g) This section shall apply to detoxification services that are unrelated to treatment whether the services are provided on a voluntary or involuntary basis.

Sec. 3. Laws 2021, First Special Session chapter 7, article 2, section 17, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2021, except ~~subdivision 6, paragraph (b), is effective upon federal approval and~~ subdivision 15 is effective the day following final enactment. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 4. Laws 2021, First Special Session chapter 7, article 6, section 12, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2021~~, or upon federal approval, whichever is later~~. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 5. Laws 2021, First Special Session chapter 7, article 11, section 18, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2021, ~~or upon federal approval, whichever is later,~~ except paragraph (f) is effective the day following final enactment. ~~The commissioner shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 6. Laws 2021, First Special Session chapter 7, article 13, section 43, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective January 1, 2022~~, or upon federal approval, whichever is later, except the fifth sentence in paragraph (d) is effective January 1, 2022~~. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 7. Laws 2022, chapter 98, article 4, section 37, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2022~~, or upon federal approval, whichever is later~~. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

**169A.70 ALCOHOL SAFETY PROGRAMS; CHEMICAL USE ASSESSMENTS.**

Subd. 6. **Method of assessment.** (a) As used in this subdivision, "collateral contact" means an oral or written communication initiated by an assessor for the purpose of gathering information from an individual or agency, other than the offender, to verify or supplement information provided by the offender during an assessment under this section. The term includes contacts with family members and criminal justice agencies.

(b) An assessment conducted under this section must include at least one personal interview with the offender designed to make a determination about the extent of the offender's past and present chemical and alcohol use or abuse. It must also include collateral contacts and a review of relevant records or reports regarding the offender including, but not limited to, police reports, arrest reports, driving records, chemical testing records, and test refusal records. If the offender has a probation officer, the officer must be the subject of a collateral contact under this subdivision. If an assessor is unable to make collateral contacts, the assessor shall specify why collateral contacts were not made.

**245G.05 COMPREHENSIVE ASSESSMENT AND ASSESSMENT SUMMARY.**

Subd. 2. **Assessment summary.** (a) An alcohol and drug counselor must complete an assessment summary within three calendar days from the day of service initiation for a residential program and within three calendar days on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program. The comprehensive assessment summary is complete upon a qualified staff member's dated signature. If the comprehensive assessment is used to authorize the treatment service, the alcohol and drug counselor must prepare an assessment summary on the same date the comprehensive assessment is completed. If the comprehensive assessment and assessment summary are to authorize treatment services, the assessor must determine appropriate services for the client using the dimensions in Minnesota Rules, part 9530.6622, and document the recommendations.

(b) An assessment summary must include:

(1) a risk description according to section 245G.05 for each dimension listed in paragraph (c);

(2) a narrative summary supporting the risk descriptions; and

(3) a determination of whether the client has a substance use disorder.

(c) An assessment summary must contain information relevant to treatment service planning and recorded in the dimensions in clauses (1) to (6). The license holder must consider:

(1) Dimension 1, acute intoxication/withdrawal potential; the client's ability to cope with withdrawal symptoms and current state of intoxication;

(2) Dimension 2, biomedical conditions and complications; the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. The license holder must determine the impact of continued substance use on the unborn child, if the client is pregnant;

(3) Dimension 3, emotional, behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas and the likelihood of harm to self or others;

(4) Dimension 4, readiness for change; the support necessary to keep the client involved in treatment service;

(5) Dimension 5, relapse, continued use, and continued problem potential; the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems; and

(6) Dimension 6, recovery environment; whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

**245G.06 INDIVIDUAL TREATMENT PLAN.**

Subd. 2. **Plan contents.** An individual treatment plan must be recorded in the six dimensions listed in section 245G.05, subdivision 2, paragraph (c), must address each issue identified in the assessment summary, prioritized according to the client's needs and focus, and must include:

(1) specific goals and methods to address each identified need in the comprehensive assessment summary, including amount, frequency, and anticipated duration of treatment service. The methods must be appropriate to the client's language, reading skills, cultural background, and strengths;

(2) resources to refer the client to when the client's needs are to be addressed concurrently by another provider; and

(3) goals the client must reach to complete treatment and terminate services.

**245G.22 OPIOID TREATMENT PROGRAMS.**

Subd. 19. **Placing authorities.** A program must provide certain notification and client-specific updates to placing authorities for a client who is enrolled in Minnesota health care programs. At the request of the placing authority, the program must provide client-specific updates, including but not limited to informing the placing authority of positive drug testings and changes in medications used for the treatment of opioid use disorder ordered for the client.

**254A.02 DEFINITIONS.**

Subd. 8a. **Placing authority.** "Placing authority" means a county, prepaid health plan, or tribal governing board governed by Minnesota Rules, parts 9530.6600 to 9530.6655.

**254A.16 RESPONSIBILITIES OF THE COMMISSIONER.**

Subd. 6. **Monitoring.** The commissioner shall gather and placing authorities shall provide information to measure compliance with Minnesota Rules, parts 9530.6600 to 9530.6655. The commissioner shall specify the format for data collection to facilitate tracking, aggregating, and using the information.

**254A.19 CHEMICAL USE ASSESSMENTS.**

Subd. 1a. **Emergency room patients.** A county may enter into a contract with a hospital to provide chemical use assessments under Minnesota Rules, parts 9530.6600 to 9530.6655, for patients admitted to an emergency room or inpatient hospital when:

(1) an assessor is not available; and

(2) detoxification services in the county are at full capacity.

Subd. 2. **Probation officer as contact.** When a chemical use assessment is required under Minnesota Rules, parts 9530.6600 to 9530.6655, for a person who is on probation or under other correctional supervision, the assessor, either orally or in writing, shall contact the person's probation officer to verify or supplement the information provided by the person.

Subd. 5. **Assessment via telehealth.** Notwithstanding Minnesota Rules, part 9530.6615, subpart 3, item A, a chemical use assessment may be conducted via telehealth as defined in section 256B.0625, subdivision 3b.

**254B.04 ELIGIBILITY FOR BEHAVIORAL HEALTH FUND SERVICES.**

Subd. 2b. **Eligibility for placement in opioid treatment programs.** Prior to placement of an individual who is determined by the assessor to require treatment for opioid addiction, the assessor must provide educational information concerning treatment options for opioid addiction, including the use of a medication for the use of opioid addiction. The commissioner shall develop educational materials supported by research and updated periodically that must be used by assessors to comply with this requirement.

Subd. 2c. **Eligibility to receive peer recovery support and treatment service coordination.** Notwithstanding Minnesota Rules, part 9530.6620, subpart 6, a placing authority may authorize peer recovery support and treatment service coordination for a person who scores a severity of one or more in dimension 4, 5, or 6, under Minnesota Rules, part 9530.6622. Authorization for peer recovery support and treatment service coordination under this subdivision does not need to be provided in conjunction with treatment services under Minnesota Rules, part 9530.6622, subpart 4, 5, or 6.

**254B.041 SUBSTANCE USE DISORDER RULES.**

Subd. 2. **Vendor collections; rule amendment.** The commissioner may amend Minnesota Rules, parts 9530.7000 to 9530.7025, to require a vendor of substance use disorder transitional and extended care rehabilitation services to collect the cost of care received under a program from an eligible person who has been determined to be partially responsible for treatment costs, and to remit

the collections to the commissioner. The commissioner shall pay to a vendor, for the collections, an amount equal to five percent of the collections remitted to the commissioner by the vendor.

**254B.13 PILOT PROJECTS; CHEMICAL HEALTH CARE.**

Subdivision 1. **Authorization for navigator pilot projects.** The commissioner may approve and implement navigator pilot projects developed under the planning process required under Laws 2009, chapter 79, article 7, section 26, to provide alternatives to and enhance coordination of the delivery of chemical health services required under section 254B.03.

Subd. 2. **Program design and implementation.** (a) The commissioner and counties participating in the navigator pilot projects shall continue to work in partnership to refine and implement the navigator pilot projects initiated under Laws 2009, chapter 79, article 7, section 26.

(b) The commissioner and counties participating in the navigator pilot projects shall complete the planning phase and, if approved by the commissioner for implementation, enter into agreements governing the operation of the navigator pilot projects.

Subd. 2a. **Eligibility for navigator pilot program.** (a) To be considered for participation in a navigator pilot program, an individual must:

(1) be a resident of a county with an approved navigator program;

(2) be eligible for behavioral health fund services;

(3) be a voluntary participant in the navigator program;

(4) satisfy one of the following items:

(i) have at least one severity rating of three or above in dimension four, five, or six in a comprehensive assessment under section 245G.05, subdivision 2, paragraph (c), clauses (4) to (6); or

(ii) have at least one severity rating of two or above in dimension four, five, or six in a comprehensive assessment under section 245G.05, subdivision 2, paragraph (c), clauses (4) to (6), and be currently participating in a Rule 31 treatment program under chapter 245G or be within 60 days following discharge after participation in a Rule 31 treatment program; and

(5) have had at least two treatment episodes in the past two years, not limited to episodes reimbursed by the behavioral health fund. An admission to an emergency room, a detoxification program, or a hospital may be substituted for one treatment episode if it resulted from the individual's substance use disorder.

(b) New eligibility criteria may be added as mutually agreed upon by the commissioner and participating navigator programs.

Subd. 4. **Notice of navigator pilot project discontinuation.** Each county's participation in the navigator pilot project may be discontinued for any reason by the county or the commissioner of human services after 30 days' written notice to the other party.

Subd. 5. **Duties of commissioner.** (a) Notwithstanding any other provisions in this chapter, the commissioner may authorize navigator pilot projects to use the behavioral health fund to pay for nontreatment navigator pilot services:

(1) in addition to those authorized under section 254B.03, subdivision 2, paragraph (a); and

(2) by vendors in addition to those authorized under section 254B.05 when not providing substance use disorder treatment services.

(b) For purposes of this section, "nontreatment navigator pilot services" include navigator services, peer support, family engagement and support, housing support, rent subsidies, supported employment, and independent living skills.

(c) State expenditures for substance use disorder services and nontreatment navigator pilot services provided by or through the navigator pilot projects must not be greater than the behavioral health fund expected share of forecasted expenditures in the absence of the navigator pilot projects. The commissioner may restructure the schedule of payments between the state and participating counties under the local agency share and division of cost provisions under section 254B.03, subdivisions 3 and 4, as necessary to facilitate the operation of the navigator pilot projects.

(d) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the navigator pilot project, except that any substance use disorder treatment funded under this section must continue to be provided by a licensed treatment provider.

(e) The commissioner shall not approve or enter into any agreement related to navigator pilot projects authorized under this section that puts current or future federal funding at risk.

(f) The commissioner shall provide participating navigator pilot projects with transactional data, reports, provider data, and other data generated by county activity to assess and measure outcomes. This information must be transmitted or made available in an acceptable form to participating navigator pilot projects at least once every six months or within a reasonable time following the commissioner's receipt of information from the counties needed to comply with this paragraph.

Subd. 6. **Duties of county board.** The county board, or other county entity that is approved to administer a navigator pilot project, shall:

(1) administer the navigator pilot project in a manner consistent with the objectives described in subdivision 2 and the planning process in subdivision 5;

(2) ensure that no one is denied substance use disorder treatment services for which they would otherwise be eligible under section 254A.03, subdivision 3; and

(3) provide the commissioner with timely and pertinent information as negotiated in agreements governing operation of the navigator pilot projects.

Subd. 7. **Managed care.** An individual who is eligible for the navigator pilot program under subdivision 2a is excluded from mandatory enrollment in managed care until these services are included in the health plan's benefit set.

Subd. 8. **Authorization for continuation of navigator pilots.** The navigator pilot projects implemented pursuant to subdivision 1 are authorized to continue operation after July 1, 2013, under existing agreements governing operation of the pilot projects.

**254B.16 PILOT PROJECTS; TREATMENT FOR PREGNANT AND POSTPARTUM WOMEN WITH SUBSTANCE USE DISORDER.**

Subdivision 1. **Pilot projects established.** (a) Within the limits of federal funds available specifically for this purpose, the commissioner of human services shall establish pilot projects to provide substance use disorder treatment and services to pregnant and postpartum women with a primary diagnosis of substance use disorder, including opioid use disorder. Pilot projects funded under this section must:

(1) promote flexible uses of funds to provide treatment and services to pregnant and postpartum women with substance use disorders;

(2) fund family-based treatment and services for pregnant and postpartum women with substance use disorders;

(3) identify gaps in services along the continuum of care that are provided to pregnant and postpartum women with substance use disorders; and

(4) encourage new approaches to service delivery and service delivery models.

(b) A pilot project funded under this section must provide at least a portion of its treatment and services to women who receive services on an outpatient basis.

Subd. 2. **Federal funds.** The commissioner shall apply for any available grant funds from the federal Center for Substance Abuse Treatment for these pilot projects.

**256.041 CULTURAL AND ETHNIC COMMUNITIES LEADERSHIP COUNCIL.**

Subd. 10. **Expiration.** The council expires on June 30, 2025.

**256B.49 HOME AND COMMUNITY-BASED SERVICE WAIVERS FOR PERSONS WITH DISABILITIES.**

Subd. 23. **Community-living settings.** (a) For the purposes of this chapter, "community-living settings" means a single-family home or multifamily dwelling unit where a service recipient or a service recipient's family owns or rents, and maintains control over the individual unit as demonstrated by a lease agreement. Community-living settings does not include a home or dwelling

unit that the service provider owns, operates, or leases or in which the service provider has a direct or indirect financial interest.

(b) To ensure a service recipient or the service recipient's family maintains control over the home or dwelling unit, community-living settings are subject to the following requirements:

(1) service recipients must not be required to receive services or share services;

(2) service recipients must not be required to have a disability or specific diagnosis to live in the community-living setting;

(3) service recipients may hire service providers of their choice;

(4) service recipients may choose whether to share their household and with whom;

(5) the home or multifamily dwelling unit must include living, sleeping, bathing, and cooking areas;

(6) service recipients must have lockable access and egress;

(7) service recipients must be free to receive visitors and leave the settings at times and for durations of their own choosing;

(8) leases must comply with chapter 504B;

(9) landlords must not charge different rents to tenants who are receiving home and community-based services; and

(10) access to the greater community must be easily facilitated based on the service recipient's needs and preferences.

(c) Nothing in this section prohibits a service recipient from having another person or entity not affiliated with the service provider cosign a lease. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from modifying services with an existing cosigning service provider and, subject to the approval of the landlord, maintaining a lease cosigned by the service provider. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from terminating services with the cosigning service provider, receiving services from a new service provider, and, subject to the approval of the landlord, maintaining a lease cosigned by the new service provider.

(d) A lease cosigned by a service provider meets the requirements of paragraph (a) if the service recipient and service provider develop and implement a transition plan which must provide that, within two years of cosigning the initial lease, the service provider shall transfer the lease to the service recipient and other cosigners, if any.

(e) In the event the landlord has not approved the transfer of the lease within two years of the service provider cosigning the initial lease, the service provider must submit a time-limited extension request to the commissioner of human services to continue the cosigned lease arrangement. The extension request must include:

(1) the reason the landlord denied the transfer;

(2) the plan to overcome the denial to transfer the lease;

(3) the length of time needed to successfully transfer the lease, not to exceed an additional two years;

(4) a description of how the transition plan was followed, what occurred that led to the landlord denying the transfer, and what changes in circumstances or condition, if any, the service recipient experienced; and

(5) a revised transition plan to transfer the cosigned lease between the service provider and the service recipient to the service recipient.

The commissioner must approve an extension within sufficient time to ensure the continued occupancy by the service recipient.

**260.835 AMERICAN INDIAN CHILD WELFARE ADVISORY COUNCIL.**

Subd. 2. **Expiration.** The American Indian Child Welfare Advisory Council expires June 30, 2023.

**9530.7000 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of parts 9530.7000 to 9530.7030, the following terms have the meanings given them.

Subp. 2. **Chemical.** "Chemical" means alcohol, solvents, and other mood altering substances, including controlled substances as defined in Minnesota Statutes, chapter 152.

Subp. 5. **Chemical dependency treatment services.** "Chemical dependency treatment services" means services provided by chemical dependency treatment programs licensed according to Minnesota Statutes, chapter 245G, or certified according to parts 2960.0450 to 2960.0490.

Subp. 6. **Client.** "Client" means an individual who has requested chemical abuse or dependency services, or for whom chemical abuse or dependency services have been requested, from a local agency.

Subp. 7. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Department of Human Services or the commissioner's designated representative.

Subp. 8. **Behavioral health fund.** "Behavioral health fund" means money appropriated for payment of chemical dependency treatment services under Minnesota Statutes, chapter 254B.

Subp. 9. **Copayment.** "Copayment" means the amount an insured person is obligated to pay before the person's third-party payment source is obligated to make a payment, or the amount an insured person is obligated to pay in addition to the amount the person's third-party payment source is obligated to pay.

Subp. 10. **Drug and Alcohol Abuse Normative Evaluation System or DAANES.** "Drug and Alcohol Abuse Normative Evaluation System" or "DAANES" means the client information system operated by the department's Chemical Dependency Program Division.

Subp. 11. **Department.** "Department" means the Minnesota Department of Human Services.

Subp. 13. **Income.** "Income" means the total amount of cash received by an individual from the following sources:

A. cash payments for wages or salaries;

B. cash receipts from nonfarm or farm self-employment, minus deductions allowed by the federal Internal Revenue Service for business or farm expenses;

C. regular cash payments from social security, railroad retirement, unemployment compensation, workers' union funds, veterans' benefits, the Minnesota family investment program, Supplemental Security Income, General Assistance, training stipends, alimony, child support, and military family allotments;

D. cash payments from private pensions, government employee pensions, and regular insurance or annuity payments;

E. cash payments for dividends, interest, rents, or royalties; and

F. periodic cash receipts from estates or trusts.

Income does not include capital gains; any cash assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; tax refunds, gifts, lump sum inheritances, one time insurance payments, or compensation for injury; court-ordered child support or health insurance premium payments made by the client or responsible relative; and noncash benefits such as health insurance, food or rent received in lieu of wages, and noncash benefits from programs such as Medicare, Medical Assistance, the Supplemental Nutrition Assistance Program, school lunches, and housing assistance. Annual income is the amount reported and verified by an individual as current income calculated prospectively to cover one year.

Subp. 14. **Local agency.** "Local agency" means the county or multicounty agency authorized under Minnesota Statutes, sections 254B.01, subdivision 5, and 254B.03, subdivision 1, to make placements under the behavioral health fund.

Subp. 15. **Minor child.** "Minor child" means an individual under the age of 18 years.

Subp. 17a. **Policyholder.** "Policyholder" means a person who has a third-party payment policy under which a third-party payment source has an obligation to pay all or part of a client's treatment costs.

Subp. 19. **Responsible relative.** "Responsible relative" means a person who is a member of the client's household and is a client's spouse or the parent of a minor child who is a client.

Subp. 20. **Third-party payment source.** "Third-party payment source" means a person, entity, or public or private agency other than medical assistance or general assistance medical care that has a probable obligation to pay all or part of the costs of a client's chemical dependency treatment.

Subp. 21. **Vendor.** "Vendor" means a licensed provider of chemical dependency treatment services that meets the criteria established in Minnesota Statutes, section 254B.05, and that has applied according to part 9505.0195 to participate as a provider in the medical assistance program.

**9530.7005 SCOPE AND APPLICABILITY.**

Parts 9530.7000 to 9530.7030 govern the administration of the behavioral health fund, establish the criteria to be applied by local agencies to determine a client's eligibility under the behavioral health fund, and establish a client's obligation to pay for chemical dependency treatment services.

These parts must be read in conjunction with Minnesota Statutes, chapter 254B, and parts 9530.6600 to 9530.6655.

**9530.7010 COUNTY RESPONSIBILITY TO PROVIDE SERVICES.**

The local agency shall provide chemical dependency treatment services to eligible clients who have been assessed and placed by the county according to parts 9530.6600 to 9530.6655 and Minnesota Statutes, chapter 256G.

**9530.7012 VENDOR AGREEMENTS.**

When a local agency enters into an agreement with a vendor of chemical dependency treatment services, the agreement must distinguish client per unit room and board costs from per unit chemical dependency treatment services costs.

For purposes of this part, "chemical dependency treatment services costs" are costs, including related administrative costs, of services that meet the criteria in items A to C:

A. The services are provided within a program licensed according to Minnesota Statutes, chapter 245G, or certified according to parts 2960.0430 to 2960.0490.

B. The services meet the definition of chemical dependency services in Minnesota Statutes, section 254B.01, subdivision 3.

C. The services meet the applicable service standards for licensed chemical dependency treatment programs in item A, but are not under the jurisdiction of the commissioner.

This part also applies to vendors of room and board services that are provided concurrently with chemical dependency treatment services according to Minnesota Statutes, sections 254B.03, subdivision 2, and 254B.05, subdivision 1.

This part does not apply when a county contracts for chemical dependency services in an acute care inpatient hospital licensed by the Department of Health under chapter 4640.

**9530.7015 CLIENT ELIGIBILITY; BEHAVIORAL HEALTH FUND.**

Subpart 1. **Client eligibility to have treatment totally paid under the behavioral health fund.** A client who meets the criteria established in item A, B, C, or D shall be eligible to have chemical dependency treatment paid for totally with funds from the behavioral health fund.

A. The client is eligible for MFIP as determined under Minnesota Statutes, chapter 256J.

B. The client is eligible for medical assistance as determined under parts 9505.0010 to 9505.0140.

C. The client is eligible for general assistance, general assistance medical care, or work readiness as determined under parts 9500.1200 to 9500.1272.

D. The client's income is within current household size and income guidelines for entitled persons, as defined in Minnesota Statutes, section 254B.04, subdivision 1, and as determined by the local agency under part 9530.7020, subpart 1.

Subp. 2a. **Third-party payment source and client eligibility for the behavioral health fund.** Clients who meet the financial eligibility requirement in subpart 1 and who have a third-party payment source are eligible for the behavioral health fund if the third party payment source pays less than 100 percent of the treatment services determined according to parts 9530.6600 to 9530.6655.

Subp. 4. **Client ineligible to have treatment paid for from the behavioral health fund.** A client who meets the criteria in item A or B shall be ineligible to have chemical dependency treatment services paid for with behavioral health funds.

A. The client has an income that exceeds current household size and income guidelines for entitled persons as defined in Minnesota Statutes, section 254B.04, subdivision 1, and as determined by the local agency under part 9530.7020, subpart 1.

B. The client has an available third-party payment source that will pay the total cost of the client's treatment.

Subp. 5. **Eligibility of clients disenrolled from prepaid health plans.** A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund, until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client meets the criteria in item A or B. The client must:

A. continue to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

B. be eligible according to subparts 1 and 2a and be determined eligible by a local agency under part 9530.7020.

Subp. 6. **County responsibility.** When a county commits a client under Minnesota Statutes, chapter 253B, to a regional treatment center for chemical dependency treatment services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to Minnesota Statutes, section 254B.05, subdivision 4.

**9530.7020 LOCAL AGENCY TO DETERMINE CLIENT ELIGIBILITY.**

Subpart 1. **Local agency duty to determine client eligibility.** The local agency shall determine a client's eligibility for the behavioral health fund at the time the client is assessed under parts 9530.6600 to 9530.6655. Client eligibility must be determined using forms

prescribed by the department. To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's chemical dependency treatment, as specified in items A to C.

A. The local agency must determine the client's income. A client who is a minor child shall not be deemed to have income available to pay for chemical dependency treatment, unless the minor child is responsible for payment under Minnesota Statutes, section 144.347, for chemical dependency treatment services sought under Minnesota Statutes, section 144.343, subdivision 1.

B. The local agency must determine the client's household size according to subitems (1), (2), and (3).

(1) If the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(a) the client;

(b) the client's birth or adoptive parents; and

(c) the client's siblings who are minors.

(2) If the client is an adult, the household size includes the following persons living in the same dwelling unit:

(a) the client;

(b) the client's spouse;

(c) the client's minor children; and

(d) the client's spouse's minor children.

(3) For purposes of this item, household size includes a person listed in subitems (1) and (2) who is in out-of-home placement if a person listed in subitem (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

C. The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of copayment.

D. The local agency must provide the required eligibility information to the department in the manner specified by the department.

E. The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

Subp. 1a. **Redetermination of client eligibility.** The local agency shall redetermine a client's eligibility for CCDTF every six months after the initial eligibility determination, if the client has continued to receive uninterrupted chemical dependency treatment services for that six months. For purposes of this subpart, placement of a client into more than one chemical dependency treatment program in less than ten working days, or placement of a client into a residential chemical dependency treatment program followed by nonresidential chemical dependency treatment services shall be treated as a single placement.

Subp. 2. **Client, responsible relative, and policyholder obligation to cooperate.** A client, responsible relative, and policyholder shall provide income or wage verification, household size verification, and shall make an assignment of third-party payment rights under subpart 1, item C. If a client, responsible relative, or policyholder does not comply with the provisions of this subpart, the client shall be deemed to be ineligible to have the behavioral health fund pay for his or her chemical dependency treatment, and the client and

responsible relative shall be obligated to pay for the full cost of chemical dependency treatment services provided to the client.

**9530.7021 PAYMENT AGREEMENTS.**

When the local agency, the client, and the vendor agree that the vendor will accept payment from a third-party payment source for an eligible client's treatment, the local agency, the client, and the vendor shall enter into a third-party payment agreement. The agreement must stipulate that the vendor will accept, as payment in full for services provided to the client, the amount the third-party payor is obligated to pay for services provided to the client. The agreement must be executed in a form prescribed by the commissioner and is not effective unless an authorized representative of each of the three parties has signed it. The local agency shall maintain a record of third-party payment agreements into which the local agency has entered.

The vendor shall notify the local agency as soon as possible and not less than one business day before discharging a client whose treatment is covered by a payment agreement under this part if the discharge is caused by disruption of the third-party payment.

**9530.7022 CLIENT FEES.**

Subpart 1. **Income and household size criteria.** A client whose household income is within current household size and income guidelines for entitled persons as defined in Minnesota Statutes, section 254B.04, subdivision 1, shall pay no fee.

**9530.7025 DENIAL OF PAYMENT.**

Subpart 1. **Denial of payment when required assessment not completed.** The department shall deny payments from the behavioral health fund to vendors for chemical dependency treatment services provided to clients who have not been assessed and placed by the county in accordance with parts 9530.6600 to 9530.6655.

Subp. 2. **Denial of state participation in behavioral health fund payments when client found not eligible.** The department shall pay vendors from the behavioral health fund for chemical dependency treatment services provided to clients and shall bill the county for 100 percent of the costs of chemical dependency treatment services as follows:

A. The department shall bill the county for 100 percent of the costs of a client's chemical dependency treatment services when the department determines that the client was not placed in accordance with parts 9530.6600 to 9530.6655.

B. When a county's allocation under Minnesota Statutes, section 254B.02, subdivisions 1 and 2, has been exhausted, and the county's maintenance of effort has been met as required under Minnesota Statutes, section 254B.02, subdivision 3, and the local agency has been notified by the department that the only clients who are eligible to have their treatment paid for from the behavioral health fund are clients who are eligible under part 9530.7015, subpart 1, the department shall bill the county for 100 percent of the costs of a client's chemical dependency treatment services when the department determines that the client was not eligible under part 9530.7015, subpart 1.

**9530.7030 VENDOR MUST PARTICIPATE IN DAANES SYSTEM.**

Subpart 1. **Participation a condition of eligibility.** To be eligible for payment under the behavioral health fund, a vendor must participate in the Drug and Alcohol Normative Evaluation System (DAANES) or submit to the commissioner the information required in DAANES in the format specified by the commissioner.

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Fateh, and Putnam.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Housley | Lang | Rarick |
| Anderson | Duckworth | Howe | Lieske | Utke |
| Bahr | Eichorn | Jasinski | Lucero | Weber |
| Dahms | Farnsworth | Johnson | Mathews | Wesenberg |
| Dornink | Green | Koran | Miller | Westrom |
| Draheim | Gruenhagen | Kreun | Nelson | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Bahr, Draheim, Farnsworth, Lieske, and Miller.

The motion prevailed. So the appointment was confirmed.

## MOTIONS AND RESOLUTIONS - CONTUNUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Dziedzic, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 1403, 1486, 2950, and S.F. No. 1335.

## SPECIAL ORDER

**H.F. No. 1403:** A bill for an act relating to human services; modifying and establishing laws regarding aging, disability, behavioral health, substance use disorder, and statewide opioid litigation; amending Minnesota Statutes 2022, sections 3.757, subdivision 1; 62N.25, subdivision 5; 62Q.1055; 62Q.47; 169A.70, subdivisions 3, 4; 245.462, subdivisions 3, 12; 245.4711, subdivisions 3, 4; 245.477; 245.4835, subdivision 2; 245.4871, subdivisions 3, 19; 245.4873, subdivision 4; 245.4881, subdivisions 3, 4; 245.4885, subdivision 1; 245.4887; 245.50, subdivision 5; 245A.03, subdivision 7; 245A.043, subdivision 3; 245A.16, subdivision 1; 245D.03, subdivision 1; 245F.06, subdivision 2; 245G.01, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, 4, by adding subdivisions; 245G.07, subdivision 2; 245G.09, subdivision 3; 245G.11, subdivision 8; 245G.22, subdivisions 2, 15, 17; 245I.04, by adding subdivisions; 245I.10, subdivision 6; 246.0135; 254A.03, subdivision 3; 254A.035, subdivision 2; 254A.19, subdivisions 1, 3, 4, by adding subdivisions; 254B.01, subdivisions 5, 8, by adding subdivisions; 254B.03, subdivisions 1, 2, 5; 254B.04, subdivisions 1, 2a, by adding subdivisions; 254B.05, subdivisions 1, 1a, 5; 256.01, by adding a subdivision; 256.045, subdivision 3; 256B.0615, subdivisions 1, 5; 256B.0911, subdivision 23; 256B.092, subdivision 10; 256B.093, subdivision 1; 256B.439, subdivisions 3c, 3d, by adding a subdivision; 256B.492; 256B.493, subdivisions 2a, 4; 256D.09, subdivision 2a; 256L.03, subdivision 2; 256L.12, subdivision 8; 256S.202, subdivision 1; 260B.157, subdivisions 1, 3; 260C.157, subdivision 3; 260E.20, subdivision 1; 299A.299, subdivision 1; 524.5-104; 524.5-313; Laws 2021, First Special Session chapter 7, article 2, section 17; article 6, section 12; article 11, section 18; article 13, section 43; article 17, section 20; Laws 2022, chapter 98, article 4, section 37; proposing coding for new law in Minnesota Statutes, chapter 254B; repealing Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.05, subdivision

2; 245G.06, subdivision 2; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, 5; 254B.04, subdivisions 2b, 2c; 254B.041, subdivision 2; 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, 8; 254B.16; 256.041, subdivision 10; 256B.49, subdivision 23; 260.835, subdivision 2; Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, 6; 9530.7020, subparts 1, 1a, 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; 9530.7030, subpart 1.

Senator Hoffman moved that the amendment made to H.F. No. 1403 by the Committee on Rules and Administration in the report adopted April 27, 2023, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Hoffman moved to amend H.F. No. 1403 as follows:

Page 18, delete section 17 and insert:

"Sec. 17. Minnesota Statutes 2022, section 245G.22, subdivision 15, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

~~(c) Notwithstanding the requirements of individual treatment plans set forth in section 245G.06:~~

~~(1) treatment plan contents for a maintenance client are not required to include goals the client must reach to complete treatment and have services terminated;~~

~~(2) treatment plans for a client in a taper or detox status must include goals the client must reach to complete treatment and have services terminated; and~~

~~(3) for the ten weeks following the day of service initiation for all new admissions, readmissions, and transfers, a weekly treatment plan review must be documented once the treatment plan is completed. Subsequently, the counselor must document treatment plan reviews in the six dimensions at least once monthly or, when clinical need warrants, more frequently.~~"

Page 19, line 31, delete everything after the period and insert "The license holder may continue to serve a client who was receiving services at the program on June 30, 2024, at a counselor to client ratio of up to one to 60 and is not required to discharge any clients in order to return to the counselor to client ratio of one to 50. The license holder may not, however, serve a new client after June 30, 2024, unless the counselor who would supervise the new client is supervising fewer than 50 existing clients."

Page 19, delete line 32

Page 50, after line 9, insert:

"Sec. 8. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 4a. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM criteria" has the meaning provided in section 254B.01, subdivision 2a.

**EFFECTIVE DATE.** This section is effective January 1, 2024."

Page 55, line 14, before "level" insert "ASAM" and delete "and the" and insert "under which the client is receiving services;"

Page 55, delete lines 15 and 16

Page 57, delete lines 1 to 8 and insert:

"(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22:

(1) a treatment plan review must be completed weekly for the ten weeks following completion of the treatment plan; and

(2) monthly thereafter.

Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) Notwithstanding paragraphs (e) and (f), clause (2), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days. Treatment plan reviews must be completed more frequently when clinical needs warrant."

Page 76, after line 6, insert:

"Sec. 52. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) ~~outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;~~ those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);

(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and

(vii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7);

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) ~~care~~ treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) ~~on July 1, 2019, or upon federal approval, whichever is later,~~ withdrawal management services provided according to chapter 245F;

(6) substance use disorder treatment services with medications for opioid use disorder ~~that are~~ provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;

~~(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;~~

~~(9)~~ (8) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

~~(10)~~ (9) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

~~(11) high-intensity residential treatment~~ (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide ~~30 hours of clinical services each week~~ ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

~~(12)~~ (11) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

**EFFECTIVE DATE.** The amendments to paragraph (b), clause (1), items (i) to (iv), are effective January 1, 2025, or upon federal approval, whichever is later. The amendments to paragraph (b), clause (1), items (v) to (vii), are effective January 1, 2024, or upon federal approval, whichever is later. The amendments to paragraph (b), clauses (2) to (11), are effective January 1, 2024. Paragraph (i) is effective July 1, 2023."

Page 91, delete lines 20 to 25 and insert:

"(e) Recovery community organizations approved by the commissioner before June 30, 2023, shall retain their designation as recovery community organizations."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1403 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Koran | Miller | Rest |
| Anderson | Fateh | Kreun | Mitchell | Seeberger |
| Boldon | Frentz | Kunesh | Mohamed | Utke |
| Carlson | Green | Kupec | Morrison | Weber |
| Champion | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Mann | Pha | Xiong |
| Draheim | Housley | Marty | Port | |
| Duckworth | Jasinski | Mathews | Putnam | |
| Dziedzic | Johnson | Maye Quade | Rarick | |
| Eichorn | Klein | McEwen | Rasmusson | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Fateh, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim, Farnsworth, Lieske, and Miller.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Drazkowski | Howe | Lucero |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1486:** A bill for an act relating to human services; allowing supervised practice of alcohol and drug counseling by former students for limited time; modifying HIV training requirements in substance use disorder treatment programs; modifying withdrawal management license requirements; modifying substance use disorder treatment client record documentation requirements; amending Minnesota Statutes 2022, sections 148F.11, by adding a subdivision; 245A.19; 245F.04, subdivision 1; 245G.06, subdivision 2b.

# 018. HF 1486

**Vote:** 2023-05-12 | **Workbook row:** 23
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Supervised practice of alcohol and drug counseling by former students allowed for limited time, HIV training requirements modified in substance use disorder treatment programs, withdrawal management license requirements modified, and substance use disorder treatment client record documentation requirements modified.

## Included complete bill documents

**1. 1st Engrossment, posted 2023-02-16** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/1486/versions/1/pdf/

## Original Senate journal context

PDF pages 12-13. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230512068.pdf#page=13

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/1486/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 1486

02/08/2023 Authored by Frederick, Hicks, Baker, Kiel and Fischer
The bill was read for the first time and referred to the Committee on Human Services Policy
02/16/2023 Adoption of Report: Amended and re-referred to the Committee on Health Finance and Policy
03/13/2023 Adoption of Report: Placed on the General Register and recommended to be placed on the Consent Calendar
Read for the Second Time
04/03/2023 Consent Calendar
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to human services; allowing supervised practice of alcohol and drug counseling by former students for limited time; modifying HIV training requirements in substance use disorder treatment programs; modifying withdrawal management license requirements; modifying substance use disorder treatment client record documentation requirements; amending Minnesota Statutes 2022, sections 148F.11, by adding a subdivision; 245A.19; 245F.04, subdivision 1; 245G.06, subdivision 2b.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 148F.11, is amended by adding a subdivision to read:

Subd. 2a. **Former students.** (a) A former student may practice alcohol and drug counseling for 90 days from the former student's degree conferral date from an accredited school or educational program or from the last date the former student received credit for an alcohol and drug counseling course from an accredited school or educational program. The former student's practice must be supervised by an alcohol and drug counselor or an alcohol and drug counselor supervisor, as defined in section 245G.11. The former student's practice is limited to the site where the student completed their internship or practicum. A former student must be paid for work performed during the 90-day period.

(b) The former student's right to practice automatically expires after 90 days from the former student's degree conferral date or date of last course credit for an alcohol and drug counseling course, whichever occurs last.

Sec. 2. Minnesota Statutes 2022, section 245A.19, is amended to read:

**245A.19 HIV TRAINING IN SUBSTANCE USE DISORDER TREATMENT PROGRAM.**

(a) Applicants and license holders for substance use disorder residential and nonresidential programs must demonstrate compliance with HIV minimum standards ~~prior to~~ before their application ~~being~~ is complete. The HIV minimum standards contained in the HIV-1 Guidelines for substance use disorder treatment and care programs in Minnesota are not subject to rulemaking.

(b) ~~Ninety days after April 29, 1992,~~ The applicant or license holder shall orient all substance use disorder treatment staff and clients to the HIV minimum standards. Thereafter, orientation shall be provided to all staff and clients, within 72 hours of employment or admission to the program. In-service training shall be provided to all staff on at least an annual basis and the license holder shall maintain records of training and attendance.

(c) The license holder shall maintain a list of referral sources for the purpose of making necessary referrals of clients to HIV-related services. The list of referral services shall be updated at least annually.

(d) Written policies and procedures, consistent with HIV minimum standards, shall be developed and followed by the license holder. All policies and procedures concerning HIV minimum standards shall be approved by the commissioner. The commissioner ~~shall provide training on HIV minimum standards to applicants~~ must outline the content required in the annual staff training under paragraph (b).

(e) The commissioner may permit variances from the requirements in this section. License holders seeking variances must follow the procedures in section 245A.04, subdivision 9.

Sec. 3. Minnesota Statutes 2022, section 245F.04, subdivision 1, is amended to read:

Subdivision 1. **General application and license requirements.** An applicant for licensure as a clinically managed withdrawal management program or medically monitored withdrawal management program must meet the following requirements, except where otherwise noted. All programs must comply with federal requirements and the general requirements in sections 626.557 and 626.5572 and chapters 245A, 245C, and 260E. A withdrawal management program must be located in a hospital licensed under sections 144.50 to 144.581, or must be a supervised living facility with a class A or B license from the Department of Health under Minnesota Rules, parts 4665.0100 to 4665.9900.

Sec. 4. Minnesota Statutes 2022, section 245G.06, subdivision 2b, is amended to read:

Subd. 2b. **Client record documentation requirements.** (a) The license holder must document in the client record any significant event that occurs at the program ~~on the day~~ within 24 hours of the event ~~occurs~~. A significant event is an event that impacts the client's relationship with other clients, staff, or the client's family, or the client's treatment plan.

(b) A residential treatment program must document in the client record the following items on the day that each occurs:

(1) medical and other appointments the client attended;

(2) concerns related to medications that are not documented in the medication administration record; and

(3) concerns related to attendance for treatment services, including the reason for any client absence from a treatment service.

(c) Each entry in a client's record must be accurate, legible, signed, dated, and include the job title or position of the staff person that made the entry. A late entry must be clearly labeled "late entry." A correction to an entry must be made in a way in which the original entry can still be read.

"(e) Recovery community organizations approved by the commissioner before June 30, 2023, shall retain their designation as recovery community organizations."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1403 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Koran | Miller | Rest |
| Anderson | Fateh | Kreun | Mitchell | Seeberger |
| Boldon | Frentz | Kunesh | Mohamed | Utke |
| Carlson | Green | Kupec | Morrison | Weber |
| Champion | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Mann | Pha | Xiong |
| Draheim | Housley | Marty | Port | |
| Duckworth | Jasinski | Mathews | Putnam | |
| Dziedzic | Johnson | Maye Quade | Rarick | |
| Eichorn | Klein | McEwen | Rasmusson | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Fateh, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim, Farnsworth, Lieske, and Miller.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Drazkowski | Howe | Lucero |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1486:** A bill for an act relating to human services; allowing supervised practice of alcohol and drug counseling by former students for limited time; modifying HIV training requirements in substance use disorder treatment programs; modifying withdrawal management license requirements; modifying substance use disorder treatment client record documentation requirements; amending Minnesota Statutes 2022, sections 148F.11, by adding a subdivision; 245A.19; 245F.04, subdivision 1; 245G.06, subdivision 2b.

H.F. No. 1486 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Marty | Port |
| Anderson | Eichorn | Johnson | Mathews | Putnam |
| Bahr | Farnsworth | Klein | Maye Quade | Rarick |
| Boldon | Fateh | Koran | McEwen | Rasmusson |
| Carlson | Frentz | Kreun | Miller | Rest |
| Champion | Green | Kunesh | Mitchell | Seeberger |
| Cwodzinski | Gruenhagen | Kupec | Mohamed | Utke |
| Dahms | Gustafson | Lang | Morrison | Weber |
| Dibble | Hauschild | Latz | Murphy | Wesenberg |
| Dornink | Hawj | Lieske | Nelson | Westlin |
| Draheim | Hoffman | Limmer | Oumou Verbeten | Westrom |
| Drazkowski | Housley | Lucero | Pappas | Wiklund |
| Duckworth | Howe | Mann | Pha | Xiong |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Fateh, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Draheim, Farnsworth, Lieske, and Miller.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 2950:** A bill for an act relating to retirement; making administrative changes to the statutes governing the retirement plans administered by the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teachers Retirement Association; amending eligibility to permit appointed local government officials to participate in the public employees defined contribution plan; permitting the transfer of service credit from the general public employees retirement plan to the public employees police and fire retirement plan for two employees of the Metropolitan Airports Commission; permitting eligible retired teachers in the St. Paul Teachers Retirement Fund Association to change the teacher's retirement annuity to an annuity that will pay a survivor annuity to a same-sex spouse; authorizing certain members of the higher education individual retirement account plan to elect Teachers Retirement Association coverage and receive retroactive service credit; extending the payment period for the purchase of service credit for periods of military service; increasing the cap on the employer contribution to certain trades' multiemployer pension plans; Public Employees Retirement Association statewide volunteer firefighter plan; modifying service counted in determining vesting in a retirement benefit, amending requirements applicable to a relief association after the affiliated fire department joins the statewide plan, and authorizing the Hamel and Loretto volunteer firefighter relief associations to join the statewide plan mid-year and merge; increasing the dollar threshold for requiring audited financial reports for volunteer firefighter relief associations; amending Minnesota Statutes 2022, sections 352B.08, subdivision 1; 353.01, subdivisions 2a, 2b, 15; 353.0162; 353.031, subdivision 10; 353.32, subdivision 1c; 353D.01, subdivision 2, by adding a subdivision; 353D.02, subdivision 1; 353D.03, subdivision

# 019. HF 2950

**Vote:** 2023-05-12 | **Workbook row:** 24
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 1 nays

**Workbook subject:** Pension policy bill.

## Included complete bill documents

**1. 1st Engrossment, posted 2023-03-27** - 44 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/2950/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2023-05-12** - 46 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2023/0/HF/2950/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 13-16. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230512068.pdf#page=15

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/2950/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 2950

03/16/2023 Authored by Her; Wolgamott; Nelson, M.; Berg and Cha
The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy
03/27/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/21/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to retirement; making administrative changes to the statutes governing the retirement plans administered by the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teachers Retirement Association; amending eligibility to permit appointed local government officials to participate in the public employees defined contribution plan; permitting the transfer of service credit from the general public employees retirement plan to the public employees police and fire retirement plan for two employees of the Metropolitan Airports Commission; permitting eligible retired teachers in the St. Paul Teachers Retirement Fund Association to change the teacher's retirement annuity to an annuity that will pay a survivor annuity to a same-sex spouse; authorizing certain members of the higher education individual retirement account plan to elect Teachers Retirement Association coverage and receive retroactive service credit; extending the payment period for the purchase of service credit for periods of military service; increasing the cap on the employer contribution to certain trades' multiemployer pension plans; Public Employees Retirement Association statewide volunteer firefighter plan; modifying service counted in determining vesting in a retirement benefit, amending requirements applicable to a relief association after the affiliated fire department joins the statewide plan, and authorizing the Hamel and Loretto volunteer firefighter relief associations to join the statewide plan mid-year and merge; increasing the dollar threshold for requiring audited financial reports for volunteer firefighter relief associations; amending Minnesota Statutes 2022, sections 352B.08, subdivision 1; 353.01, subdivisions 2a, 2b, 15; 353.0162; 353.031, subdivision 10; 353.32, subdivision 1c; 353D.01, subdivision 2, by adding a subdivision; 353D.02, subdivision 1; 353D.03, subdivision 1; 353E.001, by adding subdivisions; 353E.07, subdivisions 3, 4, 5; 353G.01, subdivisions 8, 15, by adding subdivisions; 353G.06, subdivisions 2, 3; 353G.09, subdivisions 1, 2, by adding a subdivision; 353G.14; 354.06, subdivision 2; 354.53, subdivision 3; 354A.093, subdivision 4; 356.24, subdivision 1; 356.551, subdivision 2; 424A.014, subdivision 1; 490.1211; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Minnesota Statutes 2022, sections 353.01, subdivision 15a; 353G.01, subdivision 7; 353G.13; 490.124, subdivision 10.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1
## MINNESOTA STATE RETIREMENT SYSTEM

Section 1. Minnesota Statutes 2022, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; when to apply; accrual.** (a) Every member who is credited with three or more years of allowable service if first employed before July 1, 2013, or with at least ten years of allowable service if first employed after June 30, 2013, is entitled to separate from state service and upon becoming 50 years old, is entitled to receive a life annuity, upon separation from state service.

(b) Members must apply for an annuity in a form and manner prescribed by the executive director.

(c) No application may be made more than ~~90~~ 60 days before the date the member is eligible to retire by reason of both age and service requirements.

(d) An annuity begins to accrue no earlier than 180 days before the date the application is filed with the executive director.

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

Sec. 2. Minnesota Statutes 2022, section 356.551, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) Unless the minimum purchase amount set forth in paragraph (c) applies, the prior service credit purchase amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the chief administrative officer of the pension plan and reviewed by the actuary retained under section 356.214, of the amount of the additional retirement annuity obtained by the acquisition of the additional service credit in this section.

(b) Calculation of this amount must be made using the investment return assumption applicable to the public pension plan specified in section 356.215, subdivision 8, and the mortality table adopted for the public pension plan.

(1) Unless clause (2) applies, the calculation must assume continuous future service in the public pension plan until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever

is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(2) This clause applies when the calculation is being done for purposes of section 352.272; 352B.087; 353.0141, subdivision 3; 354.544; ~~or~~ 354A.0961; or 490.1211, subdivision 2. The calculation must include continuous future service in the public pension plan until, and retirement at, any age at or after which the minimum requirements of the fund for early retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must be determined using the retirement age that provides the most valuable benefit to the member. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(c) The prior service credit purchase amount may not be less than the amount determined by applying, for each year or fraction of a year being purchased, the sum of the employee contribution rate, the employer contribution rate, and the additional employer contribution rate, if any, applicable during that period, to the person's annual salary during that period, or fractional portion of a year's salary, if applicable, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, compounded annually, from the end of the year in which contributions would otherwise have been made to the date on which the payment is received.

(d) Unless otherwise provided by statutes governing a specific plan, payment must be made in one lump sum within one year of the prior service credit authorization or prior to the member's effective date of retirement, whichever is earlier. Payment of the amount calculated under this section must be made by the applicable eligible person.

(e) However, the current employer or the prior employer may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, compounded annually, from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this subdivision, the purchaser must make the employee payments required under this subdivision within 90 days of the prior service credit authorization. If that employee payment is made, the employer payment under this subdivision must be remitted

to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this subdivision.

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

Sec. 3. Minnesota Statutes 2022, section 490.1211, is amended to read:

**490.1211 UNIFORMED SERVICE.**

Subdivision 1. **Federal uniformed service protections.** (a) A judge who is absent from employment by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), and who returns to state employment as a judge upon discharge from service in the uniformed service within the time frame required in United States Code, title 38, section 4312(e), may obtain service credit for the period of the uniformed service, provided that the judge did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(b) The judge may obtain credit by paying into the fund equivalent member contribution based on the contribution rate or rates in effect at the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the judge would have received if the judge had continued to provide employment services to the state rather than to provide uniformed service, or if the determination of that rate is not reasonably certain, the annual salary rate is the judge's average salary rate during the 12-month period of judicial employment rendered immediately preceding the ~~purchase~~ period of the uniformed service.

(c) The equivalent employer contribution and, if applicable, the equivalent employer additional contribution, must be paid by the employing unit, using the employer and employer additional contribution rate or rates in effect at the time that the uniformed service was performed, applied to the same annual salary rate or rates used to compute the equivalent member contribution.

(d) If the member equivalent contributions provided for in this section are not paid in full, the judge's allowable service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total member contributions received by the total member contributions otherwise required under this section.

(e) To receive allowable service credit under this section, the contributions specified in this section ~~and section 490.121~~ must be transmitted to the fund during the period which

begins with the date on which the individual returns to judicial employment and which has a duration of three times the length of the uniformed service period, but not to exceed five years. If the determined payment period is calculated to be less than ~~one year~~ three years, the contributions required under this section to receive service credit ~~may~~ must be transmitted to the fund within ~~one year~~ three years from the discharge date.

(f) The amount of allowable service credit obtainable under this section and section 490.121 may not exceed five years, unless a longer purchase period is required under United States Code, title 38, section 4312.

(g) The state court administrator shall pay interest on all equivalent member and employer contribution amounts payable under this section. Interest must be at the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded annually, from the end of each fiscal year of the leave or break in service to the end of the month in which payment is received.

Subd. 2. **State-authorized purchase of service credit for periods of military service.** (a) Unless prohibited under paragraph (b), a judge is eligible to purchase service credit, not to exceed five cumulative years of service credit, for one or more periods of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), if:

(1) the judge has at least three years of service credit with the judges retirement plan under this chapter;

(2) the duration of the judge's current period of employment is at least six months; and

(3) the judge did not obtain service credit for a period of military service under subdivision 1.

(b) A service credit purchase is prohibited if:

(1) the judge separated from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions;

(2) the judge has purchased or otherwise received service credit from any Minnesota public employee pension plan for the same period of service in the uniformed services; or

(3) the judge's service in the uniformed services occurred before the judge was first appointed or elected as a judge.

(c) When purchasing a period of service, if the period of service in the uniformed services is one year or less, the judge must purchase the full period of service. If the period of service in the uniformed services is longer than one year, the judge may purchase the full period,

not to exceed five cumulative years, or may purchase a portion of the period of service. If the judge purchases a portion of the period of service in the uniformed services, the portion must: (1) not be less than one year; and (2) be in increments of six months of service.

Subd. 3. **Application and documentation.** To purchase service credit under subdivision 2, a judge must apply to the executive director of the Minnesota State Retirement System to make the purchase. The application must include all necessary documentation of the judge's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require.

Subd. 4. **Purchase payment amount; service credit grant.** (a) The purchase payment amount for a purchase under subdivision 2 is the amount determined under section 356.551 for the period or periods of service requested, except that, for purposes of calculating the purchase payment amount to purchase service credit for service in the uniformed services between periods of employment as a judge, section 356.551, subdivision 2, paragraph (c), does not apply.

(b) Service credit must be granted by the judges retirement plan to the purchasing judge upon the executive director's receipt of the purchase payment amount. The service credit purchased under this section may not be used for the purpose of determining a disability benefit under section 490.124, subdivision 4.

(c) Payment must be made before the effective date of the judge's retirement.

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

Sec. 4. **REPEALER.**

Minnesota Statutes 2022, section 490.124, subdivision 10, is repealed.

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

## ARTICLE 2

## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 2022, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees; mandatory membership.** (a) Public employees whose ~~annual~~ salary from one governmental subdivision ~~is stipulated in advance to exceed $5,100 if the person is not a school year employee or $3,800 if the person is a school year employee~~ exceeds $425 in any month and who are not specifically excluded under subdivision 2b or

~~who~~ have not been provided an option to participate under subdivision 2d, whether individually or by action of the governmental subdivision, must participate as members of the association with retirement coverage by the general employees retirement plan under this chapter, the public employees police and fire ~~retirement~~ plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies. Membership commences as a condition of ~~their~~ employment on the first day of ~~their~~ employment or on the first day that the eligibility criteria are met, whichever is later. Public employees include but are not limited to:

(1) persons whose salary meets the threshold in this paragraph from employment in one or more positions within one governmental subdivision;

(2) elected county sheriffs;

(3) persons who are appointed, employed, or contracted to perform governmental functions that by law or local ordinance are required of a public officer, including, but not limited to:

(i) town and city clerk or treasurer;

(ii) county auditor, treasurer, or recorder;

(iii) city manager as defined in section 353.028 who does not exercise the option provided under subdivision 2d; or

(iv) emergency management director, as provided under section 12.25;

(4) physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2;

(5) full-time employees of the Dakota County Agricultural Society;

(6) employees of the Red Wing Port Authority who were first employed by the Red Wing Port Authority before May 1, 2011, and who are not excluded employees under subdivision 2b;

(7) employees of the Seaway Port Authority of Duluth who are not excluded employees under subdivision 2b;

(8) employees of the Stevens County Housing and Redevelopment Authority who were first employed by the Stevens County Housing and Redevelopment Authority before May 1, 2014, and who are not excluded employees under subdivision 2b;

(9) employees of the Minnesota River Area Agency on Aging who were first employed by a Regional Development Commission before January 1, 2016, and who are not excluded employees under subdivision 2b; and

(10) employees of the Public Employees Retirement Association.

(b) A public employee or elected official who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) If ~~in any subsequent year~~ the ~~annual~~ salary of an included public employee is less than ~~the minimum salary threshold specified in this subdivision~~ $425 in any subsequent month, the member retains membership eligibility.

(d) For the purpose of participation in the general employees retirement plan, public employees include employees who were members of the former Minneapolis Employees Retirement Fund on June 29, 2010.

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

Sec. 2. Minnesota Statutes 2022, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to participate as members of the association with retirement coverage by the general employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire ~~retirement~~ plan:

(1) persons whose ~~annual~~ salary from one governmental subdivision never exceeds ~~an amount, stipulated in writing in advance, of $5,100 if the person is not a school district employee or $3,800 if the person is a school year employee. If annual compensation from one governmental subdivision to an employee exceeds the stipulated amount in a calendar year or a school year, whichever applies, after being stipulated in advance not to exceed the applicable amount, the stipulation is no longer valid and contributions must be made on behalf of the employee under section 353.27, subdivision 12, from the first month in which the employee received salary exceeding~~ $425 in a month;

(2) public officers who are elected to a governing body, city mayors, or persons who are appointed to fill a vacancy in an elected office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elected position;

(3) election judges and persons employed solely to administer elections;

(4) patient and inmate personnel who perform services for a governmental subdivision;

(5) except as otherwise specified in subdivision 12a, employees who are employed solely in a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days of that resignation in the same governmental subdivision;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster, but if the person becomes a probationary or provisional employee within the same pay period, other than on a temporary basis, the person is a "public employee" retroactively to the beginning of the pay period;

(7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, or the St. Paul Teachers Retirement Fund Association, but this exclusion must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time, and a person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement plan on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

(8) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) persons who are:

(i) employed by a governmental subdivision who have not reached the age of 23 and who are enrolled on a full-time basis to attend or are attending classes on a full-time basis

at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or at a public or charter high school;

(ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist interns and are serving in a degree or residency program in a public hospital or in a public clinic; or

(iii) students who are serving for a period not to exceed five years in an internship or a residency program that is sponsored by a governmental subdivision, including an accredited educational institution;

(10) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

(11) for the first three years of employment, foreign citizens who are employed by a governmental subdivision, except that the following foreign citizens must be considered included employees under subdivision 2a:

(i) H-1B, H-1B1, and E-3 status holders;

(ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

(iii) employees legally authorized to work in the United States for three years or more; and

(iv) employees otherwise required to participate under federal law;

(12) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;

(13) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement Association and participants in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

(14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant

in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

(15) employees in the building and construction trades, as follows:

(i) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

(ii) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage under a collective bargaining agreement by the electrical workers local 110 pension plan, the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the bricklayers and allied craftworkers local 1 pension plan, the cement masons local 633 pension plan, the glaziers and glassworkers local 1324 pension plan, the painters and allied trades local 61 pension plan, or the plasterers local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(iv) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the plumbers local 34 pension plan, who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation Board, with coverage under a collective bargaining agreement by the electrical workers local 292 pension plan or the pipefitters local 539 pension plan, who were first employed before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11, section 5;

(vi) laborers and associated trades personnel employed by the city of St. Paul or Independent School District No. 625, St. Paul, who are designated as temporary employees

with coverage under a collective bargaining agreement by a multiemployer plan as defined in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018, or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter 211, article 16, section 13; and

(vii) employees who are trades employees as defined in section 356.27, subdivision 1, first hired on or after July 1, 2020, by the city of St. Paul or Independent School District No. 625, St. Paul, except for any trades employee for whom contributions are made under section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer plan as defined in section 356.27, subdivision 1;

(16) employees who are hired after June 30, 2002, solely to fill seasonal positions under subdivision 12b which are limited in duration by the employer to a period of six months or less in each year of employment with the governmental subdivision;

(17) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to up to five years, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

(18) independent contractors and the employees of independent contractors;

(19) reemployed annuitants of the association during the course of that reemployment;

(20) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof;

(21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 and who are, by virtue of that employment, members of the International Brotherhood of Teamsters Central States pension plan; and

(22) persons employed by the Duluth Transit Authority or any subdivision thereof who are members of the Teamsters General Local Union 346 and who are, by virtue of that employment, members of the Central States Southeast and Southwest Areas Pension Fund.

(b) Any person performing the duties of a public officer in a position defined in subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an employee of an independent contractor.

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

Sec. 3. Minnesota Statutes 2022, section 353.01, subdivision 15, is amended to read:

Subd. 15. **Dependent child.** For the purpose of survivor benefit eligibility ~~under sections 353.31, subdivision 1, and 353.657, subdivision 3~~, "dependent child" means:

(1) a biological or adopted child of a deceased member who is unmarried~~,~~ and ~~under~~ has not reached the age of ~~18, or age 18 to~~ 23~~, so long as the child submits evidence of full-time enrollment in an accredited educational institution. "Dependent child" also includes~~;

(2) a child of the member conceived during the member's lifetime and born after the member's death~~. It also means~~, unless a parent-child relationship does not exist under section 524.2-120, subdivision 10; and

(3) a ~~dependent~~ child who has not reached the age of 23 and is the subject of adoption proceedings filed by a member~~,~~ and who, within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member~~; subject, however, to the qualifying conditions of age and dependency under this subdivision~~. The ~~dependency of the~~ child ~~dates from~~ is a dependent child effective on the date of the decree of adoption. ~~"Dependent child" also includes a child age 18 to 23 who had submitted evidence of full-time enrollment in an accredited educational institution but was determined to be medically unable to continue school on a full-time basis. The board of trustees shall adopt written procedures to make determinations regarding eligibility based on a student being medically unable to continue school, and may not continue a benefit for medical reasons for a period greater than one year.~~

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

Sec. 4. Minnesota Statutes 2022, section 353.0162, is amended to read:

**353.0162 SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED SALARY.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them, unless the context clearly indicates another meaning is intended.

(b) "Differential salary credit" is the difference between the salary received by the member during a period of reduced salary as described in subdivision 2 and the salary of the member, excluding overtime, on which contributions to the applicable plan would have

been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.

(c) "Reporting period" means a school year, for school year employees, or a calendar year, for all other employees, during which a member has a period of reduced salary.

Subd. 2. **Salary credit purchase permitted.** ~~(a)~~ A member may purchase differential salary credit ~~as described in paragraph (c)~~ for a period of reduced salary ~~as described in paragraph (b)~~.

~~(b)~~ The period of reduced salary must be a period occurring entirely within one school year, for school year employees, or one calendar year, for all other employees, during which the member receives no salary or a reduced salary from the employer while the member is:

(1) receiving workers' compensation payments related to the member's service to the public employer;

(2) on an authorized leave of absence;

(3) on an authorized leave of absence as a result of a budgetary or salary savings program offered or mandated by a governmental subdivision, if certified to the executive director by the governmental subdivision; or

(4) on a periodic, repetitive leave that is offered to all employees of a governmental subdivision where the leave program is certified by the employer to the association as one that does not exceed 208 hours during the school year or calendar year, as applicable.

~~(c) Differential salary credit is the difference between the salary received by the member during a period of reduced salary specified in paragraph (b) and the salary of the member, excluding overtime, on which contributions to the applicable plan would have been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.~~

Subd. 3. **Payment amount.** ~~(d)~~ (a) To receive differential salary credit, the member shall pay the plan, by delivering payment to the executive director, an amount equal to:

(1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65, subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary amount;

(2) plus an employer equivalent payment equal to the applicable employer contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as applicable, multiplied by the differential salary amount;

(3) plus, if applicable, an equivalent employer additional amount equal to the additional employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential salary amount.

~~(e)~~ (b) The employer, by appropriate action of its governing body and documented in its official records, may pay on behalf of the member the amounts determined under paragraph ~~(d)~~ (a), clauses (2) and (3), as applicable, plus interest under paragraph ~~(f)~~ (c). However, if the period of reduced salary is a periodic, repetitive leave under ~~paragraph (b)~~ subdivision 2, clause (4), then the employer must pay on behalf of the member the amount determined under paragraph ~~(d)~~ (a), clauses (2) and (3), as applicable, plus interest under paragraph ~~(f)~~ (c).

~~(f)~~ (c) Payment under this section must include interest on the contribution amount or amounts, whichever applies, at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, prorated for the number of months, if less than 12 months, from the end of the school year or calendar year, as applicable, until full payment is received by the executive director.

Subd. 4. **Timing of required payment.** Payment under this section must be completed ~~by the earliest of: (1) six months after termination of public service by the employee under section 353.01, subdivision 11a; (2)~~ no later than one year after the ~~termination~~ end of ~~the~~ each reporting period ~~of reduced salary specified in paragraph (b); or(3) six months after the commencement of a disability benefit~~.

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

Sec. 5. Minnesota Statutes 2022, section 353.031, subdivision 10, is amended to read:

Subd. 10. **Restoring forfeited service and salary credit.** ~~(a)~~ To restore forfeited service and salary credit, a repayment of a refund must be made within six months after the effective date of disability benefits or within six months after the date of the filing of the disability application, whichever is later~~.~~

~~(b)~~, except ~~for~~ that the salary credit purchase for periods of reduced salary must be made as authorized under section 353.0162~~, paragraph (b), clause (1), no purchase of prior service or payment made in lieu of salary deductions otherwise authorized under section 353.01 or 353.0162 may be made after the occurrence of the disability for which an application is filed under this section~~.

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

Sec. 6. Minnesota Statutes 2022, section 353.32, subdivision 1c, is amended to read:

Subd. 1c. **Dependent child survivor coverage.** If ~~there is~~ a deceased member has no surviving spouse eligible for benefits under subdivision 1a, ~~a~~ the member's dependent child ~~or children~~ as defined in section 353.01, subdivision ~~15a~~ 15, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age ~~20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years~~ 23. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 1a using the age of the member and the age of the dependent child at the date of the member's death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child ~~shall~~ must receive a proportionate share of the actuarial value of the ~~employee's account~~ 100 percent optional annuity.

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

Sec. 7. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 1a. **Fund.** "Fund" means the public employees local government correctional service retirement fund.

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

Sec. 8. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 2a. **Member.** "Member" means an individual identified as a member under section 353E.02, for whom retirement coverage is provided by the plan.

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

Sec. 9. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 3a. **Plan.** "Plan" means the public employees local government correctional service retirement plan.

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

Sec. 10. Minnesota Statutes 2022, section 353E.07, subdivision 3, is amended to read:

Subd. 3. **Election; accrual.** A surviving spouse election under subdivisions 1 and 2 may be made at any time after the date of death of ~~the local government correctional service employee~~ a member. The surviving spouse benefit begins to accrue as of the first of the next month following the date on which the application for the benefit was filed.

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

Sec. 11. Minnesota Statutes 2022, section 353E.07, subdivision 4, is amended to read:

Subd. 4. **Surviving spouse coverage; term certain.** In lieu of the 100 percent optional annuity under subdivision 1, the surviving spouse of a deceased ~~local government correctional service employee~~ member may elect to receive survivor coverage in a term certain of ten, 15, or 20 years. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1 and must be based on tables approved by the actuary retained under section 356.214. The optional annuity ceases upon the expiration of the term certain period. If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

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

Sec. 12. Minnesota Statutes 2022, section 353E.07, subdivision 5, is amended to read:

Subd. 5. **Dependent child survivor coverage.** If ~~there is~~ a deceased member has no surviving spouse eligible for benefits under subdivisions 1, 2, and 4, ~~a~~ the member's dependent child as defined in section 353.01, subdivision ~~15a~~ 15, is eligible for a ~~dependent child~~ survivor benefit. Benefits to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age ~~20 if the child is under age 15 on the date of death. If the child is 15 years or older on the date of death, the benefit is payable for five years~~ 23. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent joint and survivor optional annuity using the age of the ~~employee~~ member and the age of the dependent child at the date of the member's death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child ~~shall~~ must receive a proportionate share of the actuarial value of the ~~employee's account~~ 100 percent joint and survivor optional annuity, with the amount of the benefit payable to each child to be determined based on the portion of the total eligibility period that each child is eligible. The process for calculating the ~~dependent child~~ survivor benefit must be approved by the actuary retained under section 356.214.

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

Sec. 13. **REVISOR INSTRUCTION.**

In Minnesota Statutes, sections 353E.01 to 353E.08, the revisor of statutes shall change the terms "public employees local government correctional service retirement fund" to "fund" and "an employee covered under section 353E.02" to "member" and "local government correctional employee" to "member" and "public employees local government correctional service retirement plan" to "plan" wherever the terms appear in statutes. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes.

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

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 353.01, subdivision 15a, is repealed.

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

## ARTICLE 3
## PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 2022, section 353D.01, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** Unless the context clearly indicates that a different meaning is intended, the terms defined in this subdivision, for the purposes of this chapter, have the meanings given:

(1) "association" means the public employees retirement association; and

(2) "plan" means the public employees defined contribution plan.

Sec. 2. Minnesota Statutes 2022, section 353D.01, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Eligibility to participate in the ~~defined contribution~~ plan is available to:

(1) any elected or appointed local government ~~officials~~ official of a governmental subdivision who ~~elect~~ elects to participate in the plan under section 353D.02, subdivision 1, and who, for the ~~elected~~ service rendered to a governmental subdivision, ~~are~~ is not

~~members~~ a member of the ~~Public Employees Retirement~~ association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7;

(3) basic and advanced life-support emergency medical service personnel who are employed by any public ambulance service that elects to participate under section 353D.02, subdivision 3;

(4) members of a municipal rescue squad associated with the city of Litchfield in Meeker County, or of a county rescue squad associated with Kandiyohi County, if an independent nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan;

(5) employees of the Port Authority of the city of St. Paul who elect to participate in the plan under section 353D.02, subdivision 5, and who are not members of the ~~Public Employees Retirement~~ association under section 353.01, subdivision 7;

(6) city managers who elected to be excluded from the general employees retirement plan of the ~~Public Employees Retirement~~ association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b);

(7) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the ~~public employees~~ police and fire retirement plan and who are not covered by a volunteer firefighters relief association and who elect to participate in the public employees defined contribution plan;

(8) elected county sheriffs who are former members of the police and fire plan and who are receiving a retirement annuity as provided under section 353.651; and

(9) persons ~~who are excluded from membership under section 353.01, subdivision 2b, paragraph (a), clause (23)~~ appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

~~(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Service as an elected local government official only includes service for the governmental subdivision for which the official was~~

~~elected by the public at large. Service as an elected local government official ceases and eligibility to participate terminates when the person ceases to be an elected official. An elected local government official does not include an elected county sheriff who must be a member of the police and fire plan as provided under chapter 353.~~

~~(c)~~ (b) Individuals otherwise eligible to participate in the plan under this subdivision who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

~~(d)~~ (c) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

Sec. 3. Minnesota Statutes 2022, section 353D.02, subdivision 1, is amended to read:

Subdivision 1. ~~**Elected**~~ **Local government officials.** Eligible elected or appointed local government officials may elect to participate in the defined contribution plan after being elected or appointed to ~~elective~~ public office by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the ~~elected~~ official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application or contributions are received in the office of the association, whichever is received first, provided further that the membership application is received by the association within 60 days of the receipt of the contributions. An election to participate in the plan is revocable during incumbency.

Sec. 4. Minnesota Statutes 2022, section 353D.03, subdivision 1, is amended to read:

Subdivision 1. **Contributions for eligible participants.** (a) The following classes of eligible participants who elect to participate in the public employees defined contribution plan under section 353D.02 shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10:

(1) ~~elected~~ local government officials;

(2) physicians; and

(3) persons who are excluded from membership under section 353.01, subdivision 2b, paragraph (a), clause (23).

(b) A participant's governmental subdivision shall contribute a matching amount.

Sec. 5. **REINSTATEMENT OF APPOINTED OFFICIALS; RESUMPTION OF CONTRIBUTIONS.**

Subdivision 1. **Reinstatement of appointed officials, election not to participate, and make-up contributions.** (a) Any local government official whose participation in the public employees defined contribution plan under Minnesota Statutes, chapter 353D, ceased on or after January 1, 2020, and before the effective date of this section because the official's position changed from an elected position to an appointed position, may participate in the plan upon the effective date of this section by providing notice to the governing body of the local government no later than 30 days after the effective date of this section.

(b) For any official who elects to participate under paragraph (a):

(1) the local government must contribute, no later than 60 days after the effective date of this section, the matching amount that the local government would have contributed under Minnesota Statutes, section 353D.03, subdivision 1, paragraph (b), for the period during which the official's participation ceased; and

(2) the official may contribute, no later than 60 days after the effective date of this section, any amount the official elects, but not to exceed the amount that the official would have contributed under Minnesota Statutes, section 353D.03, subdivision 1, paragraph (a), for the period during which the official's participation ceased.

Subd. 2. **Resumption of contributions by and for appointed officials.** Contributions required under Minnesota Statutes, section 353D.03, subdivision 1, must be made by the local government official and the local government beginning with the first full pay period following the effective date of this section for any official who resumes participation under subdivision 1, paragraph (a).

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

## ARTICLE 4

## PERA SERVICE CREDIT FOR TWO METROPOLITAN AIRPORT POLICE OFFICERS

Section 1. **TRANSFER OF PAST PERA GENERAL PLAN SERVICE CREDIT TO THE POLICE AND FIRE PLAN.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Executive director" means the executive director of the Public Employees Retirement Association.

(c) "General plan" means the general employees retirement plan of the Public Employees Retirement Association.

(d) "Police and fire plan" means the police and fire retirement plan of the Public Employees Retirement Association.

(e) "Service credit" means time credited as allowable service under Minnesota Statutes, section 353.01, subdivision 16, and credit for salary earned during that time.

(f) "Transfer period" means the period beginning May 2, 2005, and ending October 28, 2005.

Subd. 2. **Authorization.** Notwithstanding any state law to the contrary, an eligible person described in subdivision 3 who makes a payment to the police and fire retirement fund, as permitted under subdivision 4, on or before one year following the effective date of this section is entitled to have:

(1) the employer payment made on the eligible person's behalf under subdivision 5; and

(2) applicable past service credit transferred from the general plan to the police and fire plan for the transfer period under subdivision 6.

Subd. 3. **Eligible person.** (a) An eligible person is a person described in paragraph (b) or (c).

(b) An eligible person is a person who:

(1) was born on July 2, 1982;

(2) was hired as a full-time police officer by the Metropolitan Airports Commission on May 2, 2005; and

(3) was erroneously credited with allowable service in the general plan instead of the police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

(c) An eligible person is a person who:

(1) was born on April 18, 1982;

(2) was hired as a full-time police officer by the Metropolitan Airports Commission on May 2, 2005; and

(3) was erroneously credited with allowable service in the general plan instead of the police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive director the difference between the employee contribution rate for the general plan and the employee contribution rate for the police and fire plan for the transfer period. The difference between the two rates must be applied to the eligible person's salary at the time that each contribution would have been deducted from pay if the eligible person had been covered by the police and fire plan for the transfer period. The payment must include interest at the applicable annual interest rate or rates that applied for each period listed in Minnesota Statutes, section 354.49, subdivision 2, calculated from the date that each contribution would have been deducted to the date that payment is made.

(b) The payment under paragraph (a) must be made in a lump sum no later than one year following the effective date. Upon receipt of payment, the executive director must notify the Metropolitan Airports Commission that the payment was made and of the amount owed under subdivision 5.

Subd. 5. **Payment by the Metropolitan Airports Commission.** If an eligible person makes the payment under subdivision 4, the Metropolitan Airports Commission, on behalf of the eligible person, must pay to the Public Employees Retirement Association the actuarial present value of the additional benefit resulting from the transferred service credit less the payment made under subdivision 4. This amount must be paid by the department in a lump sum within 30 days after the date on which the executive director notifies the Metropolitan Airports Commission under subdivision 4.

Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions 4 and 5 are made, the executive director must transfer assets from the general employees retirement fund to the police and fire retirement fund in an amount equal to the actuarial present value of the benefits earned by the eligible person under the general plan during the transfer period. The transfer of assets must be made within 15 days after receipt of the payments under subdivisions 4 and 5.

(b) Upon transfer of the assets under paragraph (a), the eligible person shall have service credit in the police and fire plan and no service credit in the general plan for the transfer period.

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

## ARTICLE 5
## TEACHERS RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 2022, section 354.06, subdivision 2, is amended to read:

Subd. 2. **President; executive director.** The board ~~shall~~ must annually elect one of its members as president. It ~~shall~~ must elect an executive director. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The salary of the executive director must not exceed the limit for a position listed in section 15A.0815, subdivision 2. The executive director shall serve ~~during~~ at the pleasure of the board and be the executive officer of the board, with ~~such~~ the duties prescribed in subdivision 2a and any additional duties ~~as~~ that the board ~~shall~~ may prescribe. The board ~~shall~~ must employ all other clerks and employees necessary to properly administer the association. ~~The cost and expense of administering the provisions of this chapter shall be paid by the association.~~ The board ~~shall~~ must appoint an executive director on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The executive director ~~shall~~ must have had at least five years of experience ~~on the administrative staff of a major~~ in either an executive-level management position or in a position with responsibility for the governance, management, or administration of a retirement ~~system~~ plan.

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

## ARTICLE 6
## ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION

Section 1. **[354A.25] AUTHORITY TO ELECT A SURVIVOR ANNUITY FOR A SAME-SEX SPOUSE.**

Subdivision 1. **Authorization.** Notwithstanding any law or bylaws to the contrary, an eligible person, as defined in subdivision 2, is authorized to file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity and designate a beneficiary who is the same sex as the eligible person if the eligible person had not previously been allowed to designate a same-sex spouse because the law or bylaws did not permit the designation of a same-sex spouse.

Subd. 2. **Definitions.** For the purposes of this section, the following definitions apply, unless the context clearly indicates another meaning is intended.

(a) "Eligible person" means a person who:

(1) was formerly a basic member as defined under section 354A.011, subdivision 8, or a coordinated member, as defined under section 354A.011, subdivision 11, of the St. Paul Teachers Retirement Fund Association;

(2) retired before August 1, 2013, and is receiving a retirement annuity;

(3) was unmarried at the time of retirement due to the lack of full recognition of same sex marriages under state law; and

(4) had a same-sex spouse at the time of retirement who has continued to be the eligible person's same-sex spouse until the time of the filing of the amended benefit election under subdivision 3.

(b) "Same-sex spouse" means a spouse of the same sex as the eligible person who otherwise satisfies the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers Retirement Fund Association. Before August 1, 2013, a same-sex spouse is an individual in a relationship with the eligible person that would have caused the individual to satisfy the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers Retirement Fund Association had the individual and eligible person been permitted to marry under state law.

Subd. 3. **Right to elect a joint and survivor annuity for a same-sex spouse.** (a) An eligible person may file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity that will pay an annuity for the life of the eligible person and a survivor annuity for the life of the eligible person's same-sex spouse.

(b) To file an amended benefit election, the eligible person must file an election in the form requested by the executive director of the St. Paul Teachers Retirement Fund Association and must designate the same-sex spouse as the primary designated beneficiary.

Subd. 4. **Eligible persons who are members of the coordinated plan.** If the eligible person is a member of the coordinated plan of the St. Paul Teachers Retirement Fund Association, the executive director will recalculate the eligible person's benefit based on the amended benefit election and notify the eligible person of the amount that was overpaid plus interest since the commencement of the retirement annuity. The overpayment plus interest must be recovered in accordance with section 354A.12, subdivision 7, by reducing future monthly pension payments.

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

## ARTICLE 7

## TRANSFERS FROM THE MINNESOTA STATE IRAP TO TRA

Section 1. **ALLOWING TRANSFERS FROM THE IRAP TO TRA FOR FOUR FOND DU LAC COLLEGE EMPLOYEES.**

Subdivision 1. **Authorization.** Notwithstanding any provision of law to the contrary, an eligible person described in subdivision 2 is authorized to become a member of the Teachers Retirement Association and to receive service and salary credit in the Teachers Retirement Association upon making an election and the contribution required under subdivision 3.

Subd. 2. **Eligible person.** (a) An eligible person is a person described in paragraph (b), (c), (d), or (e).

(b) An eligible person is a person who:

(1) was born on June 14, 1969;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on December 13, 2017, by the Fond du Lac Tribal and Community College as an eLearning support specialist, with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2017, section 354B.21.

(c) An eligible person is a person who:

(1) was born on October 9, 1992;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on June 12, 2019, by the Fond du Lac Tribal and Community College as the Nandagikendan (Seek to Learn) Academy director with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2019, section 354B.211.

(d) An eligible person is a person who:

(1) was born on November 12, 1983;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on February 18, 2020, by the Fond du Lac Tribal and Community College as a youth education outreach coordinator with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2020, section 354B.211.

(e) An eligible person is a person who:

(1) was born on September 3, 1982;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on June 11, 2018, by the Fond du Lac Tribal and Community College as a farm manager with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2018, section 354B.21.

Subd. 3. **Election, transfer, and payment.** (a) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include documentation demonstrating that the person is an eligible person under subdivision 2 and any other relevant information that the executive director may require.

(b) Membership in the Teachers Retirement Association commences after the date the executive director receives the retirement coverage election and information described under paragraph (a) and the contribution specified under paragraph (c), if any. Upon membership commencement, the executive director must grant past service and salary credit for employment with a Minnesota state college or university from the date the eligible person was first employed as described under subdivision 2.

(c) If the eligible person makes the retirement coverage election under paragraph (a), the eligible person must make a contribution to the Teachers Retirement Association equal to the excess, if any, of the employee contributions that the eligible person would have made if covered by the Teachers Retirement Association for the period of past service and salary for which credit is to be granted under paragraph (b) over the employee contributions that

the eligible person made to the higher education individual retirement account plan for the same period of past service and salary. The executive director of the Teachers Retirement Association must determine the amount to be contributed under this paragraph and notify the eligible person of the amount required and options for making the payment.

(d) Upon the election of retirement coverage under paragraph (a) and payment of the contribution under paragraph (c), if a contribution is required, the value of the eligible person's account in the higher education individual retirement account plan must be transferred to the Teachers Retirement Association.

(e) Upon receipt of the amount transferred under paragraph (d), the Teachers Retirement Association shall determine the required purchase payment amount calculated under Minnesota Statutes, section 356.551, as if the coverage election was a prior service credit purchase.

(f) From the amount calculated under paragraph (e), the executive director of the Teachers Retirement Association must subtract the amounts received under paragraphs (c) and (d). The Board of Trustees of the Minnesota State Colleges and Universities must transmit the remaining amount, if any, to the executive director of the Teachers Retirement Association within 60 days following the receipt of the amount transferred under paragraph (d).

Subd. 4. **Expiration.** The authority to make a retirement coverage election under this section expires one year from the effective date of this section.

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

Sec. 2. **ALLOWING TRANSFER FROM THE IRAP TO TRA FOR ONE MINNESOTA STATE EMPLOYEE.**

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is authorized to become a member of the Teachers Retirement Association and to receive service and salary credit in the Teachers Retirement Association from May 28, 2008, upon making an election under paragraph (c) and upon making the required contribution under paragraph (e).

(b) An eligible person is a person who:

(1) was born on July 11, 1950;

(2) was first employed on May 28, 2008, in the Minnesota State system office in the city of St. Paul as an academic program director and, on December 31, 2022, was employed

as the system director for Academic Programs, Planning, and Transfer, with retirement coverage in the higher education individual retirement account plan; and

(3) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2008, section 354B.21.

(c) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include documentation demonstrating that the person is an eligible person under paragraph (b) and any other relevant information that the executive director may require.

(d) Membership in the Teachers Retirement Association commences after the date the executive director receives (1) the retirement coverage election, including information described in paragraph (c), and (2) the contribution specified in paragraph (e). Upon membership commencement, the executive director must grant past service and salary credit for employment with Minnesota State from May 28, 2008.

(e) If the eligible person makes the retirement coverage election under paragraph (c), the eligible person must make a contribution to the Teachers Retirement Association equal to the excess, if any, of the employee contributions that the eligible person would have made if covered by the Teachers Retirement Association for the period of past service and salary for which credit is to be granted under paragraph (d) over the employee contributions that the eligible person made to the higher education individual retirement account plan for the same period of past service and salary. The executive director of the Teachers Retirement Association must determine the amount to be contributed under this paragraph and notify the eligible person of the amount required and options for making the payment.

(f) If payment is made under paragraph (e), the value of the eligible person's account in the higher education individual retirement account plan must be transferred to the Teachers Retirement Association.

(g) Upon receipt of the amount transferred under paragraph (f), the Teachers Retirement Association shall determine the required purchase payment amount calculated under Minnesota Statutes, section 356.551, as if the coverage election was a purchase of prior service credit.

(h) From the amount calculated under paragraph (g), the executive director of the Teachers Retirement Association must subtract the amounts received under paragraphs (e) and (f). The Board of Trustees of the Minnesota State Colleges and Universities must transmit the

remaining amount, if any, to the executive director of the Teachers Retirement Association within 60 days following the receipt of the amount transferred under paragraph (f).

(i) An eligible person's authority to make a retirement coverage election under this section expires one year from the effective date of this section.

(j) An eligible person may elect coverage by the Teachers Retirement Association under paragraph (c) during or after the eligible person's employment with the Minnesota State Colleges and Universities, as long as the eligible person has not withdrawn or taken a distribution of all or any portion of the eligible person's account in the higher education individual retirement account plan.

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

Sec. 3. **WORK GROUP ON IRAP TO TRA TRANSFERS.**

Subdivision 1. **Work group established.** The executive director of the Legislative Commission on Pensions and Retirement must convene a work group for the purpose of recommending legislation to end the need for special legislation permitting participants in the higher education individual retirement account plan to transfer to the Teachers Retirement Association because the participant was not aware or did not receive notice of the right to elect a transfer when the participant was eligible to elect a transfer under applicable law.

Subd. 2. **Membership.** (a) The work group must consist of at least the following:

(1) representatives from Minnesota State Colleges and Universities;

(2) representatives from the Teachers Retirement Association;

(3) one representative from the Inter Faculty Organization (IFO);

(4) one representative from the Minnesota State College Faculty (MSCF); and

(5) one representative from the Minnesota Association of Professional Employees (MAPE).

(b) The executive director may invite others to participate in one or more meetings of the work group.

(c) The organizations specified in paragraph (a) must provide the executive director with the names and contact information for the representatives who will serve on the work group by June 15, 2023.

Subd. 3. **Scope.** (a) The work group must recommend legislation or alternatives for legislation that:

(1) address the cost of the transfers to the Teachers Retirement Association and the Minnesota State Colleges and Universities;

(2) end the need for participants in the higher education individual retirement account plan to seek special legislation permitting them to transfer to the Teachers Retirement Association;

(3) would have authorized the transfer election by all individuals covered by special legislation in the last ten legislative sessions had the recommended legislation been enacted 11 years ago;

(4) require the administration of Minnesota State Colleges and Universities to conduct outreach to all facilities and plan participants to inform them about the opportunity to transfer to the Teachers Retirement Association and the procedure for doing so;

(5) require an annual report to the Legislative Commission on Pensions and Retirement from the appropriate human resources manager at Minnesota State Colleges and Universities and the executive director of the Teachers Retirement Association on the number of employees who elected a transfer during the prior twelve-month period under the legislation and, for each employee, the cost of the transfer to the employee and Minnesota State Colleges and Universities and the actuarial cost of the employee's pension benefit at the time of the transfer as calculated by the Teachers Retirement Association; and

(6) must not increase the unfunded liability of the Teachers Retirement Association.

(b) The recommendation must be accompanied by estimates prepared by representatives of the Minnesota State Colleges and Universities of the number of participants in the higher education individual retirement account plan who are eligible for a transfer under the recommended legislation and the cost to the Minnesota State Colleges and Universities if the eligible participants elect the transfer.

Subd. 4. **Due date for submitting recommendation to the commission.** The executive director must submit the recommendation of the work group to the chair of the Legislative Commission on Pensions and Retirement by January 5, 2024.

Subd. 5. **Meetings.** (a) The executive director must convene the first meeting of the work group by August 1, 2023, and will serve as chair.

(b) Meetings may be conducted remotely or in-person or a combination of remote and in-person.

(c) In-person meetings will be held in the offices of the Legislative Coordinating Commission.

Subd. 6. **Compensation; lobbying; retaliation.** (a) Members of the work group serve without compensation.

(b) Participation in the work group is not lobbying under Minnesota Statutes, chapter 10A.

(c) An individual's employer or an association of which an individual is a member must not retaliate against the individual because of the individual's participation in the work group.

Subd. 7. **Administrative support.** Commission staff must provide administrative support for the work group.

Subd. 8. **Expiration.** The work group expires June 30, 2024.

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

## ARTICLE 8
## SERVICE CREDIT PURCHASES FOR PERIODS OF MILITARY LEAVE

Section 1. Minnesota Statutes 2022, section 354.53, subdivision 3, is amended to read:

Subd. 3. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the Teachers Retirement Association during the period which begins with the date on which the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph (a) is less than ~~one year~~ three years, the contributions required under this section to receive service credit may be made within ~~one year~~ three years from the discharge date.

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

Sec. 2. Minnesota Statutes 2022, section 354A.093, subdivision 4, is amended to read:

Subd. 4. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the St. Paul Teachers Retirement Fund Association during the period which begins with the date the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph (a) is less than ~~one year~~ three years, the contributions required under this section to receive service credit may be made within ~~one year~~ three years from the discharge date.

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

## ARTICLE 9

## ANNUAL LIMIT ON PUBLIC FUNDS CONTRIBUTED TO TWO MULTIEMPLOYER PENSION PLANS

Section 1. Minnesota Statutes 2022, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) to a deferred compensation plan defined in subdivision 3;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of $2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~$7,000~~ $10,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~$5,000~~ $10,000 per year per employee;

(11) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per employee;

(12) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a;

(13) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5; or

(14) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment.

## ARTICLE 10

## VESTING UNDER THE PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN

Section 1. Minnesota Statutes 2022, section 353G.01, subdivision 8, is amended to read:

Subd. 8. **Member.** "Member" means an individual who is or was a volunteer firefighter ~~who provides active~~ providing service to a ~~municipal fire department~~ municipality or an

independent nonprofit firefighting corporation ~~where the applicable municipality or corporation~~ that has elected coverage by the ~~retirement~~ plan under section 353G.05, and ~~which~~ whose service is covered by the ~~retirement~~ plan.

Sec. 2. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to read:

Subd. 12a. **Service credit.** "Service credit" means the period of service rendered by a volunteer firefighter that is certified under section 353G.07 by the fire chief of the fire department in which the volunteer firefighter serves. A volunteer firefighter's service credit equals all periods of service with any fire department covered by the plan.

Sec. 3. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to read:

Subd. 14a. **Vesting service credit.** "Vesting service credit" means service credit plus any earlier period of service rendered as a volunteer firefighter in a fire department in the state that was not covered by the plan at the time the service was rendered. The earlier period of service must be certified by the fire chief of the fire department covered by the plan in a manner similar to the requirements of section 353G.07. The volunteer firefighter must provide documentation in a form acceptable to the executive director regarding the earlier period of service.

Sec. 4. Minnesota Statutes 2022, section 353G.01, subdivision 15, is amended to read:

Subd. 15. **Volunteer firefighter.** "Volunteer firefighter" means a person who is an active member of ~~a municipal~~ the fire department of a municipality or an independent nonprofit firefighting corporation and who, in that capacity, engages in fire suppression activities, provides emergency response services, or delivers fire education or prevention services on an on-call basis.

Sec. 5. Minnesota Statutes 2022, section 353G.09, subdivision 1, is amended to read:

Subdivision 1. **Entitlement.** (a) A member ~~of~~ with at least one year of service credit with a fire department with active firefighters that are covered by the ~~retirement~~ plan is entitled to a ~~service pension~~ retirement benefit as defined in subdivision 1a from the ~~retirement~~ fire department's account in the plan if the member:

(1) has separated from active service with the fire department for at least 30 days;

(2) has attained the age of at least 50 years;

(3) has satisfied the minimum service requirement in paragraph (b) or (c), as applicable; and

(4) applies in a manner prescribed by the executive director ~~for the service pension~~.

(b) ~~A~~ If the member is a member of the lump-sum division, the member satisfies the minimum service requirement if the member ~~meets at least one of the following requirements:~~ is at least 40 percent vested as determined under subdivision 2.

~~(1) the member is at least 40 percent vested based on years of service as a member of the retirement plan;~~

~~(2) the member is at least 40 percent vested based on years of service with the fire department and the total number of years of service as a member of the former affiliated relief association plus years of service as a member of the retirement plan is at least five; or~~

~~(3)~~ (c) If the member is a member of the monthly benefit division, the member satisfies the minimum service requirement if the member has completed at least the minimum number of years of service ~~as a member of the retirement plan~~ specified in the retirement benefit plan document ~~attributable to the applicable fire department if the person is a member of the monthly benefit retirement division~~ applicable to the member.

Sec. 6. Minnesota Statutes 2022, section 353G.09, is amended by adding a subdivision to read:

Subd. 1a. **Retirement benefit.** (a) A volunteer firefighter who is entitled to a service pension under subdivision 1 must receive a retirement benefit under subdivision 1, paragraph (a) or (b), as applicable.

(b) The retirement benefit of a member of the lump-sum division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the service pension level applicable to the member under section 353G.11, multiplied by the member's vested percentage under subdivision 2.

(c) The retirement benefit of a member of the monthly benefit division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the service pension level applicable to the member under section 353G.112, multiplied by the member's vested percentage under subdivision 2.

Sec. 7. Minnesota Statutes 2022, section 353G.09, subdivision 2, is amended to read:

Subd. 2. **~~Vesting schedule; nonforfeitable portion of service pension~~ Vested percentage.** A member of the plan has a nonforfeitable right to a retirement benefit, up to the percent vested. The member's vested percentage is determined under paragraph (a), (b), or (c), as applicable.

(a) ~~Except as provided in paragraphs (c) and (d), an active~~ If the member is a member of the lump-sum ~~retirement~~ division ~~is entitled to a service pension~~ and employed in a fire department that joined the plan before January 1, 2023, the member's vested percentage is equal to the ~~nonforfeitable~~ percentage that corresponds to the number of ~~the applicable service pension amount, taking into account~~ years of vesting service ~~as a member of the retirement plan plus years of service as a member of the former affiliated relief association, if any,~~ credit, as follows:

| Completed years of service credit | ~~Nonforfeitable~~ Vested percentage ~~of the service pension~~ |
|---|---|
| less than 5 | 0 percent |
| 5 | 40 percent |
| 6 | 44 percent |
| 7 | 48 percent |
| 8 | 52 percent |
| 9 | 56 percent |
| 10 | 60 percent |
| 11 | 64 percent |
| 12 | 68 percent |
| 13 | 72 percent |
| 14 | 76 percent |
| 15 | 80 percent |
| 16 | 84 percent |
| 17 | 88 percent |
| 18 | 92 percent |
| 19 | 96 percent |

(b) If the member is a member of the lump-sum division and employed in a fire department that joined the retirement plan on or after January 1, 2023, the member's vested percentage is equal to the percentage determined by applying the vesting schedule selected in the request for coverage under section 353G.05, subdivision 1a, taking into account years of vesting service credit.

(c) If ~~an active~~ the member is a member of the monthly benefit retirement division and has completed 20 years of service as a member of the plan, the member is 100 percent vested. If the member has completed less than 20 years of service ~~credit~~ as a member of the ~~monthly benefit retirement division of the~~ plan, the ~~person's entitlement to a service pension must be governed by~~ member's vested percentage is equal to the percentage determined under the retirement benefit plan document ~~attributable to the applicable fire department~~ applicable to the member.

~~(c) A person described in paragraph (d) is entitled to the vested portion of the service pension as determined by applying the vesting schedule selected in the request for coverage under section 353G.05, subdivision 1a, taking into account years of service as a member of the retirement plan plus years of service as a member of the former affiliated relief association, if any.~~

~~(d) A person is described in this paragraph if the person becomes a member of the lump-sum retirement division in connection with the transfer of coverage from a relief association to the retirement plan on or after January 1, 2023, or in connection with a municipality or independent nonprofit firefighting corporation joining the retirement plan on or after January 1, 2023.~~

Sec. 8. Minnesota Statutes 2022, section 353G.14, is amended to read:

**353G.14 ~~PURCHASE OF ANNUITY CONTRACTS~~ DISTRIBUTIONS FROM LUMP-SUM DIVISION.**

Subdivision 1. **Lump sum.** Unless a volunteer firefighter requests an annuity under subdivision 2, the executive director must distribute a lump-sum service pension in the form of a single payment from the account of each fire department covered by the plan in which the volunteer firefighter earned a retirement benefit under section 353G.09.

Subd. 2. **Annuity.** The executive director may purchase an annuity contract on behalf of a ~~retiring~~ volunteer firefighter retiring from the lump-sum ~~retirement~~ division of the ~~statewide retirement~~ plan with a total premium payment in an amount equal to the lump-sum service pension payable under section 353G.09 if the purchase was requested by the ~~retiring~~ volunteer firefighter in a manner prescribed by the executive director. The annuity contract must be purchased from an insurance carrier that is licensed to do business in this state. If purchased, the annuity contract is in lieu of any service pension or other benefit from the lump-sum retirement plan of the retirement plan. The annuity contract may be purchased at any time after the volunteer firefighter discontinues active service, but the annuity contract

must stipulate that no annuity amounts are payable before the ~~former~~ volunteer firefighter attains the age of 50.

Sec. 9. **REVISOR INSTRUCTION.**

In Minnesota Statutes, chapter 353G, the revisor of statutes shall change the terms in column A to the terms in column B wherever the terms appear.

| Column A | Column B |
|---|---|
| lump-sum retirement division | lump-sum division |
| monthly benefit retirement division | monthly benefit division |
| retirement plan | plan |

Sec. 10. **REPEALER.**

Minnesota Statutes 2022, sections 353G.01, subdivision 7; and 353G.13, are repealed.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective January 1, 2024.

## ARTICLE 11

## RELIEF ASSOCIATION REQUIREMENTS AFTER JOINING THE PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN

Section 1. Minnesota Statutes 2022, section 353G.06, subdivision 2, is amended to read:

Subd. 2. **Other relief association changes.** In addition to the transfer and disestablishment of the special fund under subdivision 1, notwithstanding any provisions of chapter 424A or 424B to the contrary, upon the effective date of the change in ~~volunteer firefighter retirement~~ coverage, if the relief association membership elects to retain the relief association as a ~~fraternal~~ nonprofit organization after the ~~benefit~~ coverage election, the following changes must be implemented with respect to the ~~applicable volunteer firefighter~~ relief association:

~~(1) the relief association board of trustees membership is reduced to five, comprised of the fire chief of the fire department and four trustees elected by and from the relief association membership;~~

~~(2) the relief association may only maintain a general fund, which continues to be governed by section 424A.06;~~

~~(3)~~ (1) the relief association is not authorized to receive ~~the proceeds of~~ any state aid or ~~to receive~~ any municipal funds; and

~~(4)~~ (2) the relief association may not pay any service pension or benefit that was not authorized as a general fund disbursement under the articles of incorporation or bylaws of the relief association in effect immediately prior to the plan coverage election process.

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

Sec. 2. Minnesota Statutes 2022, section 353G.06, subdivision 3, is amended to read:

Subd. 3. **Successor in interest.** Upon the disestablishment of the special fund of the ~~volunteer firefighter~~ relief association under this section, the ~~statewide volunteer firefighter~~ retirement plan is the successor in interest of the special fund of the ~~volunteer firefighter~~ relief association for all claims against the special fund other than a claim against the special fund, the ~~volunteer firefighter~~ relief association, the municipality, the fire department, or any person connected with the ~~volunteer firefighter~~ relief association in a fiduciary capacity under chapter 356A or common law that was based on any act or acts which were not performed in good faith and which constituted a breach of a fiduciary obligation. As the successor in interest of the special fund of the ~~volunteer firefighter~~ relief association, the ~~statewide volunteer firefighter~~ retirement plan may assert any applicable defense in any judicial proceeding which the board of trustees of the ~~volunteer firefighter~~ relief association or the municipality would have been entitled to assert.

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

## ARTICLE 12

## THRESHOLD FOR REQUIRING RELIEF ASSOCIATIONS TO FILE AUDITED FINANCIAL STATEMENTS

Section 1. Minnesota Statutes 2022, section 424A.014, subdivision 1, is amended to read:

Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited financial statements in accordance with paragraphs (c) to (e) must be submitted by the board of trustees of the Bloomington Fire Department Relief Association and the board of trustees of each ~~volunteer~~ firefighters relief association with special fund assets of at least ~~$500,000~~ $750,000 or special fund liabilities of at least ~~$500,000~~ $750,000, according to any previous year's financial report.

(b) The board of trustees of a ~~volunteer~~ firefighters relief association with special fund assets of less than ~~$500,000~~ $750,000 and special fund liabilities of less than ~~$500,000~~

$750,000, according to each previous year's financial report, may submit an annual financial report and audited financial statements in accordance with paragraphs (c) to (e).

(c) The financial report must cover the relief association's special fund and general fund and be in the style and form prescribed by the state auditor. The financial report must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is directly associated with a municipal fire department;

(2) the municipal clerk or clerk-treasurer of the largest municipality in population that contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation, and by the secretary of the independent nonprofit firefighting corporation; or

(3) the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The financial report must be retained in the office of the Bloomington Fire Department Relief Association or the volunteer firefighter relief association for public inspection and must be filed with the governing body of the government subdivision in which the associated fire department is located after the close of the fiscal year. One copy of the financial report must be furnished to the state auditor on or before June 30 after the close of the fiscal year.

(e) Audited financial statements that present the true financial condition of the relief association's special fund and general fund must be attested to by a certified public accountant or by the state auditor and must be filed with the state auditor on or before June 30 after the close of the fiscal year. Audits must be conducted in compliance with generally accepted auditing standards and section 6.65 governing audit procedures. The state auditor may accept audited financial statements in lieu of the financial report required in paragraph (a).

Sec. 2. **EFFECTIVE DATE; APPLICATION.**

This article is effective on December 31, 2023, and applies to audited financial statements for calendar year 2023 and thereafter. A relief association with special fund assets of less than $750,000 and special fund liabilities of less than $750,000 on December 31, 2023, is not required to submit audited financial statements under Minnesota Statutes, section 424A.014, subdivision 1, unless and until the association's special fund assets or special

fund liabilities exceed $750,000, even if audited financial statements were required on the date immediately prior to the effective date.

## ARTICLE 13
## HAMEL AND LORETTO RELIEF ASSOCIATIONS

Section 1. **STATEWIDE VOLUNTEER FIREFIGHTER PLAN COVERAGE FOR HAMEL AND LORETTO FIREFIGHTERS; MERGER OF ASSETS AND LIABILITIES.**

Subdivision 1. **Mid-year effective date for coverage by the statewide volunteer firefighter plan.** (a) If the requirements of paragraph (b) and all other requirements for coverage by the statewide volunteer firefighter plan under Minnesota Statutes, section 353G.05, are satisfied by the governing boards of the independent nonprofit firefighting corporation and the affiliated relief associations, the effective date of coverage is as provided in paragraph (c) or (d), as applicable, notwithstanding Minnesota Statutes, section 353G.05, subdivision 5, paragraph (c).

(b) The Hamel Volunteer Fire Department Relief Association and the Loretto Firefighters Relief Association must submit to the state auditor detailed investment or financial statements in a format satisfactory to the state auditor that confirm transfer of all special fund assets to the State Board of Investment.

(c) Coverage of the volunteer firefighters employed by the independent nonprofit firefighting corporation that operates the fire department that serves the community of Hamel is effective on the later of the date of approval by the governing board of the independent nonprofit firefighting corporation or the date of approval by the Board of Trustees of the Hamel Volunteer Fire Department Relief Association.

(d) Coverage of the volunteer firefighters employed by the independent nonprofit firefighting corporation that operates the fire department that serves the city of Loretto is effective on the later of the date of approval by the governing board of the independent nonprofit firefighting corporation or the date of approval by the Board of Trustees of the Loretto Firefighters Relief Association.

Subd. 2. **Merger of retirement accounts in the statewide volunteer firefighter plan for the Hamel and Loretto firefighters.** (a) The executive director of the public employees retirement association must merge the assets and liabilities of the lump-sum retirement plan account for the fire department that serves the community of Hamel with the assets and

liabilities of the lump-sum retirement plan account for the fire department that serves the city of Loretto upon receipt of the following:

(1) resolutions approved by the governing board of the independent nonprofit firefighting corporation associated with the fire department that serves the community of Hamel approving the merger and directing the executive director to merge the lump-sum plan accounts and take any other action determined necessary by the executive director to effectuate the merger; and

(2) resolutions approved by the governing board of the independent nonprofit firefighting corporation associated with the fire department that serves the city of Loretto approving the merger and directing the executive director to merge the lump-sum plan accounts and take any other action determined necessary by the executive director to effectuate the merger.

(b) The executive director is authorized to take whatever actions deemed necessary to effectuate the merger, notwithstanding any state laws to the contrary.

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

**353.01 DEFINITIONS.**

Subd. 15a. **Dependent child.** For the purpose of survivor benefit eligibility under section 353.32, subdivision 1c, "dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent for more than one-half of support upon the member. It also includes any child of the member conceived during the member's lifetime and born after the member's death.

**353G.01 DEFINITIONS.**

Subd. 7. **Service credit.** "Service credit" means the length of service credit for an active firefighter that is reported by the applicable fire chief based on the minimum firefighter activity standards of the fire department. The credit may be reported on an annual or monthly basis.

**353G.13 LUMP-SUM RETIREMENT DIVISION; PORTABILITY.**

Subdivision 1. **Eligibility.** An active firefighter who is a member of the lump-sum retirement division of the retirement plan who also renders firefighting service and has service credit in the lump-sum retirement division of the retirement plan from another fire department, if the number of years of service credit in the plan from a combination of nonconcurrent periods totals at least five years, is eligible, upon complying with the other requirements of section 353G.09, to receive a lump-sum service pension upon filing an application in the manner prescribed by the executive director, computed as provided in subdivision 2.

Subd. 2. **Combined service pension computation.** The lump-sum service pension payable to a firefighter who qualifies under subdivision 1 is the per year of good time lump-sum service credit service pension amount in effect for each lump-sum retirement account in which the firefighter has one or more years of service credit as of the date on which the firefighter terminated active service with the fire department associated with the applicable account, multiplied by the number of years of service credit that the firefighter has in the applicable account and adjusted for the vesting percentage based on the total number of years of service covered in the applicable accounts.

Subd. 3. **Payment.** A lump-sum service pension under this section must be paid in a single payment, with the applicable portion of the total lump-sum service pension payment amount deducted from each lump-sum retirement account.

**490.124 MATURITY OF BENEFITS; RETIREMENT AND SURVIVORS' ANNUITIES.**

Subd. 10. **Prior survivors' benefits; limitation.** (a) Benefits provided under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.1091, for a surviving spouse of a retired judge, payable after the death of the judge, are limited to spouses of judges who have retired before January 1, 1974.

(b) No other judge in office on or after January 1, 1974, is required to contribute under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.109.

A bill for an act

relating to retirement; making administrative changes to the statutes governing the retirement plans administered by the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teachers Retirement Association; amending eligibility to permit appointed local government officials to participate in the public employees defined contribution plan; permitting the transfer of service credit from the general public employees retirement plan to the public employees police and fire retirement plan for two employees of the Metropolitan Airports Commission; permitting eligible retired teachers in the St. Paul Teachers Retirement Fund Association to change the teacher's retirement annuity to an annuity that will pay a survivor annuity to a same-sex spouse; authorizing certain members of the higher education individual retirement account plan to elect Teachers Retirement Association coverage and receive retroactive service credit; extending the payment period for the purchase of service credit for periods of military service; increasing the cap on the employer contribution to certain trades' multiemployer pension plans; Public Employees Retirement Association statewide volunteer firefighter plan; modifying service counted in determining vesting in a retirement benefit, amending requirements applicable to a relief association after the affiliated fire department joins the statewide plan, and authorizing the Hamel and Loretto volunteer firefighter relief associations to join the statewide plan mid-year and merge; increasing the dollar threshold for requiring audited financial reports for volunteer firefighter relief associations; amending Minnesota Statutes 2022, sections 352B.08, subdivision 1; 353.01, subdivisions 2a, 2b, 15; 353.0162; 353.031, subdivision 10; 353.32, subdivision 1c; 353D.01, subdivision 2, by adding a subdivision; 353D.02, subdivision 1; 353D.03, subdivision 1; 353E.001, by adding subdivisions; 353E.07, subdivisions 3, 4, 5; 353G.01, subdivisions 8, 15, by adding subdivisions; 353G.06, subdivisions 2, 3; 353G.09, subdivisions 1, 2, by adding a subdivision; 353G.14; 354.06, subdivision 2; 354.53, subdivision 3; 354A.093, subdivision 4; 356.24, subdivision 1; 356.551, subdivision 2; 424A.014, subdivision 1; 490.1211; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Minnesota Statutes 2022, sections 353.01, subdivision 15a; 353G.01, subdivision 7; 353G.13; 490.124, subdivision 10.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## MINNESOTA STATE RETIREMENT SYSTEM

Section 1. Minnesota Statutes 2022, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; when to apply; accrual.** (a) Every member who is credited with three or more years of allowable service if first employed before July 1, 2013, or with at least ten years of allowable service if first employed after June 30, 2013, is entitled to separate from state service and upon becoming 50 years old, is entitled to receive a life annuity, upon separation from state service.

(b) Members must apply for an annuity in a form and manner prescribed by the executive director.

(c) No application may be made more than ~~90~~ 60 days before the date the member is eligible to retire by reason of both age and service requirements.

(d) An annuity begins to accrue no earlier than 180 days before the date the application is filed with the executive director.

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

Sec. 2. Minnesota Statutes 2022, section 356.551, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) Unless the minimum purchase amount set forth in paragraph (c) applies, the prior service credit purchase amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the chief administrative officer of the pension plan and reviewed by the actuary retained under section 356.214, of the amount of the additional retirement annuity obtained by the acquisition of the additional service credit in this section.

(b) Calculation of this amount must be made using the investment return assumption applicable to the public pension plan specified in section 356.215, subdivision 8, and the mortality table adopted for the public pension plan.

(1) Unless clause (2) applies, the calculation must assume continuous future service in the public pension plan until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever

is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(2) This clause applies when the calculation is being done for purposes of section 352.272; 352B.087; 353.0141, subdivision 3; 354.544; ~~or~~ 354A.0961; or 490.1211, subdivision 2. The calculation must include continuous future service in the public pension plan until, and retirement at, any age at or after which the minimum requirements of the fund for early retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must be determined using the retirement age that provides the most valuable benefit to the member. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 8.

(c) The prior service credit purchase amount may not be less than the amount determined by applying, for each year or fraction of a year being purchased, the sum of the employee contribution rate, the employer contribution rate, and the additional employer contribution rate, if any, applicable during that period, to the person's annual salary during that period, or fractional portion of a year's salary, if applicable, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, compounded annually, from the end of the year in which contributions would otherwise have been made to the date on which the payment is received.

(d) Unless otherwise provided by statutes governing a specific plan, payment must be made in one lump sum within one year of the prior service credit authorization or prior to the member's effective date of retirement, whichever is earlier. Payment of the amount calculated under this section must be made by the applicable eligible person.

(e) However, the current employer or the prior employer may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the applicable annual rate or rates specified in section 356.59, subdivision 2, 3, 4, or 5, whichever applies, compounded annually, from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this subdivision, the purchaser must make the employee payments required under this subdivision within 90 days of the prior service credit authorization. If that employee payment is made, the employer payment under this subdivision must be remitted

to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this subdivision.

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

Sec. 3. Minnesota Statutes 2022, section 490.1211, is amended to read:

**490.1211 UNIFORMED SERVICE.**

Subdivision 1. **Federal uniformed service protections.** (a) A judge who is absent from employment by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), and who returns to state employment as a judge upon discharge from service in the uniformed service within the time frame required in United States Code, title 38, section 4312(e), may obtain service credit for the period of the uniformed service, provided that the judge did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(b) The judge may obtain credit by paying into the fund equivalent member contribution based on the contribution rate or rates in effect at the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the judge would have received if the judge had continued to provide employment services to the state rather than to provide uniformed service, or if the determination of that rate is not reasonably certain, the annual salary rate is the judge's average salary rate during the 12-month period of judicial employment rendered immediately preceding the ~~purchase~~ period of the uniformed service.

(c) The equivalent employer contribution and, if applicable, the equivalent employer additional contribution, must be paid by the employing unit, using the employer and employer additional contribution rate or rates in effect at the time that the uniformed service was performed, applied to the same annual salary rate or rates used to compute the equivalent member contribution.

(d) If the member equivalent contributions provided for in this section are not paid in full, the judge's allowable service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total member contributions received by the total member contributions otherwise required under this section.

(e) To receive allowable service credit under this section, the contributions specified in this section ~~and section 490.121~~ must be transmitted to the fund during the period which

begins with the date on which the individual returns to judicial employment and which has a duration of three times the length of the uniformed service period, but not to exceed five years. If the determined payment period is calculated to be less than ~~one year~~ three years, the contributions required under this section to receive service credit ~~may~~ must be transmitted to the fund within ~~one year~~ three years from the discharge date.

(f) The amount of allowable service credit obtainable under this section and section 490.121 may not exceed five years, unless a longer purchase period is required under United States Code, title 38, section 4312.

(g) The state court administrator shall pay interest on all equivalent member and employer contribution amounts payable under this section. Interest must be at the applicable annual rate or rates specified in section 356.59, subdivision 2, compounded annually, from the end of each fiscal year of the leave or break in service to the end of the month in which payment is received.

Subd. 2. **State-authorized purchase of service credit for periods of military service.** (a) Unless prohibited under paragraph (b), a judge is eligible to purchase service credit, not to exceed five cumulative years of service credit, for one or more periods of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), if:

(1) the judge has at least three years of service credit with the judges retirement plan under this chapter;

(2) the duration of the judge's current period of employment is at least six months; and

(3) the judge did not obtain service credit for a period of military service under subdivision 1.

(b) A service credit purchase is prohibited if:

(1) the judge separated from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions;

(2) the judge has purchased or otherwise received service credit from any Minnesota public employee pension plan for the same period of service in the uniformed services; or

(3) the judge's service in the uniformed services occurred before the judge was first appointed or elected as a judge.

(c) When purchasing a period of service, if the period of service in the uniformed services is one year or less, the judge must purchase the full period of service. If the period of service in the uniformed services is longer than one year, the judge may purchase the full period,

not to exceed five cumulative years, or may purchase a portion of the period of service. If the judge purchases a portion of the period of service in the uniformed services, the portion must: (1) not be less than one year; and (2) be in increments of six months of service.

Subd. 3. **Application and documentation.** To purchase service credit under subdivision 2, a judge must apply to the executive director of the Minnesota State Retirement System to make the purchase. The application must include all necessary documentation of the judge's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require.

Subd. 4. **Purchase payment amount; service credit grant.** (a) The purchase payment amount for a purchase under subdivision 2 is the amount determined under section 356.551 for the period or periods of service requested, except that, for purposes of calculating the purchase payment amount to purchase service credit for service in the uniformed services between periods of employment as a judge, section 356.551, subdivision 2, paragraph (c), does not apply.

(b) Service credit must be granted by the judges retirement plan to the purchasing judge upon the executive director's receipt of the purchase payment amount. The service credit purchased under this section may not be used for the purpose of determining a disability benefit under section 490.124, subdivision 4.

(c) Payment must be made before the effective date of the judge's retirement.

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

Sec. 4. **REPEALER.**

Minnesota Statutes 2022, section 490.124, subdivision 10, is repealed.

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

## ARTICLE 2

## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 2022, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees; mandatory membership.** (a) Public employees whose ~~annual~~ salary from one governmental subdivision ~~is stipulated in advance to exceed $5,100 if the person is not a school year employee or $3,800 if the person is a school year employee~~ exceeds $425 in any month and who are not specifically excluded under subdivision 2b or

~~who~~ have not been provided an option to participate under subdivision 2d, whether individually or by action of the governmental subdivision, must participate as members of the association with retirement coverage by the general employees retirement plan under this chapter, the public employees police and fire ~~retirement~~ plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies. Membership commences as a condition of ~~their~~ employment on the first day of ~~their~~ employment or on the first day that the eligibility criteria are met, whichever is later. Public employees include but are not limited to:

(1) persons whose salary meets the threshold in this paragraph from employment in one or more positions within one governmental subdivision;

(2) elected county sheriffs;

(3) persons who are appointed, employed, or contracted to perform governmental functions that by law or local ordinance are required of a public officer, including, but not limited to:

(i) town and city clerk or treasurer;

(ii) county auditor, treasurer, or recorder;

(iii) city manager as defined in section 353.028 who does not exercise the option provided under subdivision 2d; or

(iv) emergency management director, as provided under section 12.25;

(4) physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2;

(5) full-time employees of the Dakota County Agricultural Society;

(6) employees of the Red Wing Port Authority who were first employed by the Red Wing Port Authority before May 1, 2011, and who are not excluded employees under subdivision 2b;

(7) employees of the Seaway Port Authority of Duluth who are not excluded employees under subdivision 2b;

(8) employees of the Stevens County Housing and Redevelopment Authority who were first employed by the Stevens County Housing and Redevelopment Authority before May 1, 2014, and who are not excluded employees under subdivision 2b;

(9) employees of the Minnesota River Area Agency on Aging who were first employed by a Regional Development Commission before January 1, 2016, and who are not excluded employees under subdivision 2b; and

(10) employees of the Public Employees Retirement Association.

(b) A public employee or elected official who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) If ~~in any subsequent year~~ the ~~annual~~ salary of an included public employee is less than ~~the minimum salary threshold specified in this subdivision~~ $425 in any subsequent month, the member retains membership eligibility.

(d) For the purpose of participation in the general employees retirement plan, public employees include employees who were members of the former Minneapolis Employees Retirement Fund on June 29, 2010.

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

Sec. 2. Minnesota Statutes 2022, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to participate as members of the association with retirement coverage by the general employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire ~~retirement~~ plan:

(1) persons whose ~~annual~~ salary from one governmental subdivision never exceeds ~~an amount, stipulated in writing in advance, of $5,100 if the person is not a school district employee or $3,800 if the person is a school year employee. If annual compensation from one governmental subdivision to an employee exceeds the stipulated amount in a calendar year or a school year, whichever applies, after being stipulated in advance not to exceed the applicable amount, the stipulation is no longer valid and contributions must be made on behalf of the employee under section 353.27, subdivision 12, from the first month in which the employee received salary exceeding~~ $425 in a month;

(2) public officers who are elected to a governing body, city mayors, or persons who are appointed to fill a vacancy in an elected office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elected position;

(3) election judges and persons employed solely to administer elections;

(4) patient and inmate personnel who perform services for a governmental subdivision;

(5) except as otherwise specified in subdivision 12a, employees who are employed solely in a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days of that resignation in the same governmental subdivision;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster, but if the person becomes a probationary or provisional employee within the same pay period, other than on a temporary basis, the person is a "public employee" retroactively to the beginning of the pay period;

(7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, or the St. Paul Teachers Retirement Fund Association, but this exclusion must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time, and a person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement plan on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

(8) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) persons who are:

(i) employed by a governmental subdivision who have not reached the age of 23 and who are enrolled on a full-time basis to attend or are attending classes on a full-time basis

at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or at a public or charter high school;

(ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist interns and are serving in a degree or residency program in a public hospital or in a public clinic; or

(iii) students who are serving for a period not to exceed five years in an internship or a residency program that is sponsored by a governmental subdivision, including an accredited educational institution;

(10) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

(11) for the first three years of employment, foreign citizens who are employed by a governmental subdivision, except that the following foreign citizens must be considered included employees under subdivision 2a:

(i) H-1B, H-1B1, and E-3 status holders;

(ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

(iii) employees legally authorized to work in the United States for three years or more; and

(iv) employees otherwise required to participate under federal law;

(12) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;

(13) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement Association and participants in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

(14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant

in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

(15) employees in the building and construction trades, as follows:

(i) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

(ii) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage under a collective bargaining agreement by the electrical workers local 110 pension plan, the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the bricklayers and allied craftworkers local 1 pension plan, the cement masons local 633 pension plan, the glaziers and glassworkers local 1324 pension plan, the painters and allied trades local 61 pension plan, or the plasterers local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(iv) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the plumbers local 34 pension plan, who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation Board, with coverage under a collective bargaining agreement by the electrical workers local 292 pension plan or the pipefitters local 539 pension plan, who were first employed before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11, section 5;

(vi) laborers and associated trades personnel employed by the city of St. Paul or Independent School District No. 625, St. Paul, who are designated as temporary employees

with coverage under a collective bargaining agreement by a multiemployer plan as defined in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018, or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter 211, article 16, section 13; and

(vii) employees who are trades employees as defined in section 356.27, subdivision 1, first hired on or after July 1, 2020, by the city of St. Paul or Independent School District No. 625, St. Paul, except for any trades employee for whom contributions are made under section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer plan as defined in section 356.27, subdivision 1;

(16) employees who are hired after June 30, 2002, solely to fill seasonal positions under subdivision 12b which are limited in duration by the employer to a period of six months or less in each year of employment with the governmental subdivision;

(17) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to up to five years, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

(18) independent contractors and the employees of independent contractors;

(19) reemployed annuitants of the association during the course of that reemployment;

(20) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof;

(21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 and who are, by virtue of that employment, members of the International Brotherhood of Teamsters Central States pension plan; and

(22) persons employed by the Duluth Transit Authority or any subdivision thereof who are members of the Teamsters General Local Union 346 and who are, by virtue of that employment, members of the Central States Southeast and Southwest Areas Pension Fund.

(b) Any person performing the duties of a public officer in a position defined in subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an employee of an independent contractor.

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

Sec. 3. Minnesota Statutes 2022, section 353.01, subdivision 15, is amended to read:

Subd. 15. **Dependent child.** For the purpose of survivor benefit eligibility ~~under sections 353.31, subdivision 1, and 353.657, subdivision 3~~, "dependent child" means:

(1) a biological or adopted child of a deceased member who is unmarried~~,~~ and ~~under~~ has not reached the age of ~~18, or age 18 to~~ 23~~, so long as the child submits evidence of full-time enrollment in an accredited educational institution. "Dependent child" also includes~~;

(2) a child of the member conceived during the member's lifetime and born after the member's death~~. It also means~~, unless a parent-child relationship does not exist under section 524.2-120, subdivision 10; and

(3) a ~~dependent~~ child who has not reached the age of 23 and is the subject of adoption proceedings filed by a member~~,~~ and who, within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member~~; subject, however, to the qualifying conditions of age and dependency under this subdivision~~. The ~~dependency of the~~ child ~~dates from~~ is a dependent child effective on the date of the decree of adoption. ~~"Dependent child" also includes a child age 18 to 23 who had submitted evidence of full-time enrollment in an accredited educational institution but was determined to be medically unable to continue school on a full-time basis. The board of trustees shall adopt written procedures to make determinations regarding eligibility based on a student being medically unable to continue school, and may not continue a benefit for medical reasons for a period greater than one year.~~

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

Sec. 4. Minnesota Statutes 2022, section 353.0162, is amended to read:

**353.0162 SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED SALARY.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them, unless the context clearly indicates another meaning is intended.

(b) "Differential salary credit" is the difference between the salary received by the member during a period of reduced salary as described in subdivision 2 and the salary of the member, excluding overtime, on which contributions to the applicable plan would have

been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.

(c) "Reporting period" means a school year, for school year employees, or a calendar year, for all other employees, during which a member has a period of reduced salary.

Subd. 2. **Salary credit purchase permitted.** ~~(a)~~ A member may purchase differential salary credit ~~as described in paragraph (c)~~ for a period of reduced salary ~~as described in paragraph (b)~~.

~~(b)~~ The period of reduced salary must be a period occurring entirely within one school year, for school year employees, or one calendar year, for all other employees, during which the member receives no salary or a reduced salary from the employer while the member is:

(1) receiving workers' compensation payments related to the member's service to the public employer;

(2) on an authorized leave of absence;

(3) on an authorized leave of absence as a result of a budgetary or salary savings program offered or mandated by a governmental subdivision, if certified to the executive director by the governmental subdivision; or

(4) on a periodic, repetitive leave that is offered to all employees of a governmental subdivision where the leave program is certified by the employer to the association as one that does not exceed 208 hours during the school year or calendar year, as applicable.

~~(c) Differential salary credit is the difference between the salary received by the member during a period of reduced salary specified in paragraph (b) and the salary of the member, excluding overtime, on which contributions to the applicable plan would have been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.~~

Subd. 3. **Payment amount.** ~~(d)~~ (a) To receive differential salary credit, the member shall pay the plan, by delivering payment to the executive director, an amount equal to:

(1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65, subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary amount;

(2) plus an employer equivalent payment equal to the applicable employer contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as applicable, multiplied by the differential salary amount;

(3) plus, if applicable, an equivalent employer additional amount equal to the additional employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential salary amount.

~~(c)~~ (b) The employer, by appropriate action of its governing body and documented in its official records, may pay on behalf of the member the amounts determined under paragraph ~~(d)~~ (a), clauses (2) and (3), as applicable, plus interest under paragraph ~~(f)~~ (c). However, if the period of reduced salary is a periodic, repetitive leave under ~~paragraph (b)~~ subdivision 2, clause (4), then the employer must pay on behalf of the member the amount determined under paragraph ~~(d)~~ (a), clauses (2) and (3), as applicable, plus interest under paragraph ~~(f)~~ (c).

~~(f)~~ (c) Payment under this section must include interest on the contribution amount or amounts, whichever applies, at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, prorated for the number of months, if less than 12 months, from the end of the school year or calendar year, as applicable, until full payment is received by the executive director.

Subd. 4. **Timing of required payment.** Payment under this section must be completed ~~by the earliest of: (1) six months after termination of public service by the employee under section 353.01, subdivision 11a; (2)~~ no later than one year after the ~~termination~~ end of ~~the~~ each reporting period ~~of reduced salary specified in paragraph (b); or(3) six months after the commencement of a disability benefit~~.

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

Sec. 5. Minnesota Statutes 2022, section 353.031, subdivision 10, is amended to read:

Subd. 10. **Restoring forfeited service and salary credit.** ~~(a)~~ To restore forfeited service and salary credit, a repayment of a refund must be made within six months after the effective date of disability benefits or within six months after the date of the filing of the disability application, whichever is later~~.~~

~~(b)~~, except ~~for~~ that the salary credit purchase for periods of reduced salary must be made as authorized under section 353.0162~~, paragraph (b), clause (1), no purchase of prior service or payment made in lieu of salary deductions otherwise authorized under section 353.01 or 353.0162 may be made after the occurrence of the disability for which an application is filed under this section~~.

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

Sec. 6. Minnesota Statutes 2022, section 353.32, subdivision 1c, is amended to read:

Subd. 1c. **Dependent child survivor coverage.** If ~~there is~~ a deceased member has no surviving spouse eligible for benefits under subdivision 1a, ~~a~~ the member's dependent child ~~or children~~ as defined in section 353.01, subdivision ~~15a~~ 15, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age ~~20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years~~ 23. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 1a using the age of the member and the age of the dependent child at the date of the member's death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child ~~shall~~ must receive a proportionate share of the actuarial value of the ~~employee's account~~ 100 percent optional annuity.

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

Sec. 7. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 1a. **Fund.** "Fund" means the public employees local government correctional service retirement fund.

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

Sec. 8. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 2a. **Member.** "Member" means an individual identified as a member under section 353E.02, for whom retirement coverage is provided by the plan.

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

Sec. 9. Minnesota Statutes 2022, section 353E.001, is amended by adding a subdivision to read:

Subd. 3a. **Plan.** "Plan" means the public employees local government correctional service retirement plan.

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

Sec. 10. Minnesota Statutes 2022, section 353E.07, subdivision 3, is amended to read:

Subd. 3. **Election; accrual.** A surviving spouse election under subdivisions 1 and 2 may be made at any time after the date of death of ~~the local government correctional service employee~~ a member. The surviving spouse benefit begins to accrue as of the first of the next month following the date on which the application for the benefit was filed.

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

Sec. 11. Minnesota Statutes 2022, section 353E.07, subdivision 4, is amended to read:

Subd. 4. **Surviving spouse coverage; term certain.** In lieu of the 100 percent optional annuity under subdivision 1, the surviving spouse of a deceased ~~local government correctional service employee~~ member may elect to receive survivor coverage in a term certain of ten, 15, or 20 years. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1 and must be based on tables approved by the actuary retained under section 356.214. The optional annuity ceases upon the expiration of the term certain period. If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

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

Sec. 12. Minnesota Statutes 2022, section 353E.07, subdivision 5, is amended to read:

Subd. 5. **Dependent child survivor coverage.** If ~~there is~~ a deceased member has no surviving spouse eligible for benefits under subdivisions 1, 2, and 4, ~~a~~ the member's dependent child as defined in section 353.01, subdivision ~~15a~~ 15, is eligible for a ~~dependent child~~ survivor benefit. Benefits to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age ~~20 if the child is under age 15 on the date of death. If the child is 15 years or older on the date of death, the benefit is payable for five years~~ 23. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent joint and survivor optional annuity using the age of the ~~employee~~ member and the age of the dependent child at the date of the member's death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child ~~shall~~ must receive a proportionate share of the actuarial value of the ~~employee's account~~ 100 percent joint and survivor optional annuity, with the amount of the benefit payable to each child to be determined based on the portion of the total eligibility period that each child is eligible. The process for calculating the ~~dependent child~~ survivor benefit must be approved by the actuary retained under section 356.214.

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

Sec. 13. **REVISOR INSTRUCTION.**

In Minnesota Statutes, sections 353E.01 to 353E.08, the revisor of statutes shall change the terms "public employees local government correctional service retirement fund" to "fund" and "an employee covered under section 353E.02" to "member" and "local government correctional employee" to "member" and "public employees local government correctional service retirement plan" to "plan" wherever the terms appear in statutes. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes.

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

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 353.01, subdivision 15a, is repealed.

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

## ARTICLE 3
## PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 2022, section 353D.01, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** Unless the context clearly indicates that a different meaning is intended, the terms defined in this subdivision, for the purposes of this chapter, have the meanings given:

(1) "association" means the public employees retirement association; and

(2) "plan" means the public employees defined contribution plan.

Sec. 2. Minnesota Statutes 2022, section 353D.01, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Eligibility to participate in the ~~defined contribution~~ plan is available to:

(1) any elected or appointed local government ~~officials~~ official of a governmental subdivision who ~~elect~~ elects to participate in the plan under section 353D.02, subdivision 1, and who, for the ~~elected~~ service rendered to a governmental subdivision, ~~are~~ is not

~~members~~ a member of the ~~Public Employees Retirement~~ association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7;

(3) basic and advanced life-support emergency medical service personnel who are employed by any public ambulance service that elects to participate under section 353D.02, subdivision 3;

(4) members of a municipal rescue squad associated with the city of Litchfield in Meeker County, or of a county rescue squad associated with Kandiyohi County, if an independent nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan;

(5) employees of the Port Authority of the city of St. Paul who elect to participate in the plan under section 353D.02, subdivision 5, and who are not members of the ~~Public Employees Retirement~~ association under section 353.01, subdivision 7;

(6) city managers who elected to be excluded from the general employees retirement plan of the ~~Public Employees Retirement~~ association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b);

(7) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the ~~public employees~~ police and fire retirement plan and who are not covered by a volunteer firefighters relief association and who elect to participate in the public employees defined contribution plan;

(8) elected county sheriffs who are former members of the police and fire plan and who are receiving a retirement annuity as provided under section 353.651; and

(9) persons ~~who are excluded from membership under section 353.01, subdivision 2b, paragraph (a), clause (23)~~ appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

~~(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Service as an elected local government official only includes service for the governmental subdivision for which the official was~~

~~elected by the public at large. Service as an elected local government official ceases and eligibility to participate terminates when the person ceases to be an elected official. An elected local government official does not include an elected county sheriff who must be a member of the police and fire plan as provided under chapter 353.~~

~~(c)~~ (b) Individuals otherwise eligible to participate in the plan under this subdivision who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

~~(d)~~ (c) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

Sec. 3. Minnesota Statutes 2022, section 353D.02, subdivision 1, is amended to read:

Subdivision 1. ~~**Elected**~~ **Local government officials.** Eligible elected or appointed local government officials may elect to participate in the defined contribution plan after being elected or appointed to ~~elective~~ public office by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the ~~elected~~ official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application or contributions are received in the office of the association, whichever is received first, provided further that the membership application is received by the association within 60 days of the receipt of the contributions. An election to participate in the plan is revocable during incumbency.

Sec. 4. Minnesota Statutes 2022, section 353D.03, subdivision 1, is amended to read:

Subdivision 1. **Contributions for eligible participants.** (a) The following classes of eligible participants who elect to participate in the public employees defined contribution plan under section 353D.02 shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10:

(1) ~~elected~~ local government officials;

(2) physicians; and

(3) persons who are excluded from membership under section 353.01, subdivision 2b, paragraph (a), clause (23).

(b) A participant's governmental subdivision shall contribute a matching amount.

Sec. 5. **REINSTATEMENT OF APPOINTED OFFICIALS; RESUMPTION OF CONTRIBUTIONS.**

Subdivision 1. **Reinstatement of appointed officials, election not to participate, and make-up contributions.** (a) Any local government official whose participation in the public employees defined contribution plan under Minnesota Statutes, chapter 353D, ceased on or after January 1, 2020, and before the effective date of this section because the official's position changed from an elected position to an appointed position, may participate in the plan upon the effective date of this section by providing notice to the governing body of the local government no later than 30 days after the effective date of this section.

(b) For any official who elects to participate under paragraph (a):

(1) the local government must contribute, no later than 60 days after the effective date of this section, the matching amount that the local government would have contributed under Minnesota Statutes, section 353D.03, subdivision 1, paragraph (b), for the period during which the official's participation ceased; and

(2) the official may contribute, no later than 60 days after the effective date of this section, any amount the official elects, but not to exceed the amount that the official would have contributed under Minnesota Statutes, section 353D.03, subdivision 1, paragraph (a), for the period during which the official's participation ceased.

Subd. 2. **Resumption of contributions by and for appointed officials.** Contributions required under Minnesota Statutes, section 353D.03, subdivision 1, must be made by the local government official and the local government beginning with the first full pay period following the effective date of this section for any official who resumes participation under subdivision 1, paragraph (a).

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

## ARTICLE 4

## PERA SERVICE CREDIT FOR TWO METROPOLITAN AIRPORT POLICE OFFICERS

Section 1. **TRANSFER OF PAST PERA GENERAL PLAN SERVICE CREDIT TO THE POLICE AND FIRE PLAN.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Executive director" means the executive director of the Public Employees Retirement Association.

(c) "General plan" means the general employees retirement plan of the Public Employees Retirement Association.

(d) "Police and fire plan" means the police and fire retirement plan of the Public Employees Retirement Association.

(e) "Service credit" means time credited as allowable service under Minnesota Statutes, section 353.01, subdivision 16, and credit for salary earned during that time.

(f) "Transfer period" means the period beginning May 2, 2005, and ending October 28, 2005.

Subd. 2. **Authorization.** Notwithstanding any state law to the contrary, an eligible person described in subdivision 3 who makes a payment to the police and fire retirement fund, as permitted under subdivision 4, on or before one year following the effective date of this section is entitled to have:

(1) the employer payment made on the eligible person's behalf under subdivision 5; and

(2) applicable past service credit transferred from the general plan to the police and fire plan for the transfer period under subdivision 6.

Subd. 3. **Eligible person.** (a) An eligible person is a person described in paragraph (b) or (c).

(b) An eligible person is a person who:

(1) was born on July 2, 1982;

(2) was hired as a full-time police officer by the Metropolitan Airports Commission on May 2, 2005; and

(3) was erroneously credited with allowable service in the general plan instead of the police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

(c) An eligible person is a person who:

(1) was born on April 18, 1982;

(2) was hired as a full-time police officer by the Metropolitan Airports Commission on May 2, 2005; and

(3) was erroneously credited with allowable service in the general plan instead of the police and fire plan for the period beginning May 2, 2005, and ending October 28, 2005.

Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive director the difference between the employee contribution rate for the general plan and the employee contribution rate for the police and fire plan for the transfer period. The difference between the two rates must be applied to the eligible person's salary at the time that each contribution would have been deducted from pay if the eligible person had been covered by the police and fire plan for the transfer period. The payment must include interest at the applicable annual interest rate or rates that applied for each period listed in Minnesota Statutes, section 354.49, subdivision 2, calculated from the date that each contribution would have been deducted to the date that payment is made.

(b) The payment under paragraph (a) must be made in a lump sum no later than one year following the effective date. Upon receipt of payment, the executive director must notify the Metropolitan Airports Commission that the payment was made and of the amount owed under subdivision 5.

Subd. 5. **Payment by the Metropolitan Airports Commission.** If an eligible person makes the payment under subdivision 4, the Metropolitan Airports Commission, on behalf of the eligible person, must pay to the Public Employees Retirement Association the actuarial present value of the additional benefit resulting from the transferred service credit less the payment made under subdivision 4. This amount must be paid by the department in a lump sum within 30 days after the date on which the executive director notifies the Metropolitan Airports Commission under subdivision 4.

Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions 4 and 5 are made, the executive director must transfer assets from the general employees retirement fund to the police and fire retirement fund in an amount equal to the actuarial present value of the benefits earned by the eligible person under the general plan during the transfer period. The transfer of assets must be made within 15 days after receipt of the payments under subdivisions 4 and 5.

(b) Upon transfer of the assets under paragraph (a), the eligible person shall have service credit in the police and fire plan and no service credit in the general plan for the transfer period.

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

## ARTICLE 5

## TEACHERS RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 2022, section 354.06, subdivision 2, is amended to read:

Subd. 2. **President; executive director.** The board ~~shall~~ must annually elect one of its members as president. It ~~shall~~ must elect an executive director. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The salary of the executive director must not exceed the limit for a position listed in section 15A.0815, subdivision 2. The executive director shall serve ~~during~~ at the pleasure of the board and be the executive officer of the board, with ~~such~~ the duties prescribed in subdivision 2a and any additional duties ~~as~~ that the board ~~shall~~ may prescribe. The board ~~shall~~ must employ all other clerks and employees necessary to properly administer the association. ~~The cost and expense of administering the provisions of this chapter shall be paid by the association.~~ The board ~~shall~~ must appoint an executive director on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The executive director ~~shall~~ must have had at least five years of experience ~~on the administrative staff of a major~~ in either an executive-level management position or in a position with responsibility for the governance, management, or administration of a retirement ~~system~~ plan.

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

## ARTICLE 6

## ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION

Section 1. **[354A.25] AUTHORITY TO ELECT A SURVIVOR ANNUITY FOR A SAME-SEX SPOUSE.**

Subdivision 1. **Authorization.** Notwithstanding any law or bylaws to the contrary, an eligible person, as defined in subdivision 2, is authorized to file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity and designate a beneficiary who is the same sex as the eligible person if the eligible person had not previously been allowed to designate a same-sex spouse because the law or bylaws did not permit the designation of a same-sex spouse.

Subd. 2. **Definitions.** For the purposes of this section, the following definitions apply, unless the context clearly indicates another meaning is intended.

(a) "Eligible person" means a person who:

(1) was formerly a basic member as defined under section 354A.011, subdivision 8, or a coordinated member, as defined under section 354A.011, subdivision 11, of the St. Paul Teachers Retirement Fund Association;

(2) retired before August 1, 2013, and is receiving a retirement annuity;

(3) was unmarried at the time of retirement due to the lack of full recognition of same sex marriages under state law; and

(4) had a same-sex spouse at the time of retirement who has continued to be the eligible person's same-sex spouse until the time of the filing of the amended benefit election under subdivision 3.

(b) "Same-sex spouse" means a spouse of the same sex as the eligible person who otherwise satisfies the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers Retirement Fund Association. Before August 1, 2013, a same-sex spouse is an individual in a relationship with the eligible person that would have caused the individual to satisfy the eligibility requirements to receive spousal benefits under the basic plan or coordinated plan of the St. Paul Teachers Retirement Fund Association had the individual and eligible person been permitted to marry under state law.

Subd. 3. **Right to elect a joint and survivor annuity for a same-sex spouse.** (a) An eligible person may file an amended benefit election to change the eligible person's retirement annuity to a joint and survivor annuity that will pay an annuity for the life of the eligible person and a survivor annuity for the life of the eligible person's same-sex spouse.

(b) To file an amended benefit election, the eligible person must file an election in the form requested by the executive director of the St. Paul Teachers Retirement Fund Association and must designate the same-sex spouse as the primary designated beneficiary.

Subd. 4. **Eligible persons who are members of the coordinated plan.** If the eligible person is a member of the coordinated plan of the St. Paul Teachers Retirement Fund Association, the executive director will recalculate the eligible person's benefit based on the amended benefit election and notify the eligible person of the amount that was overpaid plus interest since the commencement of the retirement annuity. The overpayment plus interest must be recovered in accordance with section 354A.12, subdivision 7, by reducing future monthly pension payments.

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

## ARTICLE 7

## TRANSFERS FROM THE MINNESOTA STATE IRAP TO TRA

Section 1. **ALLOWING TRANSFERS FROM THE IRAP TO TRA FOR FOUR FOND DU LAC COLLEGE EMPLOYEES.**

Subdivision 1. **Authorization.** Notwithstanding any provision of law to the contrary, an eligible person described in subdivision 2 is authorized to become a member of the Teachers Retirement Association and to receive service and salary credit in the Teachers Retirement Association upon making an election and the contribution required under subdivision 3.

Subd. 2. **Eligible person.** (a) An eligible person is a person described in paragraph (b), (c), (d), or (e).

(b) An eligible person is a person who:

(1) was born on June 14, 1969;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on December 13, 2017, by the Fond du Lac Tribal and Community College as an eLearning support specialist, with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2017, section 354B.21.

(c) An eligible person is a person who:

(1) was born on October 9, 1992;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on June 12, 2019, by the Fond du Lac Tribal and Community College as the Nandagikendan (Seek to Learn) Academy director with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2019, section 354B.211.

(d) An eligible person is a person who:

(1) was born on November 12, 1983;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on February 18, 2020, by the Fond du Lac Tribal and Community College as a youth education outreach coordinator with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2020, section 354B.211.

(e) An eligible person is a person who:

(1) was born on September 3, 1982;

(2) is employed by a Minnesota state college or university or the Board of Trustees of the Minnesota State Colleges and Universities;

(3) was first employed on June 11, 2018, by the Fond du Lac Tribal and Community College as a farm manager with retirement coverage in the higher education individual retirement account plan; and

(4) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2018, section 354B.21.

Subd. 3. **Election, transfer, and payment.** (a) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include documentation demonstrating that the person is an eligible person under subdivision 2 and any other relevant information that the executive director may require.

(b) Membership in the Teachers Retirement Association commences after the date the executive director receives the retirement coverage election and information described under paragraph (a) and the contribution specified under paragraph (c), if any. Upon membership commencement, the executive director must grant past service and salary credit for employment with a Minnesota state college or university from the date the eligible person was first employed as described under subdivision 2.

(c) If the eligible person makes the retirement coverage election under paragraph (a), the eligible person must make a contribution to the Teachers Retirement Association equal to the excess, if any, of the employee contributions that the eligible person would have made if covered by the Teachers Retirement Association for the period of past service and salary for which credit is to be granted under paragraph (b) over the employee contributions that

the eligible person made to the higher education individual retirement account plan for the same period of past service and salary. The executive director of the Teachers Retirement Association must determine the amount to be contributed under this paragraph and notify the eligible person of the amount required and options for making the payment.

(d) Upon the election of retirement coverage under paragraph (a) and payment of the contribution under paragraph (c), if a contribution is required, the value of the eligible person's account in the higher education individual retirement account plan must be transferred to the Teachers Retirement Association.

(e) Upon receipt of the amount transferred under paragraph (d), the Teachers Retirement Association shall determine the required purchase payment amount calculated under Minnesota Statutes, section 356.551, as if the coverage election was a prior service credit purchase.

(f) From the amount calculated under paragraph (e), the executive director of the Teachers Retirement Association must subtract the amounts received under paragraphs (c) and (d). The Board of Trustees of the Minnesota State Colleges and Universities must transmit the remaining amount, if any, to the executive director of the Teachers Retirement Association within 60 days following the receipt of the amount transferred under paragraph (d).

Subd. 4. **Expiration.** The authority to make a retirement coverage election under this section expires one year from the effective date of this section.

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

Sec. 2. **ALLOWING TRANSFER FROM THE IRAP TO TRA FOR ONE MINNESOTA STATE EMPLOYEE.**

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is authorized to become a member of the Teachers Retirement Association and to receive service and salary credit in the Teachers Retirement Association from May 28, 2008, upon making an election under paragraph (c) and upon making the required contribution under paragraph (e).

(b) An eligible person is a person who:

(1) was born on July 11, 1950;

(2) was first employed on May 28, 2008, in the Minnesota State system office in the city of St. Paul as an academic program director and, on December 31, 2022, was employed

as the system director for Academic Programs, Planning, and Transfer, with retirement coverage in the higher education individual retirement account plan; and

(3) was not offered an election to be covered by the Teachers Retirement Association as authorized by Minnesota Statutes 2008, section 354B.21.

(c) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include documentation demonstrating that the person is an eligible person under paragraph (b) and any other relevant information that the executive director may require.

(d) Membership in the Teachers Retirement Association commences after the date the executive director receives (1) the retirement coverage election, including information described in paragraph (c), and (2) the contribution specified in paragraph (e). Upon membership commencement, the executive director must grant past service and salary credit for employment with Minnesota State from May 28, 2008.

(e) If the eligible person makes the retirement coverage election under paragraph (c), the eligible person must make a contribution to the Teachers Retirement Association equal to the excess, if any, of the employee contributions that the eligible person would have made if covered by the Teachers Retirement Association for the period of past service and salary for which credit is to be granted under paragraph (d) over the employee contributions that the eligible person made to the higher education individual retirement account plan for the same period of past service and salary. The executive director of the Teachers Retirement Association must determine the amount to be contributed under this paragraph and notify the eligible person of the amount required and options for making the payment.

(f) If payment is made under paragraph (e), the value of the eligible person's account in the higher education individual retirement account plan must be transferred to the Teachers Retirement Association.

(g) Upon receipt of the amount transferred under paragraph (f), the Teachers Retirement Association shall determine the required purchase payment amount calculated under Minnesota Statutes, section 356.551, as if the coverage election was a purchase of prior service credit.

(h) From the amount calculated under paragraph (g), the executive director of the Teachers Retirement Association must subtract the amounts received under paragraphs (e) and (f). The Board of Trustees of the Minnesota State Colleges and Universities must transmit the

remaining amount, if any, to the executive director of the Teachers Retirement Association within 60 days following the receipt of the amount transferred under paragraph (f).

(i) An eligible person's authority to make a retirement coverage election under this section expires one year from the effective date of this section.

(j) An eligible person may elect coverage by the Teachers Retirement Association under paragraph (c) during or after the eligible person's employment with the Minnesota State Colleges and Universities, as long as the eligible person has not withdrawn or taken a distribution of all or any portion of the eligible person's account in the higher education individual retirement account plan.

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

Sec. 3. **WORK GROUP ON IRAP TO TRA TRANSFERS.**

Subdivision 1. **Work group established.** The executive director of the Legislative Commission on Pensions and Retirement must convene a work group for the purpose of recommending legislation to end the need for special legislation permitting participants in the higher education individual retirement account plan to transfer to the Teachers Retirement Association because the participant was not aware or did not receive notice of the right to elect a transfer when the participant was eligible to elect a transfer under applicable law.

Subd. 2. **Membership.** (a) The work group must consist of at least the following:

(1) representatives from Minnesota State Colleges and Universities;

(2) representatives from the Teachers Retirement Association;

(3) one representative from the Inter Faculty Organization (IFO);

(4) one representative from the Minnesota State College Faculty (MSCF); and

(5) one representative from the Minnesota Association of Professional Employees (MAPE).

(b) The executive director may invite others to participate in one or more meetings of the work group.

(c) The organizations specified in paragraph (a) must provide the executive director with the names and contact information for the representatives who will serve on the work group by June 15, 2023.

Subd. 3. **Scope.** (a) The work group must recommend legislation or alternatives for legislation that:

(1) address the cost of the transfers to the Teachers Retirement Association and the Minnesota State Colleges and Universities;

(2) end the need for participants in the higher education individual retirement account plan to seek special legislation permitting them to transfer to the Teachers Retirement Association;

(3) would have authorized the transfer election by all individuals covered by special legislation in the last ten legislative sessions had the recommended legislation been enacted 11 years ago;

(4) require the administration of Minnesota State Colleges and Universities to conduct outreach to all facilities and plan participants to inform them about the opportunity to transfer to the Teachers Retirement Association and the procedure for doing so;

(5) require an annual report to the Legislative Commission on Pensions and Retirement from the appropriate human resources manager at Minnesota State Colleges and Universities and the executive director of the Teachers Retirement Association on the number of employees who elected a transfer during the prior twelve-month period under the legislation and, for each employee, the cost of the transfer to the employee and Minnesota State Colleges and Universities and the actuarial cost of the employee's pension benefit at the time of the transfer as calculated by the Teachers Retirement Association; and

(6) must not increase the unfunded liability of the Teachers Retirement Association.

(b) The recommendation must be accompanied by estimates prepared by representatives of the Minnesota State Colleges and Universities of the number of participants in the higher education individual retirement account plan who are eligible for a transfer under the recommended legislation and the cost to the Minnesota State Colleges and Universities if the eligible participants elect the transfer.

Subd. 4. **Due date for submitting recommendation to the commission.** The executive director must submit the recommendation of the work group to the chair of the Legislative Commission on Pensions and Retirement by January 5, 2024.

Subd. 5. **Meetings.** (a) The executive director must convene the first meeting of the work group by August 1, 2023, and will serve as chair.

(b) Meetings may be conducted remotely or in-person or a combination of remote and in-person.

(c) In-person meetings will be held in the offices of the Legislative Coordinating Commission.

Subd. 6. **Compensation; lobbying; retaliation.** (a) Members of the work group serve without compensation.

(b) Participation in the work group is not lobbying under Minnesota Statutes, chapter 10A.

(c) An individual's employer or an association of which an individual is a member must not retaliate against the individual because of the individual's participation in the work group.

Subd. 7. **Administrative support.** Commission staff must provide administrative support for the work group.

Subd. 8. **Expiration.** The work group expires June 30, 2024.

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

## ARTICLE 8
## SERVICE CREDIT PURCHASES FOR PERIODS OF MILITARY LEAVE

Section 1. Minnesota Statutes 2022, section 354.53, subdivision 3, is amended to read:

Subd. 3. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the Teachers Retirement Association during the period which begins with the date on which the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph (a) is less than ~~one year~~ three years, the contributions required under this section to receive service credit may be made within ~~one year~~ three years from the discharge date.

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

Sec. 2. Minnesota Statutes 2022, section 354A.093, subdivision 4, is amended to read:

Subd. 4. **Eligible payment period.** (a) To receive service credit under this section, the contributions specified in this section must be transmitted to the St. Paul Teachers Retirement Fund Association during the period which begins with the date the individual returns to teaching service and which has a duration of three times the length of the uniformed service period, but not to exceed five years.

(b) Notwithstanding paragraph (a), if the payment period determined under paragraph (a) is less than ~~one year~~ three years, the contributions required under this section to receive service credit may be made within ~~one year~~ three years from the discharge date.

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

## ARTICLE 9

## ANNUAL LIMIT ON PUBLIC FUNDS CONTRIBUTED TO TWO MULTIEMPLOYER PENSION PLANS

Section 1. Minnesota Statutes 2022, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) to a deferred compensation plan defined in subdivision 3;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of $2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~$7,000~~ $10,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~$5,000~~ $10,000 per year per employee;

(11) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of $5,000 per year per employee;

(12) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a;

(13) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5; or

(14) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment.

## ARTICLE 10

## VESTING UNDER THE PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN

Section 1. Minnesota Statutes 2022, section 353G.01, subdivision 8, is amended to read:

Subd. 8. **Member.** "Member" means an individual who is or was a volunteer firefighter ~~who provides active~~ providing service to a ~~municipal fire department~~ municipality or an

independent nonprofit firefighting corporation ~~where the applicable municipality or corporation~~ that has elected coverage by the ~~retirement~~ plan under section 353G.05, and ~~which~~ whose service is covered by the ~~retirement~~ plan.

Sec. 2. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to read:

Subd. 12a. **Service credit.** "Service credit" means the period of service rendered by a volunteer firefighter that is certified under section 353G.07 by the fire chief of the fire department in which the volunteer firefighter serves. A volunteer firefighter's service credit equals all periods of service with any fire department covered by the plan.

Sec. 3. Minnesota Statutes 2022, section 353G.01, is amended by adding a subdivision to read:

Subd. 14a. **Vesting service credit.** "Vesting service credit" means service credit plus any earlier period of service rendered as a volunteer firefighter in a fire department in the state that was not covered by the plan at the time the service was rendered. The earlier period of service must be certified by the fire chief of the fire department covered by the plan in a manner similar to the requirements of section 353G.07. The volunteer firefighter must provide documentation in a form acceptable to the executive director regarding the earlier period of service.

Sec. 4. Minnesota Statutes 2022, section 353G.01, subdivision 15, is amended to read:

Subd. 15. **Volunteer firefighter.** "Volunteer firefighter" means a person who is an active member of ~~a municipal~~ the fire department of a municipality or an independent nonprofit firefighting corporation and who, in that capacity, engages in fire suppression activities, provides emergency response services, or delivers fire education or prevention services on an on-call basis.

Sec. 5. Minnesota Statutes 2022, section 353G.09, subdivision 1, is amended to read:

Subdivision 1. **Entitlement.** (a) A member ~~of~~ with at least one year of service credit with a fire department with active firefighters that are covered by the ~~retirement~~ plan is entitled to a ~~service pension~~ retirement benefit as defined in subdivision 1a from the ~~retirement~~ fire department's account in the plan if the member:

(1) has separated from active service with the fire department for at least 30 days;

(2) has attained the age of at least 50 years;

(3) has satisfied the minimum service requirement in paragraph (b) or (c), as applicable; and

(4) applies in a manner prescribed by the executive director ~~for the service pension~~.

(b) ~~A~~ If the member is a member of the lump-sum division, the member satisfies the minimum service requirement if the member ~~meets at least one of the following requirements:~~ is at least 40 percent vested as determined under subdivision 2.

~~(1) the member is at least 40 percent vested based on years of service as a member of the retirement plan;~~

~~(2) the member is at least 40 percent vested based on years of service with the fire department and the total number of years of service as a member of the former affiliated relief association plus years of service as a member of the retirement plan is at least five; or~~

~~(3)~~ (c) If the member is a member of the monthly benefit division, the member satisfies the minimum service requirement if the member has completed at least the minimum number of years of service ~~as a member of the retirement plan~~ specified in the retirement benefit plan document ~~attributable to the applicable fire department if the person is a member of the monthly benefit retirement division~~ applicable to the member.

Sec. 6. Minnesota Statutes 2022, section 353G.09, is amended by adding a subdivision to read:

Subd. 1a. **Retirement benefit.** (a) A volunteer firefighter who is entitled to a service pension under subdivision 1 must receive a retirement benefit under subdivision 1, paragraph (a) or (b), as applicable.

(b) The retirement benefit of a member of the lump-sum division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the service pension level applicable to the member under section 353G.11, multiplied by the member's vested percentage under subdivision 2.

(c) The retirement benefit of a member of the monthly benefit division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the service pension level applicable to the member under section 353G.112, multiplied by the member's vested percentage under subdivision 2.

Sec. 7. Minnesota Statutes 2022, section 353G.09, subdivision 2, is amended to read:

Subd. 2. **~~Vesting schedule; nonforfeitable portion of service pension~~ Vested percentage.** A member of the plan has a nonforfeitable right to a retirement benefit, up to the percent vested. The member's vested percentage is determined under paragraph (a), (b), or (c), as applicable.

(a) ~~Except as provided in paragraphs (c) and (d), an active~~ If the member is a member of the lump-sum ~~retirement~~ division ~~is entitled to a service pension~~ and employed in a fire department that joined the plan before January 1, 2023, the member's vested percentage is equal to the ~~nonforfeitable~~ percentage that corresponds to the number of ~~the applicable service pension amount, taking into account~~ years of vesting service ~~as a member of the retirement plan plus years of service as a member of the former affiliated relief association, if any,~~ credit, as follows:

| Completed years of service credit | ~~Nonforfeitable~~ Vested percentage ~~of the service pension~~ |
|---|---|
| less than 5 | 0 percent |
| 5 | 40 percent |
| 6 | 44 percent |
| 7 | 48 percent |
| 8 | 52 percent |
| 9 | 56 percent |
| 10 | 60 percent |
| 11 | 64 percent |
| 12 | 68 percent |
| 13 | 72 percent |
| 14 | 76 percent |
| 15 | 80 percent |
| 16 | 84 percent |
| 17 | 88 percent |
| 18 | 92 percent |
| 19 | 96 percent |

(b) If the member is a member of the lump-sum division and employed in a fire department that joined the retirement plan on or after January 1, 2023, the member's vested percentage is equal to the percentage determined by applying the vesting schedule selected in the request for coverage under section 353G.05, subdivision 1a, taking into account years of vesting service credit.

(c) If ~~an active~~ the member is a member of the monthly benefit retirement division and has completed 20 years of service as a member of the plan, the member is 100 percent vested. If the member has completed less than 20 years of service ~~credit~~ as a member of the ~~monthly benefit retirement division of the~~ plan, the ~~person's entitlement to a service pension must be governed by~~ member's vested percentage is equal to the percentage determined under the retirement benefit plan document ~~attributable to the applicable fire department~~ applicable to the member.

~~(c) A person described in paragraph (d) is entitled to the vested portion of the service pension as determined by applying the vesting schedule selected in the request for coverage under section 353G.05, subdivision 1a, taking into account years of service as a member of the retirement plan plus years of service as a member of the former affiliated relief association, if any.~~

~~(d) A person is described in this paragraph if the person becomes a member of the lump-sum retirement division in connection with the transfer of coverage from a relief association to the retirement plan on or after January 1, 2023, or in connection with a municipality or independent nonprofit firefighting corporation joining the retirement plan on or after January 1, 2023.~~

Sec. 8. Minnesota Statutes 2022, section 353G.14, is amended to read:

**353G.14 ~~PURCHASE OF ANNUITY CONTRACTS~~ DISTRIBUTIONS FROM LUMP-SUM DIVISION.**

Subdivision 1. **Lump sum.** Unless a volunteer firefighter requests an annuity under subdivision 2, the executive director must distribute a lump-sum service pension in the form of a single payment from the account of each fire department covered by the plan in which the volunteer firefighter earned a retirement benefit under section 353G.09.

Subd. 2. **Annuity.** The executive director may purchase an annuity contract on behalf of a ~~retiring~~ volunteer firefighter retiring from the lump-sum ~~retirement~~ division of the ~~statewide retirement~~ plan with a total premium payment in an amount equal to the lump-sum service pension payable under section 353G.09 if the purchase was requested by the ~~retiring~~ volunteer firefighter in a manner prescribed by the executive director. The annuity contract must be purchased from an insurance carrier that is licensed to do business in this state. If purchased, the annuity contract is in lieu of any service pension or other benefit from the lump-sum retirement plan of the retirement plan. The annuity contract may be purchased at any time after the volunteer firefighter discontinues active service, but the annuity contract

must stipulate that no annuity amounts are payable before the ~~former~~ volunteer firefighter attains the age of 50.

Sec. 9. **REVISOR INSTRUCTION.**

In Minnesota Statutes, chapter 353G, the revisor of statutes shall change the terms in column A to the terms in column B wherever the terms appear.

| Column A | Column B |
|---|---|
| lump-sum retirement division | lump-sum division |
| monthly benefit retirement division | monthly benefit division |
| retirement plan | plan |

Sec. 10. **REPEALER.**

Minnesota Statutes 2022, sections 353G.01, subdivision 7; and 353G.13, are repealed.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective January 1, 2024.

## ARTICLE 11

## RELIEF ASSOCIATION REQUIREMENTS AFTER JOINING THE PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN

Section 1. Minnesota Statutes 2022, section 353G.06, subdivision 2, is amended to read:

Subd. 2. **Other relief association changes.** In addition to the transfer and disestablishment of the special fund under subdivision 1, notwithstanding any provisions of chapter 424A or 424B to the contrary, upon the effective date of the change in ~~volunteer firefighter retirement~~ coverage, if the relief association membership elects to retain the relief association as a ~~fraternal~~ nonprofit organization after the ~~benefit~~ coverage election, the following changes must be implemented with respect to the ~~applicable volunteer firefighter~~ relief association:

~~(1) the relief association board of trustees membership is reduced to five, comprised of the fire chief of the fire department and four trustees elected by and from the relief association membership;~~

~~(2) the relief association may only maintain a general fund, which continues to be governed by section 424A.06;~~

~~(3)~~ (1) the relief association is not authorized to receive ~~the proceeds of~~ any state aid or ~~to receive~~ any municipal funds; and

~~(4)~~ (2) the relief association may not pay any service pension or benefit that was not authorized as a general fund disbursement under the articles of incorporation or bylaws of the relief association in effect immediately prior to the plan coverage election process.

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

Sec. 2. Minnesota Statutes 2022, section 353G.06, subdivision 3, is amended to read:

Subd. 3. **Successor in interest.** Upon the disestablishment of the special fund of the ~~volunteer firefighter~~ relief association under this section, the ~~statewide volunteer firefighter~~ retirement plan is the successor in interest of the special fund of the ~~volunteer firefighter~~ relief association for all claims against the special fund other than a claim against the special fund, the ~~volunteer firefighter~~ relief association, the municipality, the fire department, or any person connected with the ~~volunteer firefighter~~ relief association in a fiduciary capacity under chapter 356A or common law that was based on any act or acts which were not performed in good faith and which constituted a breach of a fiduciary obligation. As the successor in interest of the special fund of the ~~volunteer firefighter~~ relief association, the ~~statewide volunteer firefighter~~ retirement plan may assert any applicable defense in any judicial proceeding which the board of trustees of the ~~volunteer firefighter~~ relief association or the municipality would have been entitled to assert.

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

## ARTICLE 12

## THRESHOLD FOR REQUIRING RELIEF ASSOCIATIONS TO FILE AUDITED FINANCIAL STATEMENTS

Section 1. Minnesota Statutes 2022, section 424A.014, subdivision 1, is amended to read:

Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited financial statements in accordance with paragraphs (c) to (e) must be submitted by the board of trustees of the Bloomington Fire Department Relief Association and the board of trustees of each ~~volunteer~~ firefighters relief association with special fund assets of at least ~~$500,000~~ $750,000 or special fund liabilities of at least ~~$500,000~~ $750,000, according to any previous year's financial report.

(b) The board of trustees of a ~~volunteer~~ firefighters relief association with special fund assets of less than ~~$500,000~~ $750,000 and special fund liabilities of less than ~~$500,000~~

$750,000, according to each previous year's financial report, may submit an annual financial report and audited financial statements in accordance with paragraphs (c) to (e).

(c) The financial report must cover the relief association's special fund and general fund and be in the style and form prescribed by the state auditor. The financial report must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is directly associated with a municipal fire department;

(2) the municipal clerk or clerk-treasurer of the largest municipality in population that contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation, and by the secretary of the independent nonprofit firefighting corporation; or

(3) the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The financial report must be retained in the office of the Bloomington Fire Department Relief Association or the volunteer firefighter relief association for public inspection and must be filed with the governing body of the government subdivision in which the associated fire department is located after the close of the fiscal year. One copy of the financial report must be furnished to the state auditor on or before June 30 after the close of the fiscal year.

(e) Audited financial statements that present the true financial condition of the relief association's special fund and general fund must be attested to by a certified public accountant or by the state auditor and must be filed with the state auditor on or before June 30 after the close of the fiscal year. Audits must be conducted in compliance with generally accepted auditing standards and section 6.65 governing audit procedures. The state auditor may accept audited financial statements in lieu of the financial report required in paragraph (a).

Sec. 2. **EFFECTIVE DATE; APPLICATION.**

This article is effective on December 31, 2023, and applies to audited financial statements for calendar year 2023 and thereafter. A relief association with special fund assets of less than $750,000 and special fund liabilities of less than $750,000 on December 31, 2023, is not required to submit audited financial statements under Minnesota Statutes, section 424A.014, subdivision 1, unless and until the association's special fund assets or special

fund liabilities exceed $750,000, even if audited financial statements were required on the date immediately prior to the effective date.

## ARTICLE 13
## HAMEL AND LORETTO RELIEF ASSOCIATIONS

Section 1. **STATEWIDE VOLUNTEER FIREFIGHTER PLAN COVERAGE FOR HAMEL AND LORETTO FIREFIGHTERS; MERGER OF ASSETS AND LIABILITIES.**

Subdivision 1. **Mid-year effective date for coverage by the statewide volunteer firefighter plan.** (a) If the requirements of paragraph (b) and all other requirements for coverage by the statewide volunteer firefighter plan under Minnesota Statutes, section 353G.05, are satisfied by the governing boards of the independent nonprofit firefighting corporation and the affiliated relief associations, the effective date of coverage is as provided in paragraph (c) or (d), as applicable, notwithstanding Minnesota Statutes, section 353G.05, subdivision 5, paragraph (c).

(b) The Hamel Volunteer Fire Department Relief Association and the Loretto Firefighters Relief Association must submit to the state auditor detailed investment or financial statements in a format satisfactory to the state auditor that confirm transfer of all special fund assets to the State Board of Investment.

(c) Coverage of the volunteer firefighters employed by the independent nonprofit firefighting corporation that operates the fire department that serves the community of Hamel is effective on the later of the date of approval by the governing board of the independent nonprofit firefighting corporation or the date of approval by the Board of Trustees of the Hamel Volunteer Fire Department Relief Association.

(d) Coverage of the volunteer firefighters employed by the independent nonprofit firefighting corporation that operates the fire department that serves the city of Loretto is effective on the later of the date of approval by the governing board of the independent nonprofit firefighting corporation or the date of approval by the Board of Trustees of the Loretto Firefighters Relief Association.

Subd. 2. **Merger of retirement accounts in the statewide volunteer firefighter plan for the Hamel and Loretto firefighters.** (a) The executive director of the public employees retirement association must merge the assets and liabilities of the lump-sum retirement plan account for the fire department that serves the community of Hamel with the assets and

liabilities of the lump-sum retirement plan account for the fire department that serves the city of Loretto upon receipt of the following:

(1) resolutions approved by the governing board of the independent nonprofit firefighting corporation associated with the fire department that serves the community of Hamel approving the merger and directing the executive director to merge the lump-sum plan accounts and take any other action determined necessary by the executive director to effectuate the merger; and

(2) resolutions approved by the governing board of the independent nonprofit firefighting corporation associated with the fire department that serves the city of Loretto approving the merger and directing the executive director to merge the lump-sum plan accounts and take any other action determined necessary by the executive director to effectuate the merger.

(b) The executive director is authorized to take whatever actions deemed necessary to effectuate the merger, notwithstanding any state laws to the contrary.

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

## ARTICLE 14

## SERVICE CREDIT TRANSFER FROM THE GENERAL STATE EMPLOYEES PLAN TO THE CORRECTIONAL STATE EMPLOYEES PLAN

Section 1. **TRANSFER OF PAST SERVICE CREDIT FROM THE MINNESOTA STATE RETIREMENT SYSTEM GENERAL PLAN TO THE MINNESOTA STATE RETIREMENT SYSTEM CORRECTIONAL PLAN.**

Subdivision 1. **Definitions.** The following terms as used in this section have the meanings given in this subdivision.

(1) "Correctional plan" means the correctional employees retirement plan of the Minnesota State Retirement System.

(2) "Executive director" means the executive director of the Minnesota State Retirement System.

(3) "General plan" means the general state employees retirement plan of the Minnesota State Retirement System.

(4) "Service credit" means time credited as allowable service under Minnesota Statutes, section 352.01, subdivision 11, to an eligible person described in subdivision 3.

(5) "Transfer period" means the period from July 8, 1998, to August 5, 2001.

Subd. 2. **Transfer of past service credit authorized.** Notwithstanding any state law to the contrary, an eligible person described in subdivision 3 who makes a payment to the correctional employees retirement fund, as permitted under subdivision 4, on or before one year following the effective date of this section is entitled to have:

(1) the employer payment made on the eligible person's behalf under subdivision 5; and

(2) applicable past service credit transferred from the general plan to the correctional plan for the transfer period under subdivision 6.

Subd. 3. **Eligible person.** An eligible person is a person who:

(1) is an employee of the Department of Corrections;

(2) on July 8, 1998, was appointed to a position with MinnCor, a position eligible to participate in the correctional plan; and

(3) from July 8, 1998, to August 5, 2001, was erroneously covered by the general plan because the department misreported the person's retirement plan eligibility to the Minnesota State Retirement System.

Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive director the difference between the employee contribution rate for the general plan and the employee contribution rate for the correctional plan for the transfer period. The difference between the two rates must be applied to the eligible person's salary at the time that each contribution would have been deducted from pay if the eligible person had been covered by the correctional plan for the transfer period. The payment must include interest at the applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 2, calculated from the date that each contribution would have been deducted to the date that the payment is made.

(b) The payment under paragraph (a) must be made in a lump sum no later than one year following the effective date. Upon receipt of the payment, the executive director must notify the commissioner of corrections that the payment was made and of the amount owed under subdivision 5.

Subd. 5. **Payment by the Department of Corrections.** If an eligible person makes the payment under subdivision 4, the Department of Corrections, on behalf of the eligible person, shall pay to the Minnesota State Retirement System the actuarial present value of the additional benefit resulting from the transferred service credit less the payment made under subdivision 4. This amount must be paid by the department in a lump sum within 30

days after the date on which the executive director notifies the commissioner of corrections under subdivision 4.

Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions 4 and 5 are made, the executive director must transfer assets from the general state employees retirement fund to the correctional employees retirement fund in an amount equal to the actuarial present value of the benefits earned by the eligible person under the general plan during the transfer period. The transfer of assets must be made within 15 days after receipt of the payments under subdivisions 4 and 5.

(b) Upon the transfer of the assets under paragraph (a), the eligible person shall have service credit in the correctional plan and no service credit in the general plan for the transfer period.

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

**353.01 DEFINITIONS.**

Subd. 15a. **Dependent child.** For the purpose of survivor benefit eligibility under section 353.32, subdivision 1c, "dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent for more than one-half of support upon the member. It also includes any child of the member conceived during the member's lifetime and born after the member's death.

**353G.01 DEFINITIONS.**

Subd. 7. **Service credit.** "Service credit" means the length of service credit for an active firefighter that is reported by the applicable fire chief based on the minimum firefighter activity standards of the fire department. The credit may be reported on an annual or monthly basis.

**353G.13 LUMP-SUM RETIREMENT DIVISION; PORTABILITY.**

Subdivision 1. **Eligibility.** An active firefighter who is a member of the lump-sum retirement division of the retirement plan who also renders firefighting service and has service credit in the lump-sum retirement division of the retirement plan from another fire department, if the number of years of service credit in the plan from a combination of nonconcurrent periods totals at least five years, is eligible, upon complying with the other requirements of section 353G.09, to receive a lump-sum service pension upon filing an application in the manner prescribed by the executive director, computed as provided in subdivision 2.

Subd. 2. **Combined service pension computation.** The lump-sum service pension payable to a firefighter who qualifies under subdivision 1 is the per year of good time lump-sum service credit service pension amount in effect for each lump-sum retirement account in which the firefighter has one or more years of service credit as of the date on which the firefighter terminated active service with the fire department associated with the applicable account, multiplied by the number of years of service credit that the firefighter has in the applicable account and adjusted for the vesting percentage based on the total number of years of service covered in the applicable accounts.

Subd. 3. **Payment.** A lump-sum service pension under this section must be paid in a single payment, with the applicable portion of the total lump-sum service pension payment amount deducted from each lump-sum retirement account.

**490.124 MATURITY OF BENEFITS; RETIREMENT AND SURVIVORS' ANNUITIES.**

Subd. 10. **Prior survivors' benefits; limitation.** (a) Benefits provided under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.1091, for a surviving spouse of a retired judge, payable after the death of the judge, are limited to spouses of judges who have retired before January 1, 1974.

(b) No other judge in office on or after January 1, 1974, is required to contribute under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.109.

H.F. No. 1486 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Marty | Port |
| Anderson | Eichorn | Johnson | Mathews | Putnam |
| Bahr | Farnsworth | Klein | Maye Quade | Rarick |
| Boldon | Fateh | Koran | McEwen | Rasmusson |
| Carlson | Frentz | Kreun | Miller | Rest |
| Champion | Green | Kunesh | Mitchell | Seeberger |
| Cwodzinski | Gruenhagen | Kupec | Mohamed | Utke |
| Dahms | Gustafson | Lang | Morrison | Weber |
| Dibble | Hauschild | Latz | Murphy | Wesenberg |
| Dornink | Hawj | Lieske | Nelson | Westlin |
| Draheim | Hoffman | Limmer | Oumou Verbeten | Westrom |
| Drazkowski | Housley | Lucero | Pappas | Wiklund |
| Duckworth | Howe | Mann | Pha | Xiong |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Fateh, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Draheim, Farnsworth, Lieske, and Miller.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 2950:** A bill for an act relating to retirement; making administrative changes to the statutes governing the retirement plans administered by the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teachers Retirement Association; amending eligibility to permit appointed local government officials to participate in the public employees defined contribution plan; permitting the transfer of service credit from the general public employees retirement plan to the public employees police and fire retirement plan for two employees of the Metropolitan Airports Commission; permitting eligible retired teachers in the St. Paul Teachers Retirement Fund Association to change the teacher's retirement annuity to an annuity that will pay a survivor annuity to a same-sex spouse; authorizing certain members of the higher education individual retirement account plan to elect Teachers Retirement Association coverage and receive retroactive service credit; extending the payment period for the purchase of service credit for periods of military service; increasing the cap on the employer contribution to certain trades' multiemployer pension plans; Public Employees Retirement Association statewide volunteer firefighter plan; modifying service counted in determining vesting in a retirement benefit, amending requirements applicable to a relief association after the affiliated fire department joins the statewide plan, and authorizing the Hamel and Loretto volunteer firefighter relief associations to join the statewide plan mid-year and merge; increasing the dollar threshold for requiring audited financial reports for volunteer firefighter relief associations; amending Minnesota Statutes 2022, sections 352B.08, subdivision 1; 353.01, subdivisions 2a, 2b, 15; 353.0162; 353.031, subdivision 10; 353.32, subdivision 1c; 353D.01, subdivision 2, by adding a subdivision; 353D.02, subdivision 1; 353D.03, subdivision

1; 353E.001, by adding subdivisions; 353E.07, subdivisions 3, 4, 5; 353G.01, subdivisions 8, 15, by adding subdivisions; 353G.06, subdivisions 2, 3; 353G.09, subdivisions 1, 2, by adding a subdivision; 353G.14; 354.06, subdivision 2; 354.53, subdivision 3; 354A.093, subdivision 4; 356.24, subdivision 1; 356.551, subdivision 2; 424A.014, subdivision 1; 490.1211; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Minnesota Statutes 2022, sections 353.01, subdivision 15a; 353G.01, subdivision 7; 353G.13; 490.124, subdivision 10.

Senator Koran moved to amend H.F. No. 2950 as follows:

Page 43, after line 14, insert:

**"ARTICLE 14**

**SERVICE CREDIT TRANSFER FROM THE GENERAL STATE EMPLOYEES PLAN TO THE CORRECTIONAL STATE EMPLOYEES PLAN**

Section 1. **TRANSFER OF PAST SERVICE CREDIT FROM THE MINNESOTA STATE RETIREMENT SYSTEM GENERAL PLAN TO THE MINNESOTA STATE RETIREMENT SYSTEM CORRECTIONAL PLAN.**

Subdivision 1. **Definitions.** The following terms as used in this section have the meanings given in this subdivision.

(1) "Correctional plan" means the correctional employees retirement plan of the Minnesota State Retirement System.

(2) "Executive director" means the executive director of the Minnesota State Retirement System.

(3) "General plan" means the general state employees retirement plan of the Minnesota State Retirement System.

(4) "Service credit" means time credited as allowable service under Minnesota Statutes, section 352.01, subdivision 11, to an eligible person described in subdivision 3.

(5) "Transfer period" means the period from July 8, 1998, to August 5, 2001.

Subd. 2. **Transfer of past service credit authorized.** Notwithstanding any state law to the contrary, an eligible person described in subdivision 3 who makes a payment to the correctional employees retirement fund, as permitted under subdivision 4, on or before one year following the effective date of this section is entitled to have:

(1) the employer payment made on the eligible person's behalf under subdivision 5; and

(2) applicable past service credit transferred from the general plan to the correctional plan for the transfer period under subdivision 6.

Subd. 3. **Eligible person.** An eligible person is a person who:

(1) is an employee of the Department of Corrections;

(2) on July 8, 1998, was appointed to a position with MinnCor, a position eligible to participate in the correctional plan; and

(3) from July 8, 1998, to August 5, 2001, was erroneously covered by the general plan because the department misreported the person's retirement plan eligibility to the Minnesota State Retirement System.

Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive director the difference between the employee contribution rate for the general plan and the employee contribution rate for the correctional plan for the transfer period. The difference between the two rates must be applied to the eligible person's salary at the time that each contribution would have been deducted from pay if the eligible person had been covered by the correctional plan for the transfer period. The payment must include interest at the applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 2, calculated from the date that each contribution would have been deducted to the date that the payment is made.

(b) The payment under paragraph (a) must be made in a lump sum no later than one year following the effective date. Upon receipt of the payment, the executive director must notify the commissioner of corrections that the payment was made and of the amount owed under subdivision 5.

Subd. 5. **Payment by the Department of Corrections.** If an eligible person makes the payment under subdivision 4, the Department of Corrections, on behalf of the eligible person, shall pay to the Minnesota State Retirement System the actuarial present value of the additional benefit resulting from the transferred service credit less the payment made under subdivision 4. This amount must be paid by the department in a lump sum within 30 days after the date on which the executive director notifies the commissioner of corrections under subdivision 4.

Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions 4 and 5 are made, the executive director must transfer assets from the general state employees retirement fund to the correctional employees retirement fund in an amount equal to the actuarial present value of the benefits earned by the eligible person under the general plan during the transfer period. The transfer of assets must be made within 15 days after receipt of the payments under subdivisions 4 and 5.

(b) Upon transfer of the assets under paragraph (a), the eligible person shall have service credit in the correctional plan and no service credit in the general plan for the transfer period.

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2950 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Eichorn | Johnson | Mathews | Putnam |
| Bahr | Farnsworth | Klein | Maye Quade | Rarick |
| Boldon | Fateh | Koran | McEwen | Rasmusson |
| Carlson | Frentz | Kreun | Miller | Rest |
| Champion | Green | Kunesh | Mitchell | Seeberger |
| Cwodzinski | Gruenhagen | Kupec | Mohamed | Utke |
| Dahms | Gustafson | Lang | Morrison | Weber |
| Dibble | Hauschild | Latz | Murphy | Wesenberg |
| Dornink | Hawj | Lieske | Nelson | Westlin |
| Draheim | Hoffman | Limmer | Oumou Verbeten | Westrom |
| Drazkowski | Housley | Lucero | Pappas | Wiklund |
| Duckworth | Howe | Mann | Pha | Xiong |
| Dziedzic | Jasinski | Marty | Port | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Fateh, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Draheim, Farnsworth, Lieske, and Miller.

Those who voted in the negative were:

Anderson

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Frentz moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

## CALL OF THE SENATE

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

## MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2909 and the Conference Committee Report thereon were reported to the Senate.

## CONFERENCE COMMITTEE REPORT ON S.F. No. 2909

A bill for an act relating to state government; providing for certain judiciary, public safety, corrections, human rights, firearm, clemency, rehabilitation and reinvestment, supervised release board, expungement, community supervision, and 911 Emergency Communication System policy; providing for reports; authorizing rulemaking; appropriating money for judiciary, courts, civil legal services, Guardian ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, human rights, sentencing guidelines, public safety, emergency management, criminal apprehension, fire marshal, firefighters, Office of Justice programs, Peace Officer Standards

# 020. HF 2988

**Vote:** 2023-05-15 | **Workbook row:** 25
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** 2023 Workers' Compensation Advisory Committee recommendations adopted, workers' compensation self-insurance modified, system efficiencies improved, permanent partial disability schedule modified, post-traumatic stress disorder study and report required, housekeeping changes made, and money appropriated.

## Included complete bill documents

**1. 1st Engrossment, posted 2023-05-01** - 30 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/2988/versions/1/pdf/

## Original Senate journal context

PDF pages 236-237. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230515070.pdf#page=236

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/2988/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 2988**

03/20/2023 Authored by Wolgamott, McDonald and Hussein
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
04/26/2023 Adoption of Report: Re-referred to the Committee on Labor and Industry Finance and Policy
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
Adoption of Report: Re-referred to the Committee on Labor and Industry Finance and Policy
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
05/01/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
05/04/2023 Adoption of Report: Placed on the General Register
Read for the Second Time
05/08/2023 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
05/15/2023 Passed by the Senate and returned to the House
05/18/2023 Presented to Governor
05/19/2023 Governor Approval

A bill for an act

relating to workers' compensation; adopting recommendations of the 2023 Workers' Compensation Advisory Committee; modifying workers' compensation self-insurance; improving system efficiencies; modifying the permanent partial disability schedule; requiring a post-traumatic stress disorder study and report; making housekeeping changes; appropriating money; amending Minnesota Statutes 2022, sections 79A.01, subdivision 4; 79A.04, subdivisions 7, 9, 10, 16, by adding a subdivision; 79A.08; 79A.13; 79A.24, subdivision 4; 79A.25, subdivisions 1, 2, 3, by adding a subdivision; 176.011, subdivision 11a, by adding a subdivision; 176.081, subdivision 1; 176.101, subdivision 2a; 176.102, subdivision 3; 176.111, subdivision 16, by adding a subdivision; 176.135, subdivisions 1, 1a, 7; 176.1362, subdivision 1; 176.1364, subdivision 3; 176.155, subdivision 1; 176.239, subdivisions 6, 7; 176.291; 176.305, subdivision 4; 176.331; repealing Minnesota Statutes 2022, sections 176.1364, subdivision 6; 176.223.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## WORKERS' COMPENSATION SELF-INSURANCE

Section 1. Minnesota Statutes 2022, section 79A.01, subdivision 4, is amended to read:

Subd. 4. **Insolvent self-insurer.** "Insolvent self-insurer" means: (1) a member private self-insurer who has failed to pay compensation as a result of a declaration of bankruptcy or insolvency by a court of competent jurisdiction and whose security deposit has been called by the commissioner pursuant to chapter 176; (2) a member self-insurer who has failed to pay compensation and who has been issued a certificate of default by the commissioner and whose security deposit has been called by the commissioner pursuant to chapter 176; ~~or~~ (3) a member or former member private self-insurer who has failed to pay an assessment required by section 79A.12, subdivision 2, and who has been issued a certificate of default by the commissioner and whose security deposit has been called by

the commissioner.; or (4) a member private self-insurer whose security deposit has been called by the commissioner pursuant to chapter 176 and in accordance with section 79A.04, subdivision 9a, paragraph (b).

Sec. 2. Minnesota Statutes 2022, section 79A.04, subdivision 7, is amended to read:

Subd. 7. **Perfection of security.** Upon the commissioner sending a request to renew, request to post, or request to increase a security deposit, a perfected security interest is created in the private self-insured's assets in favor of the commissioner to the extent of any then unsecured portion of the self-insured's incurred liabilities. That perfected security interest is transferred to any cash or securities thereafter posted by the private self-insured with the commissioner of management and budget and is released only upon either of the following:

(1) the acceptance by the commissioner of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation; or

(2) the return of cash or securities by the commissioner.

The private self-insured employer loses all right, title, and interest in and any right to control all assets or obligations posted or left on deposit as security. In the event that ~~a private self-insurer is the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, or~~ a court of competent jurisdiction has declared the private self-insurer to be ~~bankrupt or~~ insolvent, or in the event of the issuance of a certificate of default by the commissioner, the commissioner shall liquidate the deposit as provided in this chapter, and transfer it to the self-insurer's security fund for application to the self-insured employer's incurred liability and other current or future obligations of the self-insurers' security fund. In the event that ~~a private self-insurer is the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, or~~ a court of competent jurisdiction has declared the private self-insurer to be ~~bankrupt or~~ insolvent, or in the event of the issuance of a certificate of default by the commissioner, all right, title, and interest in and any right to control all assets or obligations which have been posted or deposited as security must be transferred to the self-insurers' security fund.

Sec. 3. Minnesota Statutes 2022, section 79A.04, subdivision 9, is amended to read:

Subd. 9. **Insolvency~~, bankruptcy,~~ or default; utilization of security deposit.** The commissioner of labor and industry shall notify the commissioner and the security fund if the commissioner of labor and industry has knowledge that any private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. The security deposit

shall be used to administer and pay the private self-insurers' workers' compensation or assessment obligations or any other current or future obligations of the self-insurers' security fund if any of the following occurs:

(1) the private self-insurer has failed to pay workers' compensation as required by chapter 176 and ~~either:~~

~~(i) the commissioner determines that a private self-insurer is the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11; or~~

~~(ii)~~ the commissioner determines that a court of competent jurisdiction has declared the private self-insurer to be ~~bankrupt or~~ insolvent; ~~or~~

(2) the commissioner issues a certificate of default against a private self-insurer for failure to pay workers' compensation as required by chapter 176; or

(3) the commissioner issues a certificate of default against a private self-insurer for failure to pay an assessment to the self-insurer's security fund when due.

Sec. 4. Minnesota Statutes 2022, section 79A.04, is amended by adding a subdivision to read:

Subd. 9a. **Bankruptcy; utilization of security deposit.** (a) A private self-insurer must notify the commissioner prior to, or immediately upon, the filing of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, and when a court of competent jurisdiction has declared the private self-insurer to be bankrupt.

(b) If a private self-insurer is (1) the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, or (2) a court of competent jurisdiction has declared the private self-insurer to be bankrupt and the private self-insurer has failed to pay workers' compensation as required by chapter 176, the commissioner must call the security and proceed in accordance with this section.

(c) If, upon notice that a private self-insurer is the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, or a court of competent jurisdiction has declared the private self-insurer to be bankrupt but the private self-insurer has not failed to timely pay workers' compensation benefits as required by chapter 176, the commissioner may call the security and proceed in accordance with this section if the commissioner determines that the private self-insurer's payment of workers' compensation benefits would be delayed in any way as a result of the bankruptcy petition or declaration or that the private self-insurer would otherwise be unable to fulfill its obligations under chapter 79A or 176.

(d) In making the determination provided for in paragraph (c) to call a private self-insurer's security and proceed in accordance with this section, the commissioner must consult with the commissioner of labor and industry to determine if the commissioner of labor and industry has knowledge that the private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. The commissioner shall also consider the following:

(1) the self-insurer's most recent actuarial statement, including but not limited to estimated future liability and posted security;

(2) the self-insurer's claims history and claims projections;

(3) the circumstances surrounding the self-insurer's petition to file bankruptcy; and

(4) any other circumstances the commissioner deems relevant.

(d) In making the determination under paragraph (c), the commissioner must also meet and confer with the private self-insurer and the security fund. The initial meet and confer must occur within 30 days of the filing of the petition for chapter 11 bankruptcy. Failure to participate in the meet and confer process by the self-insurer may result in a default determination to immediately transfer the posted security and claims obligations to the security fund. During the meet and confer, the commissioner may ask the self-insurer to provide additional information. Additionally, the security fund may inspect the private self-insurer's most recent actuarial study on file with the commissioner as well as its current security deposit amount required by the commissioner. Data disclosed during the meet and confer must remain confidential. Nothing in this section shall limit the fund's authority to seek information directly from its members.

Sec. 5. Minnesota Statutes 2022, section 79A.04, subdivision 10, is amended to read:

Subd. 10. **Notice; obligation of fund.** In the event of ~~bankruptcy,~~ insolvency~~,~~ or certificate of default, the commissioner shall immediately notify by certified mail the commissioner of management and budget, the surety, the issuer of an irrevocable letter of credit, and any custodian of the security required in this chapter. At the time of notification, the commissioner shall also call the security and transfer and assign it to the self-insurers' security fund. The commissioner shall also immediately notify by certified mail the self-insurers' security fund, and order the security fund to assume the insolvent self-insurers' obligations for which it is liable under chapter 176. The security fund shall commence payment of these obligations within 14 days of receipt of this notification and order. Payments shall be made to claimants whose entitlement to benefits can be ascertained by the security

fund, with or without proceedings before the Department of Labor and Industry, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, or the Minnesota Supreme Court. Upon the assumption of obligations by the security fund pursuant to the commissioner's notification and order, the security fund has the right to immediate possession of any posted or deposited security and the custodian, surety, or issuer of any irrevocable letter of credit or the commissioner, if in possession of it, shall turn over the security, proceeds of the surety bond, or letter of credit to the security fund together with the interest that has accrued since the date of the self-insured employer's insolvency. The security fund has the right to the immediate possession of all relevant workers' compensation claim files and data of the self-insurer, and the possessor of the files and data must turn the files and data, or complete copies of them, over to the security fund within five days of the notification provided under this subdivision. If the possessor of the files and data fails to timely turn over the files and data to the security fund, it is liable to the security fund for a penalty of $500 per day for each day after the five-day period has expired. The security fund is entitled to recover its reasonable attorney fees and costs in any action brought to obtain possession of the workers' compensation claim files and data of the self-insurer, and for any action to recover the penalties provided by this subdivision. The self-insurers' security fund may administer payment of benefits or it may retain a third-party administrator to do so.

Sec. 6. Minnesota Statutes 2022, section 79A.04, subdivision 16, is amended to read:

Subd. 16. **Certificate to self-insure; revocation.** If, following a private self-insurer's ~~bankruptcy,~~ insolvency~~,~~ or certificate of default, the commissioner calls its security and proceeds in accordance with this section, the commissioner shall revoke the certificate to self-insure of the private self-insurer as soon as practicable but no later than 30 days after its security has been called. No insolvent self-insurer, as defined in section 79A.01, subdivision 4, shall be eligible to receive another grant of authority to self-insure unless either: (1) the insolvent self-insurer's posted security was sufficient to pay all direct and indirect administrative and professional expenses of the security fund related to the insolvent self-insurer, and all losses, including estimated future liability, allocated loss expense, and unallocated loss expense of the insolvent self-insurer; or (2) the insolvent self-insurer pays the security fund an amount equal to all such losses and expenses the security fund has paid or will be required to pay related to this insolvent self-insurer.

Sec. 7. Minnesota Statutes 2022, section 79A.08, is amended to read:

**79A.08 LEGISLATIVE INTENT.**

It is the intent of the legislature in enacting sections 79A.08 to 79A.10 to provide for the continuation of workers' compensation benefits delayed due to the failure of a private self-insured employer to meet its compensation obligations, whenever the commissioner of commerce issues a certificate of default or there is a declaration of ~~bankruptcy or~~ insolvency by a court of competent jurisdiction. With respect to the continued liability of a surety for claims that arise under a bond after termination of that bond and to a surety's liability for the cost of administration of claims, it is the intent of the legislature to provide that that liability ceases upon lawful termination of that bond. This applies to all surety bonds which are purchased by the self-insured employer after July 1, 1988. The legislature finds and declares that the establishment of the self-insurers' security fund is a necessary component of a complete system of workers' compensation, required by chapter 176, to have adequate provisions for the comfort, health, safety, and general welfare of any and all workers and their dependents to the extent of relieving the consequences of any industrial injury or death, and full provision for securing the payment of compensation.

Sec. 8. Minnesota Statutes 2022, section 79A.13, is amended to read:

**79A.13 AUDIT; ANNUAL REPORT.**

The trustees shall annually contract for an independent certified audit of the financial activities of the fund. An annual report on the financial status of the fund as of June 30 shall be submitted to the commissioner and to each member.

The security fund shall be established on July 1, 1988, or 90 days after July 1, 1988, whichever occurs later. All applications for private self-insurers which are made after July 1, 1988, prior to the establishment of the security fund, shall comply with all requirements of this chapter. Applications for private self-insurers which are made after January 1, 1988, but prior to July 1, 1988, shall, prior to the establishment of the security fund, comply with the requirements of this chapter. The security fund shall be liable for payment of benefits only for members where there has been a declaration of ~~bankruptcy or~~ insolvency by a court of competent jurisdiction after the date on which the security fund is established, or where the commissioner has issued a certificate of default which has occurred after the date on which the security fund is established.

Sec. 9. Minnesota Statutes 2022, section 79A.24, subdivision 4, is amended to read:

Subd. 4. **Custodial accounts.** (a) All surety bonds, irrevocable letters of credit, and documents showing issuance of any irrevocable letter of credit shall be deposited in accordance with the provisions of section 79A.071.

(b) Upon the commissioner sending a request to renew, request to post, or request to increase a security deposit, a perfected security interest is created in the commercial self-insurance group's and member's assets in favor of the commissioner to the extent of any then unsecured portion of the commercial self-insurance group's incurred liabilities. The perfected security interest is transferred to any cash or securities thereafter posted by the commercial self-insurance group with the commissioner of management and budget and is released only upon either of the following:

(1) the acceptance by the commissioner of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation; or

(2) the return of cash or securities by the commissioner. The commercial self-insurance group loses all right, title, and interest in and any right to control all assets or obligations posted or left on deposit as security. In the event of a declaration of ~~bankruptcy or~~ insolvency by a court of competent jurisdiction, or in the event of the issuance of a certificate of default by the commissioner, the commissioner shall liquidate the deposit as provided in this chapter, and transfer it to the commercial self-insurance group security fund for application to the commercial self-insurance group's incurred liability.

(c) No securities in physical form on deposit with the commissioner of management and budget or the commissioner or custodial accounts assigned to the state shall be released or exchanged without an order from the commissioner. No security can be exchanged more than once every 90 days.

(d) Any securities deposited with the commissioner of management and budget or with a custodial account assigned to the commissioner of management and budget or letters of credit or surety bonds held by the commissioner may be exchanged or replaced by the depositor with any other acceptable securities or letters of credit or surety bond of like amount so long as the market value of the securities or amount of the surety bonds or letter of credit equals or exceeds the amount of the deposit required. If securities are replaced by surety bond, the commercial self-insurance group must maintain securities on deposit in an amount sufficient to meet all outstanding workers' compensation liability arising during the period covered by the deposit of the replaced securities.

Sec. 10. Minnesota Statutes 2022, section 79A.25, subdivision 1, is amended to read:

Subdivision 1. **Notice of insolvency~~, bankruptcy,~~ or default.** The commissioner of labor and industry shall notify the commissioner and the commercial self-insurance group security fund if the commissioner of labor and industry has knowledge that any commercial self-insurance group has failed to pay workers' compensation benefits as required by chapter 176. If the commissioner determines that a court of competent jurisdiction has declared the commercial self-insurance group to be ~~bankrupt or~~ insolvent and the commercial self-insurance group has failed to pay workers' compensation as required by chapter 176 or if the commissioner issues a certificate of default against a commercial self-insurance group for failure to pay workers' compensation as required by chapter 176, then the security deposit posted by the commercial self-insurance group shall be utilized to administer and pay the commercial self-insurance group's workers' compensation obligation.

Sec. 11. Minnesota Statutes 2022, section 79A.25, subdivision 2, is amended to read:

Subd. 2. **Mandatory revocation of certificate to self-insure.** (a) The commissioner shall revoke the commercial self-insurance group's certificate to self-insure once notified of the commercial self-insurance group's ~~bankruptcy,~~ insolvency~~,~~ or upon issuance of a certificate of default. The revocation shall be completed as soon as practicable, but no later than 30 days after the commercial self-insurance group's security has been called.

(b) The commissioner shall also revoke a commercial self-insurance group's authority to self-insure on the following grounds:

(1) failure to comply with any lawful order of the commissioner;

(2) failure to comply with any provision of chapter 176;

(3) a deterioration of the commercial self-insurance group's financial condition affecting its ability to pay obligations in chapter 176;

(4) committing an unfair or deceptive act or practice as defined in section 72A.20; or

(5) failure to abide by the plan of operation of the Workers' Compensation Reinsurance Association.

Sec. 12. Minnesota Statutes 2022, section 79A.25, is amended by adding a subdivision to read:

Subd. 2a. **Discretionary revocation of certificate to self-insure.** (a) A commercial self-insurance group must notify the commissioner, prior to or immediately upon a court

of competent jurisdiction declaring it to be insolvent. If a commercial self-insurance group has been declared insolvent by a court of competent jurisdiction and the commercial self-insurance group has failed to pay workers' compensation as required by chapter 176, the commissioner must call the security and proceed in accordance with this section.

(b) If a commercial self-insurance group has notified the commissioner that a court of competent jurisdiction has declared it bankrupt but the commercial self-insurance group has not failed to pay workers' compensation benefits as required by chapter 176, the commissioner may call the security and proceed in accordance with this section if the commissioner determines that the commercial self-insurance group's payment of workers' compensation benefits would be delayed in any way as a result of the bankruptcy petition or declaration or that the commercial self-insurance group would otherwise be unable to fulfill its obligations under chapter 79A or 176.

(c) In making the determination provided for in paragraph (b) to call a commercial self-insurance group's security and proceed in accordance with this section, the commissioner must consult with the commissioner of labor and industry to determine if the commissioner of labor and industry has knowledge that the commercial self-insurance group has failed to pay workers' compensation benefits as required by chapter 176. The commissioner shall also consider the following:

(1) the commercial self-insurance group's most recent actuarial statement, including but not limited to estimated future liability and posted security;

(2) the commercial self-insurance group's claims history and claims projections;

(3) the circumstances surrounding the commercial self-insurance group's petition to file bankruptcy; and

(4) any other circumstances the commissioner deems relevant.

(d) The commissioner must also meet and confer with the commercial self-insurance group and the group security fund. The initial meet and confer must occur within 30 days of the filing of the petition for chapter 11 bankruptcy. Failure to participate in the meet and confer process by the commercial self-insurance group may result in a default determination to immediately transfer the posted security and claims obligations to the fund. During the meet and confer, the commissioner may ask the commercial self-insurance group to provide additional information and the commercial self-insurance group security fund may inspect the commercial self-insurance group's most recent actuarial study on file with the commissioner as well as its current security deposit amount required by the commissioner.

Data disclosed during the meet and confer must remain confidential. Nothing in this section shall limit the fund's authority to seek information directly from its members.

Sec. 13. Minnesota Statutes 2022, section 79A.25, subdivision 3, is amended to read:

Subd. 3. **Notice by commissioner.** In the event of ~~bankruptcy,~~ insolvency~~,~~ or certificate of default, the commissioner shall immediately notify by certified mail the commissioner of management and budget, the surety, the issuer of an irrevocable letter of credit, and any custodian of the security. At the time of notification, the commissioner shall also call the security and transfer and assign it to the commercial self-insurance group security fund. The commissioner shall also notify by certified mail the commercial self-insurance group's security fund and order the commercial security fund to assume the insolvent commercial self-insurance group's obligations for which it is liable under chapter 176.

## ARTICLE 2
## SYSTEM EFFICIENCIES

Section 1. Minnesota Statutes 2022, section 176.081, subdivision 1, is amended to read:

Subdivision 1. **Limitation of fees.** (a) A fee for legal services of 20 percent of the first $130,000 of compensation awarded to the employee is the maximum permissible fee and does not require approval by the commissioner, compensation judge, or any other party. All fees, including fees for obtaining medical or rehabilitation benefits, must be calculated according to the formula under this subdivision, except as otherwise provided in clause (1) or (2).

(1) The contingent attorney fee for recovery of monetary benefits according to the formula in this section is presumed to be adequate to cover recovery of medical and rehabilitation benefit or services concurrently in dispute. Attorney fees for recovery of medical or rehabilitation benefits or services shall be assessed against the employer or insurer only if the attorney establishes that the contingent fee is inadequate to reasonably compensate the attorney for representing the employee in the medical or rehabilitation dispute. In cases where the contingent fee is inadequate the employer or insurer is liable for attorney fees based on the formula in this subdivision or in clause (2).

For the purposes of applying the formula where the employer or insurer is liable for attorney fees, the amount of compensation awarded for obtaining disputed medical and rehabilitation benefits under sections 176.102, 176.135, and 176.136 shall be the dollar value of the medical or rehabilitation benefit awarded, where ascertainable.

(2) The maximum attorney fee for obtaining a change of doctor or qualified rehabilitation consultant, or any other disputed medical or rehabilitation benefit for which a dollar value is not reasonably ascertainable, is the amount charged in hourly fees for the representation or $500, whichever is less, to be paid by the employer or insurer.

(3) The fees for obtaining disputed medical or rehabilitation benefits are included in the $26,000 limit in paragraph (b). An attorney must concurrently file all outstanding disputed issues. An attorney is not entitled to attorney fees for representation in any issue which could reasonably have been addressed during the pendency of other issues for the same injury.

(b) All fees for legal services related to the same injury are cumulative and may not exceed $26,000. If multiple injuries are the subject of a dispute, the commissioner, compensation judge, or court of appeals shall specify the attorney fee attributable to each injury.

(c) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. Subject to the foregoing maximum amount for attorney fees, up to 20 percent of the first $130,000 of periodic compensation awarded to the employee may be withheld from the periodic payments for attorney fees or disbursements if the payor of the funds clearly indicates on the check or draft issued to the employee for payment the purpose of the withholding, the name of the attorney, the amount withheld, and the gross amount of the compensation payment before withholding. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be available to an attorney who procures a benefit on behalf of the employee and be based solely upon genuinely disputed claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. The existence of a dispute is dependent upon a disagreement after the employer or insurer has had adequate time and information to take a position on liability. Neither the holding of a hearing nor the filing of an application for a hearing alone may determine the existence of a dispute. Except where the employee is represented by an attorney in other litigation pending at the department or at the Office of Administrative Hearings, a fee may not be charged ~~after June 1, 1996,~~ for services with respect to a medical or rehabilitation issue arising under section 176.102, 176.135, or 176.136 performed before the ~~employee has consulted with the department~~ attorney has filed with the commissioner and served on the employer or insurer and the attorney representing the employer or insurer, if any, a request for certification of dispute containing the name of the employer and its insurer, the date of the injury, and

a description of the benefits claimed, and the department certifies that there is a dispute and that it has tried to resolve the dispute. If within 30 days of the filing of the request the department has not issued a determination of whether a dispute exists, the dispute shall be certified if all of the following apply:

(1) the insurer has not approved the requested benefit;

(2) the employee, the employee's attorney, or the employee's treating provider has submitted any and all additional information requested by the insurer necessary to determine whether the requested benefit is disputed or approved; and

(3) the insurer has had at least seven calendar days to review any additional information submitted.

In cases of nonemergency surgery, if the employer or insurer has requested a second opinion under section 176.135, subdivision 1a, or an examination under section 176.155, subdivision 1, a dispute shall be certified if 45 days have passed following a written request for an examination or second opinion and the conditions in clauses (1) to (3) have been met.

(d) An attorney who is claiming legal fees for representing an employee in a workers' compensation matter shall file a statement of attorney fees with the commissioner or compensation judge before whom the matter was heard. A copy of the signed retainer agreement shall also be filed. The employee ~~and insurer~~, employer or insurer, and the attorney representing the employer or insurer, if any, shall receive a copy of the statement of attorney fees. The statement shall be on a form prescribed by the commissioner and shall report the number of hours spent on the case.

(e) Employers and insurers may not pay attorney fees or wages for legal services of more than $26,000 per case.

(f) An attorney must file a statement of attorney fees within 12 months of the date the attorney has submitted the written notice specified in paragraph (c). If the attorney has not filed a statement of attorney fees within the 12 months, the attorney must send a renewed notice of lien to the insurer. If 12 months have elapsed since the last notice of lien has been received by the insurer and no statement of attorney fees has been filed, the insurer must release the withheld money to the employee, except that before releasing the money to the employee, the insurer must give the attorney 30 days' written notice of the pending release. The insurer must not release the money if the attorney files a statement of attorney fees within the 30 days.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 2. Minnesota Statutes 2022, section 176.135, subdivision 1, is amended to read:

Subdivision 1. **Medical, psychological, chiropractic, podiatric, surgical, hospital.** (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation.

(b) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family in cases of permanent total disability.

(c) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.

(d) The employer shall furnish replacement or repair for artificial members, glasses or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. If an item under this paragraph is customized specifically for the injured worker, the item is the property of the injured worker. For the purpose of this paragraph, "injury" includes damage wholly or in part to an artificial member. In case of the employer's inability or refusal ~~seasonably~~ to timely provide the items required to be provided under this paragraph, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee.

(e) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

(f) An employer may require that the treatment and supplies required to be provided by an employer by this section be received in whole or in part from a managed care plan certified under section 176.1351 except as otherwise provided by that section.

(g) An employer may designate a pharmacy or network of pharmacies that employees must use to obtain outpatient prescription and nonprescription medications. An employee

is not required to obtain outpatient medications at a designated pharmacy unless the pharmacy is located within 15 miles of the employee's place of residence.

(h) Notwithstanding any fees established by rule adopted under section 176.136, an employer may contract for the cost of medication provided to employees. All requests for reimbursement from the special compensation fund formerly codified under section 176.131 for medication provided to an employee must be accompanied by the dispensing pharmacy's invoice showing its usual and customary charge for the medication at the time it was dispensed to the employee. The special compensation fund shall not reimburse any amount that exceeds the maximum amount payable for the medication under Minnesota Rules, part 5221.4070, subparts 3 and 4, notwithstanding any contract under Minnesota Rules, part 5221.4070, subpart 5, that provides for a different reimbursement amount.

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

Sec. 3. Minnesota Statutes 2022, section 176.135, subdivision 1a, is amended to read:

Subd. 1a. **Nonemergency surgery; second surgical opinion.** (a) The employer or insurer is required to furnish surgical treatment pursuant to subdivision 1 when the surgery is reasonably required to cure and relieve the effects of the personal injury or occupational disease. An employee may not be compelled to undergo surgery. If an employee desires a second opinion on the necessity of the surgery, the employer shall pay the costs of obtaining the second opinion. Except in cases of emergency surgery, the employer or insurer may require the employee to obtain a second opinion on the necessity of the surgery, at the expense of the employer or insurer, before the employee undergoes surgery. ~~Failure to obtain a second surgical opinion shall not be reason for nonpayment of the charges for the surgery. The employer is required to pay the reasonable value of the surgery unless the commissioner or compensation judge determines that the surgery is not reasonably required.~~ If an employer or insurer receives a request for nonemergency surgery, the employer or insurer must respond in writing no later than seven calendar days after receiving the request from the health care provider or employee by approving the request, denying authorization, requesting additional information, requesting a second opinion under this section, or requesting an examination by the employer's physician under section 176.155.

(b) An employer or insurer requesting a second opinion must notify the employee and the health care provider of the request for a second opinion within seven calendar days of the request for nonemergency surgery. If the employer or insurer denies authorization within seven calendar days of receiving the second opinion, the health care provider may elect to

perform the surgery, subject to a determination of compensability by the commissioner or compensation judge.

(c) Failure to obtain a second surgical opinion is not reason for nonpayment of the charges for the surgery. The employer or insurer is required to pay the reasonable value of the surgery unless the commissioner or compensation judge determines that the surgery is not reasonably required.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 4. Minnesota Statutes 2022, section 176.135, subdivision 7, is amended to read:

Subd. 7. **Medical bills and records.** (a) Health care providers shall submit to the insurer an itemized statement of charges in the standard electronic transaction format when required by section 62J.536 or, if there is no prescribed standard electronic transaction format, on a billing form prescribed by the commissioner. Health care providers shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury. Pursuant to Minnesota Rules, part 5219.0300, health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. The commissioner shall adopt, by rule, a schedule of reasonable charges ~~by rule~~ that will apply to charges not covered by paragraphs (d) and (e).

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

A United States government facility rendering health care services to veterans is not subject to the uniform billing form requirements of this subdivision.

(b) For medical services provided under this section, the codes from the International Classification of Diseases, Tenth Edition, Clinical Modification/Procedure Coding System (ICD-10), must be used to report medical diagnoses and hospital inpatient procedures when required by the United States Department of Health and Human Services for federal programs. The commissioner must replace the codes from the International Classification of Diseases, Ninth Edition, Clinical Modification/Procedure Coding System (ICD-9), with equivalent ICD-10 codes wherever the ICD-9 codes appear in rules adopted under this chapter. The commissioner must use the General Equivalence Mappings established by the Centers for Medicare and Medicaid Services to replace the ICD-9 diagnostic codes with ICD-10 codes in the rules.

(c) The commissioner shall amend rules adopted under this chapter as necessary to implement the ICD-10 coding system in paragraph (b). The amendments shall be adopted by giving notice in the State Register according to the procedures in section 14.386, paragraph (a). The amended rules are not subject to expiration under section 14.386, paragraph (b).

(d) The requirements in this paragraph and paragraph (e) apply to each request for copies of existing medical records that are required to be maintained in electronic format by state or federal law.

(1) If an authorized requestor of copies of medical records submits a written request for advance notice of the cost of the copies requested, the health care provider must notify the requestor of the estimated cost before sending the copies. If the requestor approves the cost and copies of the records are provided, the payment is the applicable fee under paragraph (e). If the requestor does not pay for the records, the health care provider may charge a fee, which must not exceed $10.

(2) A health care provider shall not require prepayment for the cost of copies of medical records under this paragraph or Minnesota Rules, chapter 5219, unless there is an outstanding past-due invoice for the requestor concerning a previous request for records from the health care provider.

(3) A health care provider shall provide copies of medical records in electronic format.

(4) The charges under paragraph (e) include any fee for retrieval, download, or other delivery of records.

(e) For any copies of electronic records provided under paragraph (d), a health care provider may not charge more than a total of:

(1) $10 if there are no records available;

(2) $30 for copies of records of up to 25 pages;

(3) $50 for copies of records of up to 100 pages;

(4) $50, plus an additional 20 cents per page for pages 101 and above; or

(5) $500 for any request.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 176.155, subdivision 1, is amended to read:

Subdivision 1. **Employer's physician.** (a) The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable

times thereafter upon the employer's request. Examinations shall not be conducted in hotel or motel facilities. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the employee's residence. The employee is entitled upon request to have a personal physician or witness present at any such examination. Each party shall defray the cost of that party's physician.

(b) Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury~~, shall be made available, upon request and without charge, to the injured employee or representative of the employee~~ or whether litigation is pending, must be served upon the employee and the attorney representing the employee, if any, no later than 14 calendar days within the issuance of the report or written statement.

(c) The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination.

(d) A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition. Any request for a good cause extension pursuant to paragraph (e) must be made within 120 days of service of the claim petition, except that a request may be made after 120 days of service of a claim petition in the following circumstances:

(1) a change to the employee's claim regarding the nature and extent of the injury;

(2) a change to the permanency benefits claimed by the employee, including a change in permanent partial disability percentage;

(3) a new claim for indemnity benefits; or

(4) the employment relationship is not admitted by the uninsured employer.

(e) No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written

extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather additional information which was not included on the petition as required by section 176.291.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 176.239, subdivision 6, is amended to read:

Subd. 6. **Scope of the administrative decision.** If benefits have been discontinued due to the employee's return to work, the commissioner shall determine whether, as a result of occurrences arising during the initial 14 calendar days after the return to work, the employee is entitled to additional payment of temporary total, temporary partial, or permanent total compensation.

If periodic payment of temporary total, temporary partial, or permanent total compensation has been discontinued for reasons other than a return to work, the commissioner shall determine whether the employer has reasonable grounds to support the discontinuance. Only ~~information or~~ reasons specified on the notice of discontinuance shall provide a basis for a discontinuance, unless the parties agree otherwise.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 176.239, subdivision 7, is amended to read:

Subd. 7. **Interim administrative decision.** After considering the information provided by the parties at the administrative conference and exhibits filed by the parties with the office, the commissioner shall issue to all interested parties a written decision on payment of compensation. Administrative decisions under this section shall be issued within five working days from the close of the conference. Disputed issues of fact shall be determined by a preponderance of the evidence.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 8. Minnesota Statutes 2022, section 176.291, is amended to read:

**176.291 DISPUTES; PETITIONS; PROCEDURE.**

(a) Where there is a dispute as to a question of law or fact in connection with a claim for compensation, a party may serve on all other parties and file a petition with the office stating the matter in dispute. The petition shall be on a form prescribed by the commissioner and shall be signed by the petitioner.

(b) The petition shall also state and include, where applicable:

(1) names and residence or business address of parties;

(2) facts relating to the employment at the time of injury, including amount of wages received;

(3) extent and character of each injury;

(4) notice to or knowledge by employer of injury;

(5) copies of written medical reports or medical records supporting each claim asserted;

(6) copies of other information in support of the claim;

~~(6)~~ (7) names and addresses of all known witnesses intended to be called in support of ~~the~~ each injury and claim;

~~(7)~~ (8) the desired location of any hearing and estimated time needed to present evidence at the hearing;

~~(8)~~ (9) any requests for a prehearing or settlement conference;

~~(9)~~ (10) a list of all known third parties, including the Departments of Human Services and Employment and Economic Development, who may have paid any medical bills or other benefits to the employee for the injuries or disease alleged in the petition or for the time the employee was unable to work due to the injuries or disease, together with a listing of the amounts paid by each;

~~(10)~~ (11) the nature and extent of ~~the~~ each claim; and

~~(11)~~ (12) a request for an expedited hearing which must include an attached affidavit of significant financial hardship which complies with the requirements of section 176.341, subdivision 6.

(c) Incomplete petitions may be stricken or dismissed from the calendar as provided by section 176.305, subdivision 4. Within ~~30~~ 14 days of a request by a party, an employee who has filed a claim petition pursuant to section 176.271 or this section shall furnish a list of

physicians and health care providers from whom the employee has received treatment for the same or a similar condition as well as authorizations to release relevant information, data, and records to the requester. The petition may be stricken from the calendar upon motion of a party for failure to timely provide the required list of health care providers or authorizations.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 9. Minnesota Statutes 2022, section 176.305, subdivision 4, is amended to read:

Subd. 4. **Striking from calendar.** A compensation judge, after receiving a properly served motion, may strike a case from the active trial calendar after the employee has been given 30 days to correct ~~the deficiency~~ a deficient petition if it is shown that the information on the petition or included with the petition is incomplete. Once a case is stricken, it may not be reinstated until the missing information is provided to the adverse parties and filed with the compensation judge. If a case has been stricken from the calendar for ~~one year~~ 180 days or more and no corrective action has been taken, the compensation judge may, upon the judge's own motion or a motion of a party which is properly served on all parties, dismiss the case. The petitioner must be given at least 30 days' advance notice of the proposed dismissal before the dismissal is effective.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 10. Minnesota Statutes 2022, section 176.331, is amended to read:

**176.331 PROCEEDINGS WHEN ANSWER NOT FILED.**

Except in cases involving multiple employers or multiple insurers, if an adverse party fails to file and serve an answer or obtain an extension from the office or the petitioner as required by section 176.321, subdivision 3, the office shall set the matter for an immediate pretrial conference and hearing ~~and~~ for prompt award or other order. The adverse party that failed to file an answer or appear at a pretrial conference may appear at the hearing, present evidence and question witnesses, but shall not be granted a continuance except upon a showing of good cause.

If an adverse party who fails to serve and file an answer is neither insured for workers' compensation liability nor a licensed self-insured as required by section 176.181 and the special compensation fund is a party to the proceeding, the compensation judge may enter an order awarding benefits to the petitioning party without a hearing if so requested by the special compensation fund.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

## ARTICLE 3
## PERMANENT PARTIAL DISABILITY SCHEDULE

Section 1. Minnesota Statutes 2022, section 176.101, subdivision 2a, is amended to read:

Subd. 2a. **Permanent partial disability.** (a) Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. During the 2026 regular legislative session, and every even-year legislative session thereafter, the Workers' Compensation Advisory Council must consider whether the permanent partial disability schedule in paragraph (b) represents adequate compensation for permanent impairment.

(b) The percentage determined pursuant to the rules adopted under section 176.105 must be multiplied by the corresponding amount in the following table at the time permanent partial disability is payable according to paragraph (c):

| Impairment Rating (percent) | Amount |
|---|---|
| less than 5.5 | ~~$ 78,800~~ $ 114,260 |
| 5.5 to less than 10.5 | ~~84,000~~ 121,800 |
| 10.5 to less than 15.5 | ~~89,300~~ 129,485 |
| 15.5 to less than 20.5 | ~~94,500~~ 137,025 |
| 20.5 to less than 25.5 | ~~99,800~~ 139,720 |
| 25.5 to less than 30.5 | ~~105,000~~ 147,000 |
| 30.5 to less than 35.5 | ~~115,500~~ 150,150 |
| 35.5 to less than 40.5 | ~~126,000~~ 163,800 |
| 40.5 to less than 45.5 | ~~136,500~~ 177,450 |
| 45.5 to less than 50.5 | ~~147,000~~ 177,870 |
| 50.5 to less than 55.5 | ~~173,300~~ 181,965 |

| | |
|---|---|
| | ~~199,500~~ |
| 55.5 to less than 60.5 | 209,475 |
| | ~~225,800~~ |
| 60.5 to less than 65.5 | 237,090 |
| | ~~252,000~~ |
| 65.5 to less than 70.5 | 264,600 |
| | ~~278,300~~ |
| 70.5 to less than 75.5 | 292,215 |
| | ~~330,800~~ |
| 75.5 to less than 80.5 | 347,340 |
| | ~~383,300~~ |
| 80.5 to less than 85.5 | 402,465 |
| | ~~435,800~~ |
| 85.5 to less than 90.5 | 457,590 |
| | ~~488,300~~ |
| 90.5 to less than 95.5 | 512,715 |
| | ~~540,800~~ |
| 95.5 up to and including 100 | 567,840 |

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

~~(b)~~ (c) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee requests payment in a lump sum, then the compensation must be paid within 30 days. This lump-sum payment may be discounted to the present value calculated up to a maximum five percent basis. If the employee does not choose to receive the compensation in a lump sum, then the compensation is payable in installments at the same intervals and in the same amount as the employee's temporary total disability rate on the date of injury. Permanent partial disability is not payable while temporary total compensation is being paid.

**EFFECTIVE DATE.** This section is effective for injuries occurring on or after October 1, 2023.

## ARTICLE 4
## HOSPITAL OUTPATIENT FEE SCHEDULE

Section 1. Minnesota Statutes 2022, section 176.1364, subdivision 3, is amended to read:

Subd. 3. **Hospital outpatient fee schedule (HOFS).** (a) Effective for hospital outpatient services on or after October 1, 2018, the commissioner shall establish a workers' compensation hospital outpatient fee schedule (HOFS) to establish the payment for hospital bills with charges for services with a J1 or J2 status indicator as listed in the status indicator

(SI) column of Addendum B and the comprehensive observation services Ambulatory Payment Classification (APC) 8011 with a J2 status indicator in Addendum A. The commissioner shall publish a link to the HOFS in the State Register before October 1, 2018, and shall maintain the current HOFS on the department's website.

(b) The amount listed for each of the procedures in the HOFS as described in paragraph (a) shall be the relative weight for the procedure multiplied by a HOFS conversion factor that results in the same overall payment for hospital outpatient services under this section as the actual payments made in the most recent 12-month period available before October 1, 2018. The commissioner must establish separate conversion factors to achieve the same overall payment for noncritical access hospitals of 100 or fewer licensed beds and hospitals with more than 100 licensed beds. The commissioner shall establish the two conversion factors according to the requirements in clauses (1) to (4) in consultation with insurer and hospital representatives.

(1) The commissioner shall obtain a suitable sample of de-identified data for Minnesota workers' compensation outpatient cases at Minnesota hospitals for the most recently available 12-month period. The commissioner may obtain de-identified data from any reliable source, including Minnesota hospitals and insurers, or their representatives. Any data provided to the commissioner by a hospital, insurer, or their representative under this subdivision is nonpublic data under section 13.02, subdivision 9.

(2) The sample must be divided into a data set for hospitals over 100 licensed beds, and 100 or fewer licensed beds, excluding critical access hospitals.

(3) For each data set the commissioner shall:

(i) calculate the total amount of the actual payments made in the most recent 12-month period available before October 1, 2018, adjusted for inflation to July 2018; and

(ii) apply all of the payment provisions in this section to each claim including, as applicable, payment under the relative value fee schedule or 85 percent of the hospital's usual and customary charge under section 176.136, subdivisions 1a and 1b, to determine the total payment amount using the Medicare conversion factor in effect for the OPPS in effect on July 1, 2018.

(4) The commissioner shall calculate the Minnesota conversion factor to equal the Medicare conversion factor multiplied by the ratio of total payments under clause (3), item (i), divided by the total payments under clause (3), item (ii).

(c) For purposes of this section:

(1) the relative weight is the amount in the "relative weight" column in Addendum B and Addendum A for comprehensive observation services;

(2) references to J1, J2, and H status indicators; Addenda A and B; APC 8011; and HCPCS code G0378 includes any successor status indicators, addenda, APC, or HCPCS code established by the Centers for Medicare and Medicaid Services.

(d) On October 1 of each year, the commissioner shall adjust the HOFS conversion factors based on the market basket index for inpatient hospital services calculated by Medicare and published on its website. The adjustment on each October 1 shall be a percentage equal to the value of that index averaged over the four quarters of the most recent calendar year divided by the value of that index over the four quarters of the prior calendar year.

(e) No later than October 1, 2021, and at least once every three years thereafter, the commissioner shall update the HOFS established under this subdivision by incorporating services with a J1 or J2 status indicator, and the corresponding relative weights, listed in the Addenda A and B most recently available on Medicare's website as of the preceding July 1. If Addenda A and B are not available on Medicare's website on the preceding July 1, the HOFS most recently published on the department's website remains in effect.

(1) Each time the HOFS is updated under this paragraph, the commissioner shall adjust the conversion factors so that there is no difference between the overall payment under the new HOFS and the overall payment under the HOFS most recently in effect, for services in both HOFSs.

(2) The conversion factor adjustments under this paragraph shall be made separately for each hospital category in paragraph (b).

(3) The conversion factor adjustments under this paragraph must be made before making any additional adjustment under paragraph (d).

(f) The commissioner shall give notice in the State Register of the adjusted conversion factor in paragraph (d) no later than October 1 annually. The commissioner shall give notice in the State Register of an updated HOFS under paragraph (e) no later than October 1 of the year in which the HOFS becomes effective. The notice must include a link to the HOFS published on the department's website. The notices, the updated fee schedules, and the adjusted conversion factors are not rules subject to chapter 14, but have the force and effect of law as of the effective date published in the State Register.

(g) Beginning October 1, 2023, to October 1, 2025, the commissioner shall adjust the conversion factors calculated under this subdivision to result in the following:

(1) for services effective October 1, 2023, a three percent overall reduction in total payments for hospital outpatient services;

(2) for services effective October 1, 2024, a three percent overall reduction in total payments for hospital outpatient services; and

(3) for services effective October 1, 2025, a four percent overall reduction in total payments for hospital outpatient services.

Sec. 2. **REPEALER.**

Minnesota Statutes 2022, section 176.1364, subdivision 6, is repealed.

**EFFECTIVE DATE.** This section is effective for services on or after October 1, 2023.

## ARTICLE 5
## POST-TRAUMATIC STRESS DISORDER STUDY

Section 1. **POST-TRAUMATIC STRESS DISORDER STUDY.**

(a) The commissioner of labor and industry shall conduct a study to identify systemic or regulatory changes to improve the experience and outcomes of employees with work-related post-traumatic stress disorder. At a minimum, the study must:

(1) identify evidence-based methods and best practices for early detection and treatment of post-traumatic stress disorder;

(2) review models, including those used in other jurisdictions and systems, for delivering mental health wellness training or employee assistance programs, treatment for post-traumatic stress disorder, and benefits related to post-traumatic stress disorder. Review must include outcomes and cost considerations;

(3) identify any programs in other jurisdictions with effective prevention, timely and effective medical intervention, or high return-to-work rates for employees with work-related post-traumatic stress disorder;

(4) review the definition of post-traumatic stress disorder provided in Minnesota Statutes, section 176.011, subdivision 15, paragraph (d), and compare to definitions in other jurisdictions; and

(5) consider the list of occupations subject to the rebuttable presumption in Minnesota Statutes, section 176.011, subdivision 15, paragraph (e).

(b) The Public Employees Retirement Association, the Minnesota State Retirement System, the Minnesota Workers' Compensation Insurers Association, and any relevant state agencies shall cooperate with the commissioner in conducting this study. The commissioner must report the results of the study to the Workers' Compensation Advisory Council and the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over workers' compensation by August 1, 2025. The commissioner may contract with a third party to complete part or all of the study. The commissioner is exempt from the requirements of Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8; and chapter 16C, and any other state procurement laws and procedures in completing the study.

(c) $500,000 in fiscal year 2023 is appropriated from the workers' compensation fund to the commissioner of labor and industry to conduct the study in paragraph (a) and for the Department of Labor and Industry's provision of legal, technical, and clerical staff support for the study. This is a onetime appropriation and is available until June 30, 2026.

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

## ARTICLE 6
## HOUSEKEEPING

Section 1. Minnesota Statutes 2022, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. **Family farm.** (a) "Family farm" means any farm operation which pays or is obligated to pay cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year in an amount:

(1) less than $8,000; or

(2) less than the statewide average annual wage as described in subdivision ~~20~~ 1b when the farm operation has total liability and medical payment coverage equal to $300,000 and $5,000, respectively, under a farm liability insurance policy, and the policy covers injuries to farm laborers.

(b) For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or

other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 2. Minnesota Statutes 2022, section 176.011, is amended by adding a subdivision to read:

Subd. 17b. **Relative value fee schedule.** "Relative value fee schedule" means the medical fee schedule adopted by rule under section 176.136, subdivision 1a, using the Physician Fee Schedule tables adopted for the federal Medicare program.

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

Sec. 3. Minnesota Statutes 2022, section 176.102, subdivision 3, is amended to read:

Subd. 3. **Review panel.** There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member and two members each from employers, insurers, and rehabilitation, two licensed or registered health care providers, one chiropractor, and four members representing labor. The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Terms, compensation, and removal for members shall be governed by section 15.0575. Notwithstanding section 15.059, this panel does not expire unless the panel no longer fulfills the purpose for which the panel was established, the panel has not met in the last 18 months, or the panel does not comply with the registration requirements of section 15.0599, subdivision 3. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants, qualified rehabilitation consultant firms, and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the Workers' Compensation Court of Appeals in the manner provided by section 176.421.

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

Sec. 4. Minnesota Statutes 2022, section 176.111, subdivision 16, is amended to read:

Subd. 16. **Cessation of compensation.** Except as provided in this chapter, compensation ceases upon the death or marriage of any dependent. Cessation of benefits requires notice pursuant to subdivision 23.

**EFFECTIVE DATE.** This section is effective for violations on or after August 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 176.111, is amended by adding a subdivision to read:

Subd. 23. **Notice of cessation of dependency benefits.** If an employer intends to discontinue dependency benefits of any individual identified as a dependent in this section, the employer must file with the commissioner, as required under section 176.231, subdivision 6, paragraphs (a) and (e), and serve on the dependent whose benefits are being discontinued written notice within 14 calendar days of discontinuance. The notice shall state the name of the individual whose dependency benefits are being discontinued, the date the individual's benefits will be discontinued, and a statement of facts clearly indicating the reason the individual will no longer receive dependency benefits and is no longer considered a dependent under this section. Any document in the employer's possession which is relied on for the discontinuance shall be attached to the notice. Failure to file this form as required may result in a penalty under section 176.231, subdivision 10.

**EFFECTIVE DATE.** This section is effective for violations on or after August 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 176.1362, subdivision 1, is amended to read:

Subdivision 1. **Payment based on Medicare MS-DRG system.** (a) Except as provided in subdivisions 2 and 3, ~~the maximum~~ reimbursement for inpatient hospital services, articles, and supplies is the lesser of the hospital's total usual and customary charge or 200 percent of the amount calculated for each hospital under the federal Inpatient Prospective Payment System developed for Medicare, using the inpatient Medicare PC-Pricer program or the inpatient PPS Web Pricer for the applicable MS-DRG as provided in this subdivision. All adjustments included in the PC-Pricer program or the inpatient PPS Web Pricer are included in the amount calculated, including but not limited to any outlier payments.

(b) Payment under this section is effective for services, articles, and supplies provided to patients discharged from the hospital on or after January 1, 2016. Payment for services, articles, and supplies provided to patients discharged on January 1, 2016, through December 31, 2016, must be based on the Medicare PC-Pricer program in effect on January 1, 2016.

(c) For patients discharged on or after May 31, 2017, payment for inpatient services, articles, and supplies must be calculated according to the PC-Pricer program identified on Medicare's website as FY 2016.1, updated on January 19, 2016.

(d) For patients discharged on or after October 1, 2017, payment for inpatient services, articles, and supplies must be calculated according to the PC-Pricer program or the inpatient PPS Web Pricer posted on the Department of Labor and Industry's website as follows:

(1) No later than October 1, 2017, and October 1 of each subsequent year until October 1, 2021, the commissioner must post on the department's website the version of the PC-Pricer program that is most recently available on Medicare's website as of the preceding July 1. If no PC-Pricer program is available on the Medicare website on any July 1, the PC-Pricer program most recently posted on the department's website remains in effect.

The commissioner must publish notice of the applicable PC-Pricer program in the State Register no later than October 1 of each year.

(2) Beginning on October 1, 2021, payment for inpatient services, articles, and supplies must be calculated using the inpatient PPS Web Pricer available on Medicare's website using the applicable dates of inpatient hospitalization. The department must publish the link to the inpatient PPS Web Pricer on its website.

(e) The MS-DRG grouper software or program that corresponds to or is included with the applicable version of the PC-Pricer program or inpatient PPS Web Pricer must be used to determine payment under this subdivision.

(f) Hospitals must bill workers' compensation insurers using the same codes, formats, and details that are required for billing for hospital inpatient services by the Medicare program. The bill must be submitted to the insurer within the time period required by section 62Q.75, subdivision 3. For purposes of this section, "insurer" includes both workers' compensation insurers and self-insured employers.

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

Sec. 7. **REPEALER.**

Minnesota Statutes 2022, section 176.223, is repealed.

**176.1364 WORKERS' COMPENSATION HOSPITAL OUTPATIENT FEE SCHEDULE.**

Subd. 6. **Study.** (a) The commissioner shall conduct a study analyzing the percentage of claims with a service in the HOFS that were paid timely and the percentage of claims paid accurately. The commissioner must report the results of the study and recommendations to the Workers' Compensation Advisory Council and chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over workers' compensation by January 15, 2021.

(b) Based on the results of the study, the WCAC shall consider whether there is a minimum 80 percent compliance in timeliness and accuracy of payments, and additional statutory amendments, including but not limited to:

(1) a maximum ten percent reduction in payments under the HOFS; and

(2) an increase in indemnity benefits to injured workers.

**176.223 PROMPT FIRST ACTION REPORT.**

(a) For purposes of this section:

(1) "insurer" means a workers' compensation insurer licensed in Minnesota and a self-insured employer approved to self-insure by the commissioner of commerce;

(2) "prompt first action" means that an insurer commenced payment of wage loss benefits, or filed a denial of liability for an injury or for wage loss benefits, within the time frames required by section 176.221, subdivision 1; and

(3) "wage loss benefits" means temporary total disability, temporary partial disability, and permanent total disability benefits, as described in section 176.101.

(b) No later than March 15 of each year, beginning on March 15, 2022, the department shall publish a report providing data for each insurer on the total number of the insurer's claims, and the number and percentage of the insurer's claims with prompt first action. The report must be based on data that the insurer reported to the commissioner in the previous calendar year, except that the commissioner may exclude incomplete or unreliable data. The five most recent reports must be published on the department's website.

(c) On or before January 15, 2022, and on or before each January 15 thereafter, the department must provide each insurer listed in the report with notice of the data on that insurer that the department plans to include in the report. By February 15, 2022, and by each February 15 thereafter, the insurer must electronically file corrected data with the commissioner in CAMPUS in order for it to be reflected in the March 15 report.

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Xiong.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Jasinski | Limmer | Rarick |
| Bahr | Eichorn | Johnson | Lucero | Weber |
| Coleman | Green | Koran | Mathews | Wesenberg |
| Dahms | Gruenhagen | Kreun | Miller | Westrom |
| Draheim | Housley | Lang | Nelson | |
| Drazkowski | Howe | Lieske | Pratt | |

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Bahr.

The motion prevailed.

**H.F. No. 2988:** A bill for an act relating to workers' compensation; adopting recommendations of the 2023 Workers' Compensation Advisory Committee; modifying workers' compensation self-insurance; improving system efficiencies; modifying the permanent partial disability schedule; requiring a post-traumatic stress disorder study and report; making housekeeping changes; appropriating money; amending Minnesota Statutes 2022, sections 79A.01, subdivision 4; 79A.04, subdivisions 7, 9, 10, 16, by adding a subdivision; 79A.08; 79A.13; 79A.24, subdivision 4; 79A.25, subdivisions 1, 2, 3, by adding a subdivision; 176.011, subdivision 11a, by adding a subdivision; 176.081, subdivision 1; 176.101, subdivision 2a; 176.102, subdivision 3; 176.111, subdivision 16, by adding a subdivision; 176.135, subdivisions 1, 1a, 7; 176.1362, subdivision 1; 176.1364, subdivision 3; 176.155, subdivision 1; 176.239, subdivisions 6, 7; 176.291; 176.305, subdivision 4; 176.331; repealing Minnesota Statutes 2022, sections 176.1364, subdivision 6; 176.223.

The question was taken on the final passage of H.F. No. 2988.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Maye Quade | Rarick |
| Anderson | Eichorn | Klein | McEwen | Rasmusson |
| Bahr | Farnsworth | Koran | Miller | Rest |
| Boldon | Fateh | Kreun | Mitchell | Seeberger |
| Carlson | Frentz | Kunesh | Mohamed | Utke |
| Champion | Green | Kupec | Morrison | Weber |
| Coleman | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Lucero | Pha | Xiong |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Bahr.

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senator Nelson was excused from the Session of today from 12:20 to 12:30 p.m.

## ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 10:00 a.m., Tuesday, May 16, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 021. HF 3342

**Vote:** 2023-05-22 | **Workbook row:** 26
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Nursing facility workforce incentive program, nursing facility payments, and nursing facility temporary rate add-on provided; partial reimbursement to hospitals provided for qualifying avoidable patient days; and money appropriated.

## Included complete bill documents

**1. Introduction, posted 2023-05-22** - 7 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/3342/versions/0/pdf/

## Original Senate journal context

PDF pages 823-823. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20230522077.pdf#page=823

**Bill history:**
https://www.revisor.mn.gov/bills/93/2023/0/HF/3342/

This Document can be made available
in alternative formats upon request

State of Minnesota

# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 3342**

05/22/2023 Authored by Noor, Schomacker, Hortman, Demuth, Lislegard and others
The bill was read for the first time and referred to the Committee on Human Services Finance

A bill for an act

relating to human services; providing for a nursing facility workforce incentive program, nursing facility payments, and a nursing facility temporary rate add-on; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[256.4766] NURSING FACILITY WORKFORCE INCENTIVE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner of human services shall establish grants for nursing facilities to assist with recruiting and retaining eligible workers.

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible employer" means a nursing facility as defined in section 256R.02, subdivision 33.

(d) "Eligible worker" means a worker who earns $30 per hour or less and is currently employed or recruited to be employed by an eligible employer.

Subd. 3. **Allowable uses of grant money.** (a) Grantees must use grant money to provide payments to eligible workers for the following purposes:

(1) retention, recruitment, and incentive payments;

(2) employee-owned benefits, such as health savings accounts, HRSA, and flexible spending accounts;

(3) employee contributions to a 401k account;

(4) education, professional development, and financial counseling;

(5) child care, meals, transportation, and housing;

(6) health and wellness; and

(7) other flexible needs related to workforce challenges as determined by the commissioner.

(b) An eligible worker may receive payments of up to $3,000 per year from the workforce incentive grant account and all other state money intended for the same purpose.

(c) The commissioner must develop a grant cycle distribution plan that allows for equitable distribution of money among eligible employers. The commissioner's determination of the grant awards and amounts is final and is not subject to appeal.

Subd. 4. **Attestation.** As a condition of obtaining grant payments under this section, an eligible employer must attest and agree to the following:

(1) the employer is an eligible employer;

(2) the total number of eligible employees;

(3) the employer will distribute the entire value of the grant to eligible workers allowed under this section;

(4) the employer will create and maintain records under subdivision 6;

(5) the employer will not use the money appropriated under this section for any purpose other than the purposes permitted under this section; and

(6) the entire value of any grant amounts will be distributed to eligible workers identified by the employer.

Subd. 5. **Distribution plan; report.** (a) Each grantee shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the grantee expects to receive and how that money will be distributed for workforce incentives for eligible employees. Within 60 days of receiving the grant, the grantee must post the distribution plan and leave the plan posted for a period of at least six months in an area of the grantee's operation to which all direct support professionals have access.

(b) Within 12 months of receiving a grant under this section, each grantee that receives a grant shall submit a report to the commissioner that includes the following information:

(1) a description of how grant money was distributed to eligible employees; and

(2) the total dollar amount distributed.

(c) Failure to submit the report under paragraph (b) will result in recoupment of grant money.

Subd. 6. **Audits and recoupment.** (a) The commissioner may perform an audit under this section up to six years after a grant is awarded to ensure that:

(1) the grantee used the money solely for allowable purposes under subdivision 3;

(2) the grantee was truthful when making attestations under subdivision 4; and

(3) the grantee complied with the conditions of receiving a grant under this section.

(b) If the commissioner determines that a grantee used grant money for purposes not authorized under this section, the commissioner must treat any amount used for a purpose not authorized under this section as an overpayment. The commissioner must recover any overpayment.

Subd. 7. **Grants not to be considered income.** (a) Notwithstanding any law to the contrary, grant awards under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under chapter 256D;

(3) housing support under chapter 256I;

(4) the Minnesota family investment program and diversionary work program under chapter 256J; and

(5) economic assistance programs under chapter 256P.

(b) The commissioner must not consider grant awards under this section as income or assets under section 256B.056, subdivision 1a, paragraph (a), 3, or 3c, or for persons with eligibility determined under section 256B.057, subdivision 3, 3a, 3b, 4, or 9.

Subd. 8. **Income tax subtractions.** (a) For the purposes of this section, "subtraction" has the meaning given in section 290.0132, subdivision 1, and the rules in that subdivision apply for this section. The definitions in section 290.01 apply to this section.

(b) The amount of a payment received under this section is a subtraction.

(c) Payments under this section are excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

Subd. 9. **Account created.** A nursing facility workforce incentive grant account is created in the special revenue fund. Appropriations made for grants and payments administered under this section may be transferred to this account. Amounts in the account are appropriated to the commissioner of human services. Appropriations transferred to this account cancel and are returned to the fund of origin on the date the original appropriations would have lapsed.

Subd. 10. **Nursing facilities; applicable credit.** The commissioner must treat grant payments awarded under this section as an applicable credit as defined under section 256R.10, subdivision 6.

Sec. 2. **PAYMENTS TO NURSING FACILITIES NOT TO EXCEED FORECAST SPENDING.**

Subdivision 1. **Payments established.** The commissioner of human services shall provide a onetime payment to nursing facilities. For the purposes of this section, the payment is not an applicable credit as defined under Minnesota Statutes, section 256R.02, subdivision 6, and referenced in Minnesota Statutes, section 256R.10, subdivision 6.

Subd. 2. **Payment amount.** (a) Each nursing facility reimbursed under Minnesota Statutes, chapter 256R, must receive a payment based on the sum of clauses (1) and (2):

(1) $225,000; and

(2) the remainder of the appropriation divided by the total number of active nursing facility beds in Minnesota as of May 12, 2023, multiplied by the total number of active beds in the nursing facility as of May 12, 2023.

The total sum for each nursing facility shall be distributed in two equal payments on August 1, 2023, and August 1, 2024.

(b) The commissioner may adjust the amount in paragraph (a), clause (1), in order to expend the full amount of this appropriation.

(c) Each facility must expend the total payment amount by September 30, 2025.

Subd. 3. **Allowable uses and attestation.** To receive a payment, each nursing facility must attest on the forms and according to the timelines established by the commissioner that the payment will be used for the following nursing facility related operations:

(1) covering operating- or property-related long-term debt payments;

(2) closing lines of credit;

(3) debt restructuring;

(4) paying off covenants or avoiding receivership as of the day following enactment;

(5) rent payments in arrears as of the day following enactment;

(6) physical plant improvements and maintenance not claimed for a rate increase; and

(7) any other item deemed allowable by the commissioner.

Subd. 4. **Payments to related organizations prohibited.** A payment awarded under this section may not be used for payments to related organizations as defined in Minnesota Statutes, section 256R.02, subdivision 43.

Subd. 5. **Reporting requirements.** Each nursing facility shall report to the commissioner on the forms and according to the timelines established by the commissioner regarding uses of payments awarded under this section.

Subd. 6. **Audits and recoupment.** (a) The commissioner may perform an audit under this section up to six years after a payment is awarded to ensure that:

(1) the nursing facility used the money solely for allowable purposes under subdivision 3;

(2) the nursing facility was truthful when making attestations under subdivision 3; and

(3) the nursing facility complied with the conditions of receiving a payment under this section.

(b) If the commissioner determines that a nursing facility used the payment for purposes not authorized under this section, the commissioner must treat any amount used for a purpose not authorized under this section as an overpayment. The commissioner must recover any overpayment.

Subd. 7. **Overspending relative to forecast.** (a) The commissioner shall determine total projected medical assistance payments to nursing facilities in fiscal years 2024 to 2027 based on the February 2023 forecast plus the impact of the temporary rate add-on in section 3 and any subsequent rate adjustments in the 2024 legislative session.

(b) By December 31, 2028, the commissioner shall determine actual total medical assistance payments to nursing facilities for fiscal years 2024 to 2027. The determination of total actual medical assistance payments shall not include the appropriation for the payments under this section.

(c) The commissioner shall compare the amount in paragraph (a) to the amount in paragraph (b). If the amount in paragraph (a) exceeds the amount in paragraph (b), the payments in subdivision 2 shall be determined to have not increased medical assistance payments to nursing facilities. If the amount in paragraph (b) exceeds the amount in paragraph (a), the payments in subdivision 2 shall be determined to have increased medical assistance payments to nursing facilities and the commissioner shall adjust each nursing facility's rates in an amount proportional to the payment received by the nursing facility in subdivision 2 to reduce aggregate medical assistance payments to nursing facilities in rate year 2029 by an amount equal to the amount by which actual total medical assistance payments to nursing facilities for fiscal years 2024 to 2027, as determined in paragraph (b), exceeds the projected medical assistance payments to nursing facilities for fiscal years 2024 to 2027 based on the amount in paragraph (a).

(d) The commissioner's determinations under this subdivision are final and not subject to appeal.

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

Sec. 3. **NURSING FACILITY TEMPORARY RATE ADD-ON.**

Effective July 1, 2023, the commissioner of human services shall provide a temporary rate add-on for nursing facilities reimbursed under Minnesota Statutes, chapter 256R, in an amount equal to $12.35 per resident day. The rate add-on under this section shall expire December 31, 2024.

**EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this act is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

Sec. 5. **APPROPRIATIONS.**

Subdivision 1. **Nursing facility workforce incentive grant program.** $74,500,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of human services for the nursing facility workforce incentive grant program under Minnesota Statutes, section 256.4766. Notwithstanding Minnesota Statutes, section 16A.28, subdivisions 1 and 3, this appropriation is available until June 30, 2029. This is a onetime appropriation.

Subd. 2. **Payments to nursing facilities not to exceed forecast spending.** $173,137,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of human services for payments to nursing facilities not to exceed forecast spending. This is a onetime appropriation and is available until June 30, 2025.

Subd. 3. **Nursing facility temporary rate add-on.** $21,344,000 in fiscal year 2024 and $15,169,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of human services for a nursing facility temporary rate add-on.

Subd. 4. **Administration.** $1,250,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of human services for the administration of the activities in subdivisions 1 and 3. Notwithstanding Minnesota Statutes, section 16A.28, subdivisions 1 and 3, this amount is available until June 30, 2029. This is a onetime appropriation.

## FIRST READING OF HOUSE BILLS

The following bill was read the first time.

**H.F. No. 3342:** A bill for an act relating to human services; providing for a nursing facility workforce incentive program, nursing facility payments, and a nursing facility temporary rate add-on; providing partial reimbursement to hospitals for qualifying avoidable patient days; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SUSPENSION OF RULES

Senator Dziedzic moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 3342 and that the rules of the Senate be so far suspended as to give H.F. No. 3342 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3342 was read the second time.

H.F. No. 3342 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Maye Quade | Rarick |
| Anderson | Eichorn | Klein | McEwen | Rasmusson |
| Bahr | Farnsworth | Koran | Miller | Rest |
| Boldon | Fateh | Kreun | Mitchell | Seeberger |
| Carlson | Frentz | Kunesh | Mohamed | Utke |
| Champion | Green | Kupec | Morrison | Weber |
| Coleman | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Lucero | Pha | Xiong |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Klein, Mann, McEwen, Morrison, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Bahr, Duckworth, and Pratt.

So the bill passed and its title was agreed to.

# 022. HF 2757

**Vote:** 2024-02-22 | **Workbook row:** 27
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Taxation; standard deduction calculation and statewide local housing aid definitions modified, and Beltrami County local sales and use tax authorization amended.

## Included complete bill documents

**1. 1st Engrossment, posted 2024-02-13** - 6 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2023/0/HF/2757/versions/1/pdf/

## Original Senate journal context

PDF pages 44-47. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240222084.pdf#page=47

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/2757/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 2757**

| | |
|---|---|
| 03/09/2023 | Authored by Gomez |
| | The bill was read for the first time and referred to the Committee on Taxes |
| 02/13/2024 | Adoption of Report: Amended and re-referred to the Committee on Ways and Means |
| 02/15/2024 | Adoption of Report: Placed on the General Register |
| | Read for the Second Time |
| 02/19/2024 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 02/22/2024 | Passed by the Senate and returned to the House |
| 02/23/2024 | Presented to Governor |
| 02/26/2024 | Governor Approval |

A bill for an act

relating to taxation; income, aids, and local sales and use; modifying the calculation of the standard deduction and definitions for the statewide local housing aid; amending the local sales and use tax authorization for Beltrami County; amending Minnesota Statutes 2022, section 290.0123, subdivisions 1, 2; Minnesota Statutes 2023 Supplement, sections 290.0123, subdivision 3; 477A.36, subdivisions 1, 6; Laws 2023, chapter 64, article 10, section 25.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 290.0123, subdivision 1, is amended to read:

Subdivision 1. **Standard deduction amount.** A taxpayer's standard deduction equals:

(1) for a married joint filer or a surviving spouse, ~~$24,400~~ $27,650;

(2) for a head of household filer, ~~$18,350~~ $20,800; or

(3) for any other filer, one-half the amount in clause (1); plus

(4) the additional amount for the taxpayer under subdivision 2.

A taxpayer's standard deduction amount is reduced in accordance with subdivision 5.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2022.

Sec. 2. Minnesota Statutes 2022, section 290.0123, subdivision 2, is amended to read:

Subd. 2. **Additional amount for seniors or blind taxpayers.** (a) The additional amount equals the sum of the following amounts:

(1) ~~$1,300~~ $1,450 if the taxpayer has attained age 65 before the close of the taxable year or ~~$1,650~~ $1,850 for such a taxpayer who is not married or a surviving spouse;

(2) ~~$1,300~~ $1,450 for the spouse of the taxpayer if the spouse has attained the age of 65 before the close of the taxable year and qualifies for an exemption under section 151(b) of the Internal Revenue Code;

(3) ~~$1,300~~ $1,450 if the taxpayer is blind at the close of the taxable year or ~~$1,650~~ $1,850 for such a taxpayer who is not married or a surviving spouse; and

(4) ~~$1,300~~ $1,450 for the spouse of the taxpayer if the spouse is blind as of the close of the taxable year and qualifies for an exemption under section 151(b) of the Internal Revenue Code.

(b) The commissioner must disregard section 151(d)(5) of the Internal Revenue Code when determining if the taxpayer's spouse is eligible for an exemption under paragraph (a).

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2022.

Sec. 3. Minnesota Statutes 2023 Supplement, section 290.0123, subdivision 3, is amended to read:

Subd. 3. **Amount for dependents.** For an individual who is a dependent, as defined in sections 151 and 152 of the Internal Revenue Code, of another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins, the standard deduction for that individual is limited to the greater of:

(1) ~~$1,100~~ $1,200; or

(2) the lesser of: (i) the sum of $350 and that individual's earned income; or (ii) the standard deduction amount allowed under subdivision 1, clause (3).

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2022.

Sec. 4. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the following terms have the meanings given:

(1) "city distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in Minnesota

tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

(2) "cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income;

(3) "county distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in Minnesota that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

(4) "eligible Tribal Nation" means any of the ~~following~~ 11 federally recognized Indian Tribes located in Minnesota~~: Bois Forte Band; Fond du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; and Red Lake Nation~~ which submit an application under subdivision 6, paragraph (g);

(5) "population" has the meaning given in section 477A.011, subdivision 3;

(6) "tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is not located in a metropolitan county, as defined by section 473.121, subdivision 4; and

(7) "tier II city" means a statutory or home rule charter city that is a city of the fourth class and is not located in a metropolitan county, as defined by section 473.121, subdivision 4.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 5. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each aid recipient under this section. Beginning with aids payable in calendar year 2024, before computing the amount of aid for counties and after receiving the report required by subdivision 3, paragraph (e), the commissioner shall compute the amount necessary to increase the amount in the account or accounts established under that paragraph to $1,250,000. The amount calculated under the preceding sentence shall be deducted from the amount available to counties for the purposes of certifying the amount

of aid to be paid to counties in the following year. By August 1 of each year, the commissioner must certify the amount to be paid to each ~~aid recipient~~ tier I city and county in the following year. The commissioner must pay statewide local housing aid to tier I cities and counties annually at the times provided in section 477A.015. Before paying the first installment of aid annually, the commissioner of revenue shall transfer to the Minnesota Housing Finance Agency from the funds available for counties, for deposit in the account or accounts established under subdivision 3, paragraph (e), the amount computed in the prior year to be necessary to increase the amount in the account or accounts established under that paragraph to $1,250,000.

(b) Beginning in 2025, aid recipients shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report shall include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If an aid recipient fails to submit a report, fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), or uses funds for a project that does not qualify under this section, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the aid recipient must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, an aid recipient must pay to the Minnesota Housing Finance Agency funds the aid recipient received under this section if the aid recipient:

(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

(2) spends the funds on anything other than a qualifying project; or

(3) fails to submit a report documenting use of the funds.

(d) The commissioner of revenue must stop distributing funds to an aid recipient that the Minnesota Housing Finance Agency reports to have, in three consecutive years, failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to an aid recipient to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph

are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

(g) An eligible Tribal Nation may choose to receive an aid distribution under this section by submitting an application under this subdivision. An eligible Tribal Nation which has not received a distribution in a prior aids payable year may elect to begin participation in the program by submitting an application in the manner and form prescribed by the commissioner of revenue by January 15 of the aids payable year. In order to receive a distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most recent estimate of the total number of enrolled members of the eligible Tribal Nation. The information must be annually certified by March 1 in the form prescribed by the commissioner of revenue. The commissioner of revenue must annually calculate and certify the amount of aid payable to each eligible Tribal Nation on or before August 1 of the aids payable year. The commissioner of revenue must pay statewide local housing aid to eligible Tribal Nations annually by December 27 of the year the aid is certified.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 6. Laws 2023, chapter 64, article 10, section 25, is amended to read:

Sec. 25. **BELTRAMI COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, ~~subdivision~~ subdivisions 1 and 3, or 477A.016, or any other law or ordinance, and if approved by the voters at an election ~~as required under Minnesota Statutes, section 297A.99, subdivision 3~~ held on November 7, 2023, Beltrami County may impose by ordinance a sales and use tax of five-eighths of one percent for the purpose specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by Beltrami County to pay the costs of collecting and administering the tax, and to finance up to $80,000,000, plus associated bonding costs, for the construction of a new county jail.

Subd. 3. **Bonding authority.** (a) Beltrami County may issue bonds under Minnesota Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $80,000,000 for the project listed in subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years after the tax is first imposed; or (2) when the county board determines that the amount received from the tax is sufficient to pay $80,000,000 in project costs authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

**EFFECTIVE DATE.** This section is effective retroactively from November 7, 2023.

Sec. 7. **APPLICATIONS OF TRIBAL NATIONS FOR STATEWIDE HOUSING AIDS PAYABLE IN 2024.**

For aids payable in 2024, the application and enrollment information required under Minnesota Statutes, section 477A.36, subdivision 6, paragraph (g), may be submitted as late as June 30, 2024. The commissioner may recertify, no later than August 1, 2024, the amount of statewide local housing aid payable to each Tribal Nation for aids payable in calendar year 2024.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024.

Senator Oumou Verbeten moved that the name of Senator Champion be added as a co-author to S.F. No. 3662. The motion prevailed.

Senator Westlin moved that the name of Senator Dibble be added as a co-author to S.F. No. 3798. The motion prevailed.

Senator Hoffman moved that the name of Senator Mitchell be added as a co-author to S.F. No. 3820. The motion prevailed.

Senator Morrison moved that the names of Senators Port, Hauschild, and Mitchell be added as co-authors to S.F. No. 3868. The motion prevailed.

Senator Lucero moved that the name of Senator Nelson be added as a co-author to S.F. No. 3885. The motion prevailed.

Senator Seeberger moved that the name of Senator Dziedzic be added as a co-author to S.F. No. 3888. The motion prevailed.

Senator Oumou Verbeten moved that the name of Senator Housley be added as a co-author to S.F. No. 3937. The motion prevailed.

Senator Kupec moved that the name of Senator Gustafson be added as a co-author to S.F. No. 3940. The motion prevailed.

Senator Pha moved that the name of Senator Draheim be added as a co-author to S.F. No. 3979. The motion prevailed.

**Senator Champion introduced --**

**Senate Resolution No. 73:** A Senate resolution declaring Saturday, June 17, 2023, as Norma Jean Williams Day.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 2757 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 2757:** A bill for an act relating to taxation; income, aids, and local sales and use; modifying the calculation of the standard deduction and definitions for the statewide local housing aid; amending the local sales and use tax authorization for Beltrami County; amending Minnesota Statutes 2022, section 290.0123, subdivisions 1, 2; Minnesota Statutes 2023 Supplement, sections 290.0123, subdivision 3; 477A.36, subdivisions 1, 6; Laws 2023, chapter 64, article 10, section 25.

Senator Housley moved to amend H.F. No. 2757 as follows:

Page 6, after line 32, insert:

"Sec. 8. **REBATE CREDIT.**

Subdivision 1. **Credit allowed.** A taxpayer who received a payment pursuant to Laws 2023, chapter 64, article 1, section 49, may claim a credit equal to ten percent of the amount of the payment.

Subd. 2. **Allocation.** For a part-year resident, the credit must be allocated based on the percentage calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

**EFFECTIVE DATE.** This section is effective retroactively for payments issued after August 1, 2023, for taxable years beginning after December 31, 2022, and before January 1, 2025."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Mathews | Weber |
| Anderson | Eichorn | Johnson | Miller | Wesenberg |
| Coleman | Farnsworth | Koran | Nelson | Westrom |
| Dahms | Green | Kreun | Pratt | |
| Dornink | Gruenhagen | Lang | Rarick | |
| Draheim | Housley | Lieske | Rasmusson | |
| Drazkowski | Howe | Limmer | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Lang and Miller.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Hauschild.

The motion did not prevail. So the amendment was not adopted.

Senator Weber moved to amend H.F. No. 2757 as follows:

Page 5, after line 18, insert:

"Sec. 6. Laws 2023, chapter 64, article 1, section 44, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, ~~2022~~ 2023.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Utke |
| Anderson | Duckworth | Jasinski | Mathews | Weber |
| Bahr | Eichorn | Johnson | Miller | Wesenberg |
| Coleman | Farnsworth | Koran | Nelson | Westrom |
| Dahms | Green | Kreun | Pratt | |
| Dornink | Gruenhagen | Lang | Rarick | |
| Draheim | Housley | Lieske | Rasmusson | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Lang and Miller.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Hauschild.

The motion did not prevail. So the amendment was not adopted.

Senator Nelson moved to amend H.F. No. 2757 as follows:

Page 6, after line 32, insert:

"Sec. 8. **PENALTIES AND INTEREST; ABATEMENT FOR UNDERPAYMENT.**

Notwithstanding Minnesota Statutes, sections 289A.20, subdivision 1, paragraph (a), 289A.55, subdivisions 1 to 4, 8, and 9, and 289A.60, subdivisions 1 and 2, for taxable years beginning after December 31, 2022, and before January 1, 2024, the commissioner of revenue must not assess penalties or interest resulting from an underpayment of tax by a taxpayer claiming the deduction under Minnesota Statutes, section 290.095, resulting from the effective date in Laws 2023, chapter 64, article 1, section 44.

**EFFECTIVE DATE.** This section is effective the day following final enactment for returns and payments due for taxable years beginning after December 31, 2022, and before January 1, 2024."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Utke |
| Anderson | Duckworth | Jasinski | Mathews | Weber |
| Bahr | Eichorn | Johnson | Miller | Wesenberg |
| Coleman | Farnsworth | Koran | Nelson | Westrom |
| Dahms | Green | Kreun | Pratt | |
| Dornink | Gruenhagen | Lang | Rarick | |
| Draheim | Housley | Lieske | Rasmusson | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Lang and Miller.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Hauschild.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2757 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Maye Quade | Rarick |
| Anderson | Eichorn | Klein | McEwen | Rasmusson |
| Bahr | Farnsworth | Koran | Miller | Seeberger |
| Boldon | Fateh | Kreun | Mitchell | Utke |
| Carlson | Frentz | Kunesh | Mohamed | Weber |
| Champion | Green | Kupec | Morrison | Wesenberg |
| Coleman | Gruenhagen | Lang | Murphy | Westlin |
| Cwodzinski | Gustafson | Latz | Nelson | Westrom |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Wiklund |
| Dibble | Hawj | Limmer | Pappas | Xiong |
| Dornink | Hoffman | Lucero | Pha | |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Hauschild.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Lang, and Miller.

So the bill passed and its title was agreed to.

# 023. SF 3546

**Vote:** 2024-02-29 | **Workbook row:** 28
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Licensed traditional midwife authority to obtain, possess, and administer certain drugs, supplies, and devices clarification

## Included complete bill documents

**1. Introduction, posted 2024-02-09** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/SF/3546/versions/0/pdf/

## Original Senate journal context

PDF pages 34-34. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240229087.pdf#page=34

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/SF/3546/

# SENATE
## STATE OF MINNESOTA
## NINETY-THIRD SESSION

# S.F. No. 3546

**(SENATE AUTHORS: PAPPAS, Abeler, Dibble, Boldon and McEwen)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/12/2024 | 11556 | Introduction and first reading |
| | | Referred to Health and Human Services |
| 02/15/2024 | 11620 | Author added Dibble |
| 02/26/2024 | 11731 | Comm report: To pass |
| | 11795 | Second reading |
| | 11824 | Author added Boldon |
| 02/29/2024 | 11860 | Author added McEwen |
| | 11864 | Special Order |
| | 11864 | Third reading Passed |
| 03/11/2024 | 12072 | Returned from House |
| | | Presentment date 03/12/24 |
| | 12202 | Governor's action Approval 03/13/24 |
| | 12202 | Secretary of State Chapter 77 03/13/24 |
| | | Effective date 03/14/2024 |

A bill for an act

relating to health-related occupations; clarifying licensed traditional midwife authority to obtain, possess, and administer certain drugs, supplies, and devices; amending Minnesota Statutes 2022, sections 147D.09; 151.37, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 147D.09, is amended to read:

**147D.09 LIMITATIONS OF PRACTICE.**

(a) A licensed traditional midwife shall not prescribe, dispense, or administer prescription drugs, except as permitted under paragraph (b).

(b) A licensed traditional midwife may obtain, possess, and administer vitamin K either orally or through intramuscular injection, maternal RhoGAM treatment, postpartum antihemorrhagic drugs under emergency situations, local anesthetic, oxygen, and a prophylactic eye agent to the newborn infant.

(c) A licensed traditional midwife shall not perform any operative or surgical procedures except for suture repair of first- or second-degree perineal lacerations.

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

Sec. 2. Minnesota Statutes 2022, section 151.37, is amended by adding a subdivision to read:

Subd. 11a. **Exclusion for traditional midwives.** A traditional midwife licensed under chapter 147D is authorized, consistent with the midwife's scope of professional practice and as necessary for the practice of midwifery, to directly obtain supplies and devices;

obtain, possess, and administer drugs and diagnostic tests as permitted under section 147D.09, paragraph (b); order tests; and receive reports.

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

**Senators Nelson and Utke introduced --**

**Senate Resolution No. 76:** A Senate resolution designating Hypertrophic Cardiomyopathy Awareness Day and encouraging efforts to educate people about hypertrophic cardiomyopathy.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated S.F. No. 3546 a Special Order to be heard immediately.

## SPECIAL ORDER

**S.F. No. 3546:** A bill for an act relating to health-related occupations; clarifying licensed traditional midwife authority to obtain, possess, and administer certain drugs, supplies, and devices; amending Minnesota Statutes 2022, sections 147D.09; 151.37, by adding a subdivision.

## CALL OF THE SENATE

Senator Pappas imposed a call of the Senate for the balance of the proceedings on S.F. No. 3546. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 3546 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Eichorn | Johnson | Mathews | Pratt |
| Anderson | Farnsworth | Klein | Maye Quade | Putnam |
| Boldon | Fateh | Koran | McEwen | Rarick |
| Carlson | Frentz | Kreun | Miller | Rasmusson |
| Champion | Green | Kunesh | Mitchell | Rest |
| Coleman | Gruenhagen | Kupec | Mohamed | Seeberger |
| Cwodzinski | Gustafson | Lang | Morrison | Utke |
| Dahms | Hauschild | Latz | Murphy | Weber |
| Dibble | Hawj | Lieske | Nelson | Wesenberg |
| Dornink | Hoffman | Limmer | Oumou Verbeten | Westlin |
| Draheim | Housley | Lucero | Pappas | Westrom |
| Drazkowski | Howe | Mann | Pha | Wiklund |
| Duckworth | Jasinski | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Miller.

So the bill passed and its title was agreed to.

# 024. HF 3489

**Vote:** 2024-03-11 | **Workbook row:** 29
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 57 yeas, 9 nays

**Workbook subject:** School Resource Officers; public safety provided, grounds for use of reasonable force in schools modified, school resource officer duties defined and minimum training requirements established, school resource officer model policy development required, and money appropriated.

## Included complete bill documents

**1. 1st Engrossment, posted 2024-02-26** - 9 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3489/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2024-03-11** - 9 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2024/0/HF/3489/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 74-78. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240311090.pdf#page=77

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3489/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 3489**

02/12/2024 Authored by Frazier, Moller, Pryor, Youakim, Becker-Finn and others
The bill was read for the first time and referred to the Committee on Education Policy
02/13/2024 Adoption of Report: Re-referred to the Committee on Public Safety Finance and Policy
02/26/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
02/28/2024 Adoption of Report: Placed on the General Register
Read for the Second Time
03/04/2024 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
03/11/2024 Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed

A bill for an act

relating to education; providing for public safety; modifying the grounds for the use of reasonable force in schools; defining duties and establishing minimum training requirements for school resource officers; requiring development of a school resource officer model policy; appropriating money; amending Minnesota Statutes 2022, sections 121A.582, by adding a subdivision; 123B.02, by adding a subdivision; 124E.03, by adding a subdivision; 609.06, subdivision 1; 609.379, subdivision 1; Minnesota Statutes 2023 Supplement, sections 121A.58, subdivisions 1, 2a; 121A.582, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2023 Supplement, section 121A.58, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, "corporal punishment" means conduct involving:

(1) hitting or spanking a person with or without an object; or

(2) unreasonable physical force that causes bodily harm or substantial emotional harm.

(b) For the purpose of this section, "employee or agent of a district" does not include a school resource officer as defined in section 626.8482, subdivision 1, paragraph (c).

(c) For the purpose of this section, "prone restraint" means placing a child in a face-down position.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 121A.58, subdivision 2a, is amended to read:

Subd. 2a. **Prone restraint and certain physical holds not allowed.** (a) An employee or agent of a district~~, including a school resource officer, security personnel, or police officer contracted with a district,~~ shall not use prone restraint.

(b) An employee or agent of a district~~, including a school resource officer, security personnel, or police officer contracted with a district,~~ shall not inflict any form of physical holding that restricts or impairs a pupil's ability to breathe; restricts or impairs a pupil's ability to communicate distress; places pressure or weight on a pupil's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen; or results in straddling a pupil's torso.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 121A.582, subdivision 1, is amended to read:

Subdivision 1. **Reasonable force standard.** (a) A teacher or school principal, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student to prevent ~~imminent~~ bodily harm or death to the student or to another.

(b) A school employee, school bus driver, or other agent of a district, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student to prevent bodily harm or death to the student or to another.

(c) Paragraphs (a) and (b) do not authorize conduct prohibited under section 125A.0942.

(d) Districts must report data on their use of any reasonable force used on a student with a disability to correct or restrain the student to prevent ~~imminent~~ bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c), as outlined in section 125A.0942, subdivision 3, paragraph (b).

(e) Beginning with the 2024-2025 school year, districts must report annually by July 15, in a form and manner determined by the commissioner, data from the prior school year about any reasonable force used on a general education student to correct or restrain the student to prevent ~~imminent~~ bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c).

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

Sec. 4. Minnesota Statutes 2022, section 121A.582, is amended by adding a subdivision to read:

Subd. 5. **Definition.** For the purpose of this section, a school resource officer, as defined in section 626.8482, subdivision 1, paragraph (c), is not a school employee or agent of the district.

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

Sec. 5. Minnesota Statutes 2022, section 123B.02, is amended by adding a subdivision to read:

Subd. 25. **School resource officers.** A board that contracts for the services of a school resource officer must ensure the contract meets the requirements of section 626.8482.

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

Sec. 6. Minnesota Statutes 2022, section 124E.03, is amended by adding a subdivision to read:

Subd. 10. **School resource officers.** A charter school board must comply with section 123B.02, subdivision 25.

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

Sec. 7. Minnesota Statutes 2022, section 609.06, subdivision 1, is amended to read:

Subdivision 1. **When authorized.** Except as otherwise provided in subdivisions 2 and 3, reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

(1) when used by a public officer or one assisting a public officer under the public officer's direction:

(i) in effecting a lawful arrest; or

(ii) in the execution of legal process; or

(iii) in enforcing an order of the court; or

(iv) in executing any other duty imposed upon the public officer by law; or

(2) when used by a person not a public officer in arresting another in the cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or

(3) when used by any person in resisting or aiding another to resist an offense against the person; or

(4) when used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or

(5) when used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or

(6) when used by a parent, guardian, ~~teacher,~~ or other lawful custodian of a child ~~or pupil~~, in the exercise of lawful authority, to restrain or correct such child ~~or pupil~~; or

(7) when used by a teacher, school principal, school employee ~~or~~, school bus driver, or other agent of a district in the exercise of lawful authority, to restrain a child or pupil~~, or~~ to prevent bodily harm or death to the child, pupil, or another; or

(8) when used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or

(9) when used to restrain a person with a mental illness or a person with a developmental disability from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct, or treatment; or

(10) when used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct, or treatment of the committed person.

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

Sec. 8. Minnesota Statutes 2022, section 609.379, subdivision 1, is amended to read:

Subdivision 1. **Reasonable force.** (a) Reasonable force may be used upon or toward the person of a child without the child's consent when the following circumstance exists or the actor reasonably believes it to exist:

~~(a)~~ (1) when used by a parent, legal guardian, ~~teacher,~~ or other caretaker of a child ~~or pupil~~, in the exercise of lawful authority, to restrain or correct the child ~~or pupil~~; or

~~(b)~~ (2) when used by a teacher, school principal, school employee, school bus driver, other agent of a district, or other member of the instructional, support, or supervisory staff of a public or nonpublic school upon or toward a child or pupil when necessary to restrain the child ~~from self-injury or injury to any other person or property~~ or pupil to prevent bodily harm or death to the child, pupil, or another.

(b) Nothing in this section limits any other authorization to use reasonable force including but not limited to authorizations under sections 121A.582, subdivision 1, and 609.06, subdivision 1.

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

Sec. 9. **[626.8482] SCHOOL RESOURCE OFFICERS; DUTIES; TRAINING; MODEL POLICY.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "School" means an elementary school, middle school, or secondary school, as defined in section 120A.05, subdivisions 9, 11, and 13.

(c) "School resource officer" means a peace officer who is assigned to work in an elementary school, middle school, or secondary school during the regular instructional school day as one of the officer's regular responsibilities through the terms of a contract entered between the peace officer's employer and the designated school district or charter school.

Subd. 2. **Duties.** (a) A school resource officer's contractual duties with a school district or charter school shall include:

(1) fostering a positive school climate through relationship building and open communication;

(2) protecting students, staff, and visitors to the school grounds from criminal activity;

(3) serving as a liaison from law enforcement to school officials;

(4) providing advice on safety drills;

(5) identifying vulnerabilities in school facilities and safety protocols;

(6) educating and advising students and staff on law enforcement topics; and

(7) enforcement of criminal laws.

(b) A school district or charter school may contract with a school resource officer's employer for the officer to perform additional duties to those described in paragraph (a).

(c) A school resource officer must not use force or the authority of their office solely to enforce school rules or policies or participate in the enforcement of discipline for violations of school rules.

(d) Nothing in this subdivision limits any other duty or responsibility imposed on peace officers; limits the expectation that peace officers will exercise professional judgment and discretion to protect the health, safety, and general welfare of the public when carrying out their duties; or creates a duty for school resource officers to protect students, staff, or others on school grounds that is different from the duty to protect the public as a whole.

Subd. 3. **Instruction required.** (a) Except as provided for in paragraphs (b) to (d), beginning September 1, 2025, a peace officer assigned to serve as a school resource officer must complete a training course that provides instruction on the learning objectives identified in subdivision 4 prior to assuming the duties of a school resource officer.

(b) A peace officer who has completed either the School Safety Center standardized Basic School Resource Officer Training or the National School Resource Officer Basic School Resource Officer course prior to September 1, 2025, must complete the training mandated under paragraph (a) before June 1, 2027. A peace officer covered under this paragraph may complete a supplemental training course approved by the board pursuant to subdivision 4, paragraph (b), to satisfy the training requirement.

(c) If an officer's employer is unable to provide the required training course to the officer prior to the officer assuming the duties of a school resource officer, the officer must complete the required training within six months of assuming the duties of a school resource officer. The officer is not required to perform the duties described in subdivision 2, paragraph (a), clause (4) or (5), until the officer has completed the required training course. The officer must review any policy adopted by the officer's employer pursuant to subdivision 6 before assuming the other duties of a school resource officer and must comply with that policy.

(d) An officer who is serving as a substitute school resource officer for fewer than 60 student contact days within a school year is not obligated to complete the required training or perform the duties described in subdivision 2, paragraph (a), clause (4) or (5), but must review and comply with any policy adopted pursuant to subdivision 6 by the law enforcement agency that employs the substitute school resource officer.

(e) For each school resource officer employed by an agency, the chief law enforcement officer must maintain a copy of the most recent training certificate issued to the officer for completion of the training mandated under this section.

Subd. 4. **Training course.** (a) By January 15, 2025, the Board of Peace Officer Standards and Training, in consultation with the Department of Public Safety's School Safety Center, shall prepare learning objectives for training courses to instruct peace officers in serving as a school resource officer. At a minimum, the learning objectives must ensure officers receive training on:

(1) the juvenile justice system;

(2) legal standards for peace officers to use force to detain or arrest students in schools;

(3) legal standards for school employees and contractors to use force to detain, discipline, and arrest students in school;

(4) de-escalation techniques and using the least restrictive physical intervention strategies for handling conflicts in schools;

(5) responding to persons experiencing a mental health crisis in a school setting, with an emphasis placed on juveniles;

(6) understanding and working with students with disabilities and students receiving special education services;

(7) juvenile brain development, including limitations on impulse control;

(8) the impact of childhood trauma on juvenile behavior;

(9) responding to threats of violence against students and schools;

(10) detecting juvenile exploitation;

(11) investigating crimes committed in schools, including student and parental rights;

(12) identifying vulnerabilities in school facilities and safety protocols;

(13) mandated safety drills and best practices in conducting safety drills; and

(14) the topics identified in section 626.8469, subdivision 1, as they pertain to juveniles or students.

(b) The Board of Peace Officer Standards and Training may also approve supplemental training courses that are offered by providers who have trained school resource officers in the state prior to development of the learning objectives required under paragraph (a). At a minimum, an approved supplemental course must provide instruction on each of the board's

learning objectives that were not covered in the provider's existing school resource officer course curriculum.

Subd. 5. **Model Policy.** (a) By December 31, 2024, the Board of Peace Officer Standards and Training shall develop a model school resource officer policy. In developing the policy, the board must convene a group consisting of representatives from the Department of Public Safety's School Safety Center, the Minnesota School Boards Association, the Minnesota Association of Secondary School Principals, Education Minnesota, the Minnesota Sheriffs' Association, the Minnesota Chiefs of Police Association, the Minnesota Police and Peace Officers Association, the Minnesota Juvenile Officers Association, the National Association of School Resource Officers, Solutions Not Suspensions, the Minnesota Youth Council, the Minnesota Council on Disability, and one community organization supporting the rights of students receiving special education services. The group must meet at least three times to discuss the topics identified in paragraph (b), address any related issues, and provide advice and direction regarding development of the model policy.

(b) The model policy must cover, at a minimum, the following:

(1) issues to be addressed in a school resource officer contract, including but not limited to the use of plain clothes, modified uniforms, and other changes to school resource officer attire in order to foster a positive school climate, facilitate the establishment of positive relationships with students, and promote open communication;

(2) considerations for the proper use of force on school grounds, including:

(i) the prohibitions on choke holds and other restraints established in section 609.06, subdivision 3;

(ii) the prohibition on using force or the authority of the peace officer's office solely to enforce school rules or policies or participating in the enforcement of discipline for violations of school rules;

(iii) the use of de-escalation techniques and other alternatives to higher levels of force that are appropriate with juveniles and students in a school setting;

(iv) response tactics and strategies that minimize the use and duration of prone restraint, as defined in section 121A.58, and other physical holds of students; and

(v) the duty to render reasonably prompt care, consistent with the officer's training, to a person who an officer physically holds or restrains;

(3) alternative procedures that can be used to de-escalate conflicts in schools and students and others in crisis;

(4) proper procedures and limitations placed on school districts and charter schools to ensure school resource officers are being utilized appropriately and not for school disciplinary purposes;

(5) considerations to build constructive police relationships with students, administrators, and educational staff;

(6) proper procedures for protecting student data; and

(7) how soon after completing the training required under subdivision 3 that a school resource officer must complete a refresher course that covers the learning objectives established in subdivision 4.

Subd. 6. **Policies required.** By September 1, 2025, each law enforcement agency with a school resource officer program shall develop, adopt, and implement a written policy regarding school resource officers that is identical or, at a minimum, substantially similar to the model policy adopted by the board under subdivision 5.

Subd. 7. **Licensing sanctions; injunctive relief.** The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

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

Sec. 10. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

$150,000 in fiscal year 2024 and $490,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of public safety to increase staffing in the department's school safety center and perform the duties required by this act. The general fund base for this appropriation is $490,000 in fiscal year 2026 and fiscal year 2027.

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

A bill for an act

relating to education; providing for public safety; modifying the grounds for the use of reasonable force in schools; defining duties and establishing minimum training requirements for school resource officers; requiring development of a school resource officer model policy; appropriating money; amending Minnesota Statutes 2022, sections 121A.582, by adding a subdivision; 123B.02, by adding a subdivision; 124E.03, by adding a subdivision; 609.06, subdivision 1; 609.379, subdivision 1; Minnesota Statutes 2023 Supplement, sections 121A.58, subdivisions 1, 2a; 121A.582, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2023 Supplement, section 121A.58, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, "corporal punishment" means conduct involving:

(1) hitting or spanking a person with or without an object; or

(2) unreasonable physical force that causes bodily harm or substantial emotional harm.

(b) For the purpose of this section, "employee or agent of a district" does not include a school resource officer as defined in section 626.8482, subdivision 1, paragraph (c).

(c) For the purpose of this section, "prone restraint" means placing a child in a face-down position.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 121A.58, subdivision 2a, is amended to read:

Subd. 2a. **Prone restraint and certain physical holds not allowed.** (a) An employee or agent of a district~~, including a school resource officer, security personnel, or police officer contracted with a district,~~ shall not use prone restraint.

(b) An employee or agent of a district~~, including a school resource officer, security personnel, or police officer contracted with a district,~~ shall not inflict any form of physical holding that restricts or impairs a pupil's ability to breathe; restricts or impairs a pupil's ability to communicate distress; places pressure or weight on a pupil's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen; or results in straddling a pupil's torso.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 121A.582, subdivision 1, is amended to read:

Subdivision 1. **Reasonable force standard.** (a) A teacher or school principal, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student to prevent ~~imminent~~ bodily harm or death to the student or to another.

(b) A school employee, school bus driver, or other agent of a district, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student to prevent bodily harm or death to the student or to another.

(c) Paragraphs (a) and (b) do not authorize conduct prohibited under section 125A.0942.

(d) Districts must report data on their use of any reasonable force used on a student with a disability to correct or restrain the student to prevent ~~imminent~~ bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c), as outlined in section 125A.0942, subdivision 3, paragraph (b).

(e) Beginning with the 2024-2025 school year, districts must report annually by July 15, in a form and manner determined by the commissioner, data from the prior school year about any reasonable force used on a general education student to correct or restrain the student to prevent ~~imminent~~ bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c).

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

Sec. 4. Minnesota Statutes 2022, section 121A.582, is amended by adding a subdivision to read:

Subd. 5. **Definition.** For the purpose of this section, a school resource officer, as defined in section 626.8482, subdivision 1, paragraph (c), is not a school employee or agent of the district.

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

Sec. 5. Minnesota Statutes 2022, section 123B.02, is amended by adding a subdivision to read:

Subd. 25. **School resource officers.** A board that contracts for the services of a school resource officer must ensure the contract meets the requirements of section 626.8482.

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

Sec. 6. Minnesota Statutes 2022, section 124E.03, is amended by adding a subdivision to read:

Subd. 10. **School resource officers.** A charter school board must comply with section 123B.02, subdivision 25.

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

Sec. 7. Minnesota Statutes 2022, section 609.06, subdivision 1, is amended to read:

Subdivision 1. **When authorized.** Except as otherwise provided in subdivisions 2 and 3, reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

(1) when used by a public officer or one assisting a public officer under the public officer's direction:

(i) in effecting a lawful arrest; or

(ii) in the execution of legal process; or

(iii) in enforcing an order of the court; or

(iv) in executing any other duty imposed upon the public officer by law; or

(2) when used by a person not a public officer in arresting another in the cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or

(3) when used by any person in resisting or aiding another to resist an offense against the person; or

(4) when used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or

(5) when used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or

(6) when used by a parent, guardian, ~~teacher,~~ or other lawful custodian of a child ~~or pupil~~, in the exercise of lawful authority, to restrain or correct such child ~~or pupil~~; or

(7) when used by a teacher, school principal, school employee ~~or~~, school bus driver, or other agent of a district in the exercise of lawful authority, to restrain a child or pupil~~,~~ or to prevent bodily harm or death to the child, pupil, or another, or to prevent theft, damage, or destruction of property; or

(8) when used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or

(9) when used to restrain a person with a mental illness or a person with a developmental disability from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct, or treatment; or

(10) when used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct, or treatment of the committed person.

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

Sec. 8. Minnesota Statutes 2022, section 609.379, subdivision 1, is amended to read:

Subdivision 1. **Reasonable force.** (a) Reasonable force may be used upon or toward the person of a child without the child's consent when the following circumstance exists or the actor reasonably believes it to exist:

~~(a)~~ (1) when used by a parent, legal guardian, ~~teacher,~~ or other caretaker of a child ~~or pupil~~, in the exercise of lawful authority, to restrain or correct the child ~~or pupil~~; or

~~(b)~~ (2) when used by a teacher, school principal, school employee, school bus driver, other agent of a district, or other member of the instructional, support, or supervisory staff of a public or nonpublic school upon or toward a child or pupil when necessary to restrain the child ~~from self-injury or injury to any other person or property~~ or pupil to prevent bodily harm or death to the child, pupil, or another.

(b) Nothing in this section limits any other authorization to use reasonable force including but not limited to authorizations under sections 121A.582, subdivision 1, and 609.06, subdivision 1.

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

Sec. 9. **[626.8482] SCHOOL RESOURCE OFFICERS; DUTIES; TRAINING; MODEL POLICY.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "School" means an elementary school, middle school, or secondary school, as defined in section 120A.05, subdivisions 9, 11, and 13.

(c) "School resource officer" means a peace officer who is assigned to work in an elementary school, middle school, or secondary school during the regular instructional school day as one of the officer's regular responsibilities through the terms of a contract entered between the peace officer's employer and the designated school district or charter school.

Subd. 2. **Duties.** (a) A school resource officer's contractual duties with a school district or charter school shall include:

(1) fostering a positive school climate through relationship building and open communication;

(2) protecting students, staff, and visitors to the school grounds from criminal activity;

(3) serving as a liaison from law enforcement to school officials;

(4) providing advice on safety drills;

(5) identifying vulnerabilities in school facilities and safety protocols;

(6) educating and advising students and staff on law enforcement topics; and

(7) enforcement of criminal laws.

(b) A school district or charter school may contract with a school resource officer's employer for the officer to perform additional duties to those described in paragraph (a).

(c) A school resource officer must not use force or the authority of their office solely to enforce school rules or policies or participate in the enforcement of discipline for violations of school rules.

(d) Nothing in this subdivision limits any other duty or responsibility imposed on peace officers; limits the expectation that peace officers will exercise professional judgment and discretion to protect the health, safety, and general welfare of the public when carrying out their duties; or creates a duty for school resource officers to protect students, staff, or others on school grounds that is different from the duty to protect the public as a whole.

Subd. 3. **Instruction required.** (a) Except as provided for in paragraphs (b) to (d), beginning September 1, 2025, a peace officer assigned to serve as a school resource officer must complete a training course that provides instruction on the learning objectives identified in subdivision 4 prior to assuming the duties of a school resource officer.

(b) A peace officer who has completed either the School Safety Center standardized Basic School Resource Officer Training or the National School Resource Officer Basic School Resource Officer course prior to September 1, 2025, must complete the training mandated under paragraph (a) before June 1, 2027. A peace officer covered under this paragraph may complete a supplemental training course approved by the board pursuant to subdivision 4, paragraph (b), to satisfy the training requirement.

(c) If an officer's employer is unable to provide the required training course to the officer prior to the officer assuming the duties of a school resource officer, the officer must complete the required training within six months of assuming the duties of a school resource officer. The officer is not required to perform the duties described in subdivision 2, paragraph (a), clause (4) or (5), until the officer has completed the required training course. The officer must review any policy adopted by the officer's employer pursuant to subdivision 6 before assuming the other duties of a school resource officer and must comply with that policy.

(d) An officer who is serving as a substitute school resource officer for fewer than 60 student contact days within a school year is not obligated to complete the required training or perform the duties described in subdivision 2, paragraph (a), clause (4) or (5), but must review and comply with any policy adopted pursuant to subdivision 6 by the law enforcement agency that employs the substitute school resource officer.

(e) For each school resource officer employed by an agency, the chief law enforcement officer must maintain a copy of the most recent training certificate issued to the officer for completion of the training mandated under this section.

Subd. 4. **Training course.** (a) By January 15, 2025, the Board of Peace Officer Standards and Training, in consultation with the Department of Public Safety's School Safety Center, shall prepare learning objectives for training courses to instruct peace officers in serving as a school resource officer. At a minimum, the learning objectives must ensure officers receive training on:

(1) the juvenile justice system;

(2) legal standards for peace officers to use force to detain or arrest students in schools;

(3) legal standards for school employees and contractors to use force to detain, discipline, and arrest students in school;

(4) de-escalation techniques and using the least restrictive physical intervention strategies for handling conflicts in schools;

(5) responding to persons experiencing a mental health crisis in a school setting, with an emphasis placed on juveniles;

(6) understanding and working with students with disabilities and students receiving special education services;

(7) juvenile brain development, including limitations on impulse control;

(8) the impact of childhood trauma on juvenile behavior;

(9) responding to threats of violence against students and schools;

(10) detecting juvenile exploitation;

(11) investigating crimes committed in schools, including student and parental rights;

(12) identifying vulnerabilities in school facilities and safety protocols;

(13) mandated safety drills and best practices in conducting safety drills; and

(14) the topics identified in section 626.8469, subdivision 1, as they pertain to juveniles or students.

(b) The Board of Peace Officer Standards and Training may also approve supplemental training courses that are offered by providers who have trained school resource officers in the state prior to development of the learning objectives required under paragraph (a). At a minimum, an approved supplemental course must provide instruction on each of the board's

learning objectives that were not covered in the provider's existing school resource officer course curriculum.

Subd. 5. **Model Policy.** (a) By December 31, 2024, the Board of Peace Officer Standards and Training shall develop a model school resource officer policy. In developing the policy, the board must convene a group consisting of representatives from the Department of Public Safety's School Safety Center, the Minnesota School Boards Association, the Minnesota Association of Secondary School Principals, Education Minnesota, the Minnesota Sheriffs' Association, the Minnesota Chiefs of Police Association, the Minnesota Police and Peace Officers Association, the Minnesota Juvenile Officers Association, the National Association of School Resource Officers, Solutions Not Suspensions, the Minnesota Youth Council, the Minnesota Council on Disability, and one community organization supporting the rights of students receiving special education services. The group must meet at least three times to discuss the topics identified in paragraph (b), address any related issues, and provide advice and direction regarding development of the model policy.

(b) The model policy must cover, at a minimum, the following:

(1) issues to be addressed in a school resource officer contract, including but not limited to the use of plain clothes, modified uniforms, and other changes to school resource officer attire in order to foster a positive school climate, facilitate the establishment of positive relationships with students, and promote open communication;

(2) considerations for the proper use of force on school grounds, including:

(i) the prohibitions on choke holds and other restraints established in section 609.06, subdivision 3;

(ii) the prohibition on using force or the authority of the peace officer's office solely to enforce school rules or policies or participating in the enforcement of discipline for violations of school rules;

(iii) the use of de-escalation techniques and other alternatives to higher levels of force that are appropriate with juveniles and students in a school setting;

(iv) response tactics and strategies that minimize the use and duration of prone restraint, as defined in section 121A.58, and other physical holds of students; and

(v) the duty to render reasonably prompt care, consistent with the officer's training, to a person who an officer physically holds or restrains;

(3) alternative procedures that can be used to de-escalate conflicts in schools and students and others in crisis;

(4) proper procedures and limitations placed on school districts and charter schools to ensure school resource officers are being utilized appropriately and not for school disciplinary purposes;

(5) considerations to build constructive police relationships with students, administrators, and educational staff;

(6) proper procedures for protecting student data; and

(7) how soon after completing the training required under subdivision 3 that a school resource officer must complete a refresher course that covers the learning objectives established in subdivision 4.

Subd. 6. **Policies required.** By September 1, 2025, each law enforcement agency with a school resource officer program shall develop, adopt, and implement a written policy regarding school resource officers that is identical or, at a minimum, substantially similar to the model policy adopted by the board under subdivision 5.

Subd. 7. **Licensing sanctions; injunctive relief.** The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

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

Sec. 10. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

$150,000 in fiscal year 2024 and $490,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of public safety to increase staffing in the department's school safety center and perform the duties required by this act. The general fund base for this appropriation is $490,000 in fiscal year 2026 and fiscal year 2027.

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

Senator Rest moved that the name of Senator Weber be added as a co-author to S.F. No. 4725. The motion prevailed.

Senator McEwen moved that the names of Senators Seeberger and Marty be added as co-authors to S.F. No. 4743. The motion prevailed.

Senator McEwen moved that the name of Senator Dornink be added as a co-author to S.F. No. 4745. The motion prevailed.

Senator Pappas moved that the name of Senator Hawj be added as a co-author to S.F. No. 4758. The motion prevailed.

Senator Hoffman moved that S.F. No. 3299 be withdrawn from the Committee on Human Services and re-referred to the Committee on Health and Human Services. The motion prevailed.

Senator Boldon moved that S.F. No. 4448 be withdrawn from the Committee on Human Services and re-referred to the Committee on Health and Human Services. The motion prevailed.

Senator Pappas moved that S.F. No. 4455 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Judiciary and Public Safety. The motion prevailed.

**Senators Jasinski, Dibble, Howe, and Coleman introduced --**

**Senate Resolution No. 80:** A Senate resolution expressing gratitude to Colonel Matt Langer for nearly 25 years of service with the Minnesota State Patrol.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 3489 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 3489:** A bill for an act relating to education; providing for public safety; modifying the grounds for the use of reasonable force in schools; defining duties and establishing minimum training requirements for school resource officers; requiring development of a school resource officer model policy; appropriating money; amending Minnesota Statutes 2022, sections 121A.582, by adding a subdivision; 123B.02, by adding a subdivision; 124E.03, by adding a subdivision; 609.06, subdivision 1; 609.379, subdivision 1; Minnesota Statutes 2023 Supplement, sections 121A.58, subdivisions 1, 2a; 121A.582, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

## CALL OF THE SENATE

Senator Westlin imposed a call of the Senate for the balance of the proceedings on H.F. No. 3489. The Sergeant at Arms was instructed to bring in the absent members.

Senator Pratt moved to amend H.F. No. 3489 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 121A.582, is amended by adding a subdivision to read:

Subd. 1a. **Reporting.** (a) Districts must report data on their use of any reasonable force used on a student with a disability to correct or restrain the student to prevent bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c), as outlined in section 125A.0942, subdivision 3, paragraph (b).

(b) Beginning with the 2024-2025 school year, districts must report annually by July 15, in a form and manner determined by the commissioner, data from the prior school year about any reasonable force used on a general education student to correct or restrain the student to prevent bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c).

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

Sec. 2. **REPEALER.**

Laws 2023, chapter 55, article 2, section 36; and Laws 2023, chapter 55, article 12, section 4, are repealed.

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

Amend the title accordingly

**RECESS**

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

The Senate resumed consideration of H.F. No. 3489 and the Pratt amendment.

Senator Drazkowski raised a point of order pursuant to Sec. 91 of Mason's Manual of Legislative Procedure.

The President ruled the point of order not well taken.

Senator Drazkowski appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Cwodzinski | Fateh | Hauschild | Klein |
| Carlson | Dibble | Frentz | Hawj | Kunesh |
| Champion | Dziedzic | Gustafson | Hoffman | Kupec |

| | | | | |
|---|---|---|---|---|
| Latz | McEwen | Murphy | Port | Westlin |
| Mann | Mitchell | Oumou Verbeten | Putnam | Wiklund |
| Marty | Mohamed | Pappas | Rest | Xiong |
| Maye Quade | Morrison | Pha | Seeberger | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Dziedzic and Hauschild.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Lucero | Weber |
| Anderson | Duckworth | Jasinski | Mathews | Wesenberg |
| Bahr | Eichorn | Johnson | Miller | Westrom |
| Coleman | Farnsworth | Koran | Pratt | |
| Dahms | Green | Kreun | Rarick | |
| Dornink | Gruenhagen | Lieske | Rasmusson | |
| Draheim | Housley | Limmer | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Wesenberg.

So the decision of the President was sustained.

The question was taken on the adoption of the Pratt amendment.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Jasinski | Mathews | Weber |
| Bahr | Eichorn | Johnson | Miller | Wesenberg |
| Coleman | Farnsworth | Koran | Nelson | Westrom |
| Dahms | Green | Kreun | Pratt | |
| Dornink | Gruenhagen | Lieske | Rarick | |
| Draheim | Housley | Limmer | Rasmusson | |
| Drazkowski | Howe | Lucero | Utke | |

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Kupec | Murphy | Seeberger |
| Boldon | Gustafson | Latz | Oumou Verbeten | Westlin |
| Carlson | Hauschild | Mann | Pappas | Wiklund |
| Champion | Hawj | Marty | Pha | Xiong |
| Cwodzinski | Hoffman | Maye Quade | Port | |
| Dibble | Klein | Mitchell | Putnam | |
| Dziedzic | Kunesh | Morrison | Rest | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Dziedzic and Hauschild.

The motion did not prevail. So the amendment was not adopted.

Senator Draheim moved to amend H.F. No. 3489 as follows:

Page 4, line 14, reinstate "~~of~~"

Page 4, line 15, after "another" insert ", or to prevent theft, damage, or destruction of property"

The question was taken on the adoption of the amendment.

Senator Rest moved that those not voting be excused from voting. The motion did not prevail.

Senator Rasmusson moved that the President close the roll. The motion did not prevail.

Senator Miller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Howe | Lucero | Rarick |
| Bahr | Eichorn | Jasinski | Mathews | Rasmusson |
| Coleman | Farnsworth | Johnson | McEwen | Utke |
| Dahms | Fateh | Koran | Miller | Weber |
| Dornink | Green | Kreun | Mohamed | Wesenberg |
| Draheim | Gruenhagen | Lieske | Nelson | Westrom |
| Drazkowski | Housley | Limmer | Pratt | |

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Kupec | Murphy | Seeberger |
| Boldon | Gustafson | Latz | Oumou Verbeten | Westlin |
| Carlson | Hauschild | Mann | Pappas | Wiklund |
| Champion | Hawj | Marty | Pha | Xiong |
| Cwodzinski | Hoffman | Maye Quade | Port | |
| Dibble | Klein | Mitchell | Putnam | |
| Dziedzic | Kunesh | Morrison | Rest | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Dziedzic and Hauschild.

The motion prevailed. So the amendment was adopted.

H.F. No. 3489 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Miller | Rest |
| Anderson | Eichorn | Klein | Morrison | Seeberger |
| Bahr | Farnsworth | Koran | Murphy | Utke |
| Carlson | Frentz | Kreun | Nelson | Weber |
| Coleman | Green | Kunesh | Oumou Verbeten | Wesenberg |
| Cwodzinski | Gruenhagen | Kupec | Pappas | Westlin |
| Dahms | Gustafson | Latz | Pha | Westrom |
| Dibble | Hauschild | Lieske | Port | Wiklund |
| Dornink | Hoffman | Limmer | Pratt | Xiong |
| Draheim | Housley | Lucero | Putnam | |
| Drazkowski | Howe | Marty | Rarick | |
| Duckworth | Jasinski | Mathews | Rasmusson | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Dziedzic and Hauschild.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Fateh | Mann | McEwen | Mohamed |
| Champion | Hawj | Maye Quade | Mitchell | |

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3489:

**H.F. No. 3489:** A bill for an act relating to education; providing for public safety; modifying the grounds for the use of reasonable force in schools; defining duties and establishing minimum training requirements for school resource officers; requiring development of a school resource officer model policy; appropriating money; amending Minnesota Statutes 2022, sections 121A.582, by adding a subdivision; 123B.02, by adding a subdivision; 124E.03, by adding a subdivision; 609.06, subdivision 1; 609.379, subdivision 1; Minnesota Statutes 2023 Supplement, sections 121A.58, subdivisions 1, 2a; 121A.582, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Frazier, Moller and Witte have been appointed as such committee on the part of the House.

House File No. 3489 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 11, 2024

Senator Westlin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3489, and that a Conference Committee of 3 members be appointed by the

# 025. HF 3489

**Vote:** 2024-03-14 | **Workbook row:** 30
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 3 nays

**Workbook subject:** School Resource Officers; public safety provided, grounds for use of reasonable force in schools modified, school resource officer duties defined and minimum training requirements established, school resource officer model policy development required, and money appropriated.

## Included complete bill documents

**1. 2nd Engrossment, posted 2024-03-14** - 9 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3489/versions/2/pdf/

## Original Senate journal context

PDF pages 1-4. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240314092.pdf#page=3

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3489/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 3489**

| | |
|---|---|
| 02/12/2024 | Authored by Frazier, Moller, Pryor, Youakim, Becker-Finn and others |
| | The bill was read for the first time and referred to the Committee on Education Policy |
| 02/13/2024 | Adoption of Report: Re-referred to the Committee on Public Safety Finance and Policy |
| 02/26/2024 | Adoption of Report: Amended and re-referred to the Committee on Ways and Means |
| 02/28/2024 | Adoption of Report: Placed on the General Register |
| | Read for the Second Time |
| 03/04/2024 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 03/11/2024 | Passed by the Senate as Amended and returned to the House |
| | Refused to concur and a Conference Committee was appointed |
| 03/13/2024 | Conference Committee Report Adopted |
| | Read Third Time as Amended by Conference and repassed by the House |
| 03/14/2024 | Read Third Time as Amended by Conference and repassed by the Senate |
| | Presented to Governor |
| | Governor Approval |

A bill for an act

relating to education; providing for public safety; modifying the grounds for the use of reasonable force in schools; defining duties and establishing minimum training requirements for school resource officers; requiring development of a school resource officer model policy; appropriating money; amending Minnesota Statutes 2022, sections 121A.582, by adding a subdivision; 123B.02, by adding a subdivision; 124E.03, by adding a subdivision; 609.06, subdivision 1; 609.379, subdivision 1; Minnesota Statutes 2023 Supplement, sections 121A.58, subdivisions 1, 2a; 121A.582, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2023 Supplement, section 121A.58, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, "corporal punishment" means conduct involving:

(1) hitting or spanking a person with or without an object; or

(2) unreasonable physical force that causes bodily harm or substantial emotional harm.

(b) For the purpose of this section, "employee or agent of a district" does not include a school resource officer as defined in section 626.8482, subdivision 1, paragraph (c).

(c) For the purpose of this section, "prone restraint" means placing a child in a face-down position.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 121A.58, subdivision 2a, is amended to read:

Subd. 2a. **Prone restraint and certain physical holds not allowed.** (a) An employee or agent of a district~~, including a school resource officer, security personnel, or police officer contracted with a district,~~ shall not use prone restraint.

(b) An employee or agent of a district~~, including a school resource officer, security personnel, or police officer contracted with a district,~~ shall not inflict any form of physical holding that restricts or impairs a pupil's ability to breathe; restricts or impairs a pupil's ability to communicate distress; places pressure or weight on a pupil's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen; or results in straddling a pupil's torso.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 121A.582, subdivision 1, is amended to read:

Subdivision 1. **Reasonable force standard.** (a) A teacher or school principal, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student to prevent ~~imminent~~ bodily harm or death to the student or to another.

(b) A school employee, school bus driver, or other agent of a district, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student to prevent bodily harm or death to the student or to another.

(c) Paragraphs (a) and (b) do not authorize conduct prohibited under section 125A.0942.

(d) Districts must report data on their use of any reasonable force used on a student with a disability to correct or restrain the student to prevent ~~imminent~~ bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c), as outlined in section 125A.0942, subdivision 3, paragraph (b).

(e) Beginning with the 2024-2025 school year, districts must report annually by July 15, in a form and manner determined by the commissioner, data from the prior school year about any reasonable force used on a general education student to correct or restrain the student to prevent ~~imminent~~ bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c).

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

Sec. 4. Minnesota Statutes 2022, section 121A.582, is amended by adding a subdivision to read:

Subd. 5. **Definition.** For the purpose of this section, a school resource officer, as defined in section 626.8482, subdivision 1, paragraph (c), is not a school employee or agent of the district.

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

Sec. 5. Minnesota Statutes 2022, section 123B.02, is amended by adding a subdivision to read:

Subd. 25. **School resource officers.** A board that contracts for the services of a school resource officer must ensure the contract meets the requirements of section 626.8482.

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

Sec. 6. Minnesota Statutes 2022, section 124E.03, is amended by adding a subdivision to read:

Subd. 10. **School resource officers.** A charter school board must comply with section 123B.02, subdivision 25.

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

Sec. 7. Minnesota Statutes 2022, section 609.06, subdivision 1, is amended to read:

Subdivision 1. **When authorized.** Except as otherwise provided in subdivisions 2 and 3, reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

(1) when used by a public officer or one assisting a public officer under the public officer's direction:

(i) in effecting a lawful arrest; or

(ii) in the execution of legal process; or

(iii) in enforcing an order of the court; or

(iv) in executing any other duty imposed upon the public officer by law; or

(2) when used by a person not a public officer in arresting another in the cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or

(3) when used by any person in resisting or aiding another to resist an offense against the person; or

(4) when used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or

(5) when used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or

(6) when used by a parent, guardian, ~~teacher,~~ or other lawful custodian of a child ~~or pupil~~, in the exercise of lawful authority, to restrain or correct such child ~~or pupil~~; or

(7) when used by a teacher, school principal, school employee ~~or~~, school bus driver, or other agent of a district in the exercise of lawful authority, to restrain a child or pupil~~, or~~ to prevent bodily harm or death to the child, pupil, or another; or

(8) when used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or

(9) when used to restrain a person with a mental illness or a person with a developmental disability from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct, or treatment; or

(10) when used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct, or treatment of the committed person.

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

Sec. 8. Minnesota Statutes 2022, section 609.379, subdivision 1, is amended to read:

Subdivision 1. **Reasonable force.** (a) Reasonable force may be used upon or toward the person of a child without the child's consent when the following circumstance exists or the actor reasonably believes it to exist:

~~(a)~~ (1) when used by a parent, legal guardian, ~~teacher,~~ or other caretaker of a child ~~or pupil~~, in the exercise of lawful authority, to restrain or correct the child ~~or pupil~~; or

~~(b)~~ (2) when used by a teacher, school principal, school employee, school bus driver, other agent of a district, or other member of the instructional, support, or supervisory staff of a public or nonpublic school upon or toward a child or pupil when necessary to restrain the child ~~from self-injury or injury to any other person or property~~ or pupil to prevent bodily harm or death to the child, pupil, or another.

(b) Nothing in this section limits any other authorization to use reasonable force including but not limited to authorizations under sections 121A.582, subdivision 1, and 609.06, subdivision 1.

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

Sec. 9. **[626.8482] SCHOOL RESOURCE OFFICERS; DUTIES; TRAINING; MODEL POLICY.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "School" means an elementary school, middle school, or secondary school, as defined in section 120A.05, subdivisions 9, 11, and 13.

(c) "School resource officer" means a peace officer who is assigned to work in an elementary school, middle school, or secondary school during the regular instructional school day as one of the officer's regular responsibilities through the terms of a contract entered between the peace officer's employer and the designated school district or charter school.

Subd. 2. **Duties.** (a) A school resource officer's contractual duties with a school district or charter school shall include:

(1) fostering a positive school climate through relationship building and open communication;

(2) protecting students, staff, and visitors to the school grounds from criminal activity;

(3) serving as a liaison from law enforcement to school officials;

(4) providing advice on safety drills;

(5) identifying vulnerabilities in school facilities and safety protocols;

(6) educating and advising students and staff on law enforcement topics; and

(7) enforcement of criminal laws.

(b) A school district or charter school may contract with a school resource officer's employer for the officer to perform additional duties to those described in paragraph (a).

(c) A school resource officer must not use force or the authority of their office solely to enforce school rules or policies or participate in the enforcement of discipline for violations of school rules.

(d) Nothing in this subdivision limits any other duty or responsibility imposed on peace officers; limits the expectation that peace officers will exercise professional judgment and discretion to protect the health, safety, and general welfare of the public when carrying out their duties; or creates a duty for school resource officers to protect students, staff, or others on school grounds that is different from the duty to protect the public as a whole.

Subd. 3. **Instruction required.** (a) Except as provided for in paragraphs (b) to (d), beginning September 1, 2025, a peace officer assigned to serve as a school resource officer must complete a training course that provides instruction on the learning objectives identified in subdivision 4 prior to assuming the duties of a school resource officer.

(b) A peace officer who has completed either the School Safety Center standardized Basic School Resource Officer Training or the National School Resource Officer Basic School Resource Officer course prior to September 1, 2025, must complete the training mandated under paragraph (a) before June 1, 2027. A peace officer covered under this paragraph may complete a supplemental training course approved by the board pursuant to subdivision 4, paragraph (b), to satisfy the training requirement.

(c) If an officer's employer is unable to provide the required training course to the officer prior to the officer assuming the duties of a school resource officer, the officer must complete the required training within six months of assuming the duties of a school resource officer. The officer is not required to perform the duties described in subdivision 2, paragraph (a), clause (4) or (5), until the officer has completed the required training course. The officer must review any policy adopted by the officer's employer pursuant to subdivision 6 before assuming the other duties of a school resource officer and must comply with that policy.

(d) An officer who is serving as a substitute school resource officer for fewer than 60 student contact days within a school year is not obligated to complete the required training or perform the duties described in subdivision 2, paragraph (a), clause (4) or (5), but must review and comply with any policy adopted pursuant to subdivision 6 by the law enforcement agency that employs the substitute school resource officer.

(e) For each school resource officer employed by an agency, the chief law enforcement officer must maintain a copy of the most recent training certificate issued to the officer for completion of the training mandated under this section.

Subd. 4. **Training course.** (a) By January 15, 2025, the Board of Peace Officer Standards and Training, in consultation with the Department of Public Safety's School Safety Center, shall prepare learning objectives for training courses to instruct peace officers in serving as a school resource officer. At a minimum, the learning objectives must ensure officers receive training on:

(1) the juvenile justice system;

(2) legal standards for peace officers to use force to detain or arrest students in schools;

(3) legal standards for school employees and contractors to use force to detain, discipline, and arrest students in school;

(4) de-escalation techniques and using the least restrictive physical intervention strategies for handling conflicts in schools;

(5) responding to persons experiencing a mental health crisis in a school setting, with an emphasis placed on juveniles;

(6) understanding and working with students with disabilities and students receiving special education services;

(7) juvenile brain development, including limitations on impulse control;

(8) the impact of childhood trauma on juvenile behavior;

(9) responding to threats of violence against students and schools;

(10) detecting juvenile exploitation;

(11) investigating crimes committed in schools, including student and parental rights;

(12) identifying vulnerabilities in school facilities and safety protocols;

(13) mandated safety drills and best practices in conducting safety drills; and

(14) the topics identified in section 626.8469, subdivision 1, as they pertain to juveniles or students.

(b) The Board of Peace Officer Standards and Training may also approve supplemental training courses that are offered by providers who have trained school resource officers in the state prior to development of the learning objectives required under paragraph (a). At a minimum, an approved supplemental course must provide instruction on each of the board's

learning objectives that were not covered in the provider's existing school resource officer course curriculum.

Subd. 5. **Model Policy.** (a) By December 31, 2024, the Board of Peace Officer Standards and Training shall develop a model school resource officer policy. In developing the policy, the board must convene a group consisting of representatives from the Department of Public Safety's School Safety Center, the Minnesota School Boards Association, the Minnesota Association of Secondary School Principals, Education Minnesota, the Minnesota Sheriffs' Association, the Minnesota Chiefs of Police Association, the Minnesota Police and Peace Officers Association, the Minnesota Juvenile Officers Association, the National Association of School Resource Officers, Solutions Not Suspensions, the Minnesota Youth Council, the Minnesota Council on Disability, and one community organization supporting the rights of students receiving special education services. The group must meet at least three times to discuss the topics identified in paragraph (b), address any related issues, and provide advice and direction regarding development of the model policy.

(b) The model policy must cover, at a minimum, the following:

(1) issues to be addressed in a school resource officer contract, including but not limited to the use of plain clothes, modified uniforms, and other changes to school resource officer attire in order to foster a positive school climate, facilitate the establishment of positive relationships with students, and promote open communication;

(2) considerations for the proper use of force on school grounds, including:

(i) the prohibitions on choke holds and other restraints established in section 609.06, subdivision 3;

(ii) the prohibition on using force or the authority of the peace officer's office solely to enforce school rules or policies or participating in the enforcement of discipline for violations of school rules;

(iii) the use of de-escalation techniques and other alternatives to higher levels of force that are appropriate with juveniles and students in a school setting;

(iv) response tactics and strategies that minimize the use and duration of prone restraint, as defined in section 121A.58, and other physical holds of students; and

(v) the duty to render reasonably prompt care, consistent with the officer's training, to a person who an officer physically holds or restrains;

(3) alternative procedures that can be used to de-escalate conflicts in schools and students and others in crisis;

(4) proper procedures and limitations placed on school districts and charter schools to ensure school resource officers are being utilized appropriately and not for school disciplinary purposes;

(5) considerations to build constructive police relationships with students, administrators, and educational staff;

(6) proper procedures for protecting student data; and

(7) how soon after completing the training required under subdivision 3 that a school resource officer must complete a refresher course that covers the learning objectives established in subdivision 4.

Subd. 6. **Policies required.** By September 1, 2025, each law enforcement agency with a school resource officer program shall develop, adopt, and implement a written policy regarding school resource officers that is identical or, at a minimum, substantially similar to the model policy adopted by the board under subdivision 5.

Subd. 7. **Licensing sanctions; injunctive relief.** The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

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

Sec. 10. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

$150,000 in fiscal year 2024 and $490,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of public safety to increase staffing in the department's school safety center and perform the duties required by this act. The general fund base for this appropriation is $490,000 in fiscal year 2026 and fiscal year 2027.

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

NINETY-SECOND DAY

St. Paul, Minnesota, Thursday, March 14, 2024

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

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Dr. DeWayne Davis.

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

The roll was called, and the following Senators were present:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | McEwen | Rasmusson |
| Anderson | Eichorn | Klein | Miller | Rest |
| Bahr | Farnsworth | Koran | Mitchell | Seeberger |
| Boldon | Fateh | Kreun | Mohamed | Utke |
| Carlson | Frentz | Kunesh | Morrison | Weber |
| Champion | Green | Kupec | Murphy | Wesenberg |
| Coleman | Gruenhagen | Latz | Nelson | Westlin |
| Cwodzinski | Gustafson | Lieske | Oumou Verbeten | Westrom |
| Dahms | Hauschild | Limmer | Pappas | Wiklund |
| Dibble | Hawj | Lucero | Pha | Xiong |
| Dornink | Hoffman | Mann | Port | |
| Draheim | Housley | Marty | Pratt | |
| Drazkowski | Howe | Mathews | Putnam | |
| Duckworth | Jasinski | Maye Quade | Rarick | |

The President declared a quorum present.

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

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 13, 2024

The Honorable Bobby Joe Champion
President of the Senate

Dear President Champion:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 77, S.F. No. 3546.

Sincerely,
Tim Walz, Governor

March 13, 2024

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2024 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| S.F. No. | H.F. No. | Session Laws Chapter No. | Time and Date Approved 2024 | Date Filed 2024 |
|---|---|---|---|---|
| 3546 | | 77 | 10:01 a.m. March 13 | March 13 |

Sincerely,
Steve Simon
Secretary of State

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3489, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3489 is herewith transmitted to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 13, 2024

## CONFERENCE COMMITTEE REPORT ON H. F. No. 3489

A bill for an act relating to education; providing for public safety; modifying the grounds for the use of reasonable force in schools; defining duties and establishing minimum training requirements for school resource officers; requiring development of a school resource officer model policy; appropriating money; amending Minnesota Statutes 2022, sections 121A.582, by adding a subdivision;

123B.02, by adding a subdivision; 124E.03, by adding a subdivision; 609.06, subdivision 1; 609.379, subdivision 1; Minnesota Statutes 2023 Supplement, sections 121A.58, subdivisions 1, 2a; 121A.582, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

March 12, 2024

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 3489 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request the adoption of this report and repassage of the bill.

House Conferees: Cedrick Frazier, Kelly Moller, Jeff Witte

Senate Conferees: Bonnie Westlin, Clare Oumou Verbeten, Jim Abeler

Senator Westlin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3489 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3489 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Miller | Rest |
| Anderson | Dziedzic | Klein | Mitchell | Seeberger |
| Bahr | Eichorn | Koran | Morrison | Utke |
| Boldon | Farnsworth | Kreun | Murphy | Weber |
| Carlson | Frentz | Kunesh | Nelson | Wesenberg |
| Champion | Green | Kupec | Oumou Verbeten | Westlin |
| Coleman | Gustafson | Latz | Pappas | Westrom |
| Cwodzinski | Hauschild | Limmer | Pha | Wiklund |
| Dahms | Hawj | Lucero | Port | Xiong |
| Dibble | Hoffman | Mann | Pratt | |
| Dornink | Housley | Marty | Putnam | |
| Draheim | Howe | Mathews | Rarick | |
| Drazkowski | Jasinski | Maye Quade | Rasmusson | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Those who voted in the negative were:

Gruenhagen McEwen Mohamed

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to the appointment. The motion prevailed.

**Senator McEwen from the Committee on Labor, to which was referred**

**S.F. No. 4202:** A bill for an act relating to the State Building Code; modifying residential energy code adoption standards and timelines; creating the residential energy rating rebate program; requiring reports; appropriating money; amending Minnesota Statutes 2023 Supplement, section 326B.106, subdivision 1.

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

Page 3, lines 4 and 11, delete "2025" and insert "2026"

Page 3, line 12, delete "15" and insert "a minimum of ten"

Page 3, line 21, delete "labor and industry" and insert "commerce"

Page 5, line 6, delete "labor and industry" and insert "commerce"

And when so amended the bill do pass and be re-referred to the Committee on Energy, Utilities, Environment, and Climate. Amendments adopted. Report adopted.

**Senator McEwen from the Committee on Labor, to which was referred**

**S.F. No. 4780:** A bill for an act relating to labor; regulating transportation network companies; providing a civil cause of action; imposing criminal penalties; amending Minnesota Statutes 2022, section 65B.472; proposing coding for new law as Minnesota Statutes, chapter 181C.

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

Page 8, delete subdivision 6

Page 10, delete lines 16 to 29 and insert:

"(a) Minimum compensation of a TNC driver under this section must be paid for each trip in a per minute, per mile format, as follows, and is subject to an annual adjustment as provided under paragraph (f):

(1) $1.39 per mile and $0.49 per minute for any transportation of a rider by a driver; and

(2) an additional $0.91 per mile for any transportation of a rider by a driver in a vehicle operated under the requirements in sections 299A.11 to 299A.17, if applicable;

# 026. HF 3769

**Vote:** 2024-04-02 | **Workbook row:** 31
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Corporate franchise tax provisions modified, and effective date modified of a reduction in the limitation on the deductibility of net operating losses.

## Included complete bill documents

**1. Introduction, posted 2024-02-14** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3769/versions/0/pdf/

## Original Senate journal context

PDF pages 473-473. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240402097.pdf#page=473

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3769/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 3769

| | |
|---|---|
| 02/14/2024 | Authored by Lislegard and Gomez |
| | The bill was read for the first time and referred to the Committee on Taxes |
| 03/11/2024 | Adoption of Report: Re-referred to the Committee on Ways and Means |
| 03/13/2024 | Adoption of Report: Placed on the General Register |
| | Read for the Second Time |
| 03/18/2024 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 04/02/2024 | Passed by the Senate and returned to the House |
| 04/05/2024 | Presented to Governor |
| 04/08/2024 | Governor Approval |

A bill for an act

relating to taxation; corporate franchise; modifying the effective date of a reduction in the limitation on the deductibility of net operating losses; amending Laws 2023, chapter 64, article 1, section 44.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 2023, chapter 64, article 1, section 44, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, ~~2022~~ 2023.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2022.

## SPECIAL ORDER

**H.F. No. 3769:** A bill for an act relating to taxation; corporate franchise; modifying the effective date of a reduction in the limitation on the deductibility of net operating losses; amending Laws 2023, chapter 64, article 1, section 44.

H.F. No. 3769 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Farnsworth | Klein | Maye Quade | Putnam |
| Bahr | Fateh | Koran | McEwen | Rarick |
| Boldon | Frentz | Kreun | Miller | Rasmusson |
| Carlson | Green | Kunesh | Mitchell | Rest |
| Champion | Gruenhagen | Kupec | Mohamed | Seeberger |
| Coleman | Gustafson | Lang | Morrison | Utke |
| Cwodzinski | Hauschild | Latz | Murphy | Weber |
| Dahms | Hawj | Lieske | Nelson | Wesenberg |
| Dibble | Hoffman | Limmer | Oumou Verbeten | Westlin |
| Dornink | Housley | Lucero | Pappas | Westrom |
| Draheim | Howe | Mann | Pha | Wiklund |
| Duckworth | Jasinski | Marty | Port | Xiong |
| Dziedzic | Johnson | Mathews | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senator Drazkowski was excused from the Session of today. Senator Nelson was excused from the Session of today from 1:55 to 2:35 p.m. Senator Abeler was excused from the Session of today at 3:45 p.m. Senator Eichorn was excused from the Session of today at 4:15 p.m.

## ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 4, 2024. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 027. HF 3437

**Vote:** 2024-04-08 | **Workbook row:** 32
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 2 nays

**Workbook subject:** Plymouth; Michael Gau Memorial Bridge over U.S. Highway 169 on Hennepin County State-Aid Highway 9 designated.

## Included complete bill documents

**1. 1st Engrossment, posted 2024-03-05** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3437/versions/1/pdf/

## Original Senate journal context

PDF pages 144-145. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240408099.pdf#page=145

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3437/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 3437

| | |
|---|---|
| 02/12/2024 | Authored by Klevorn, Frazier and Pfarr<br>The bill was read for the first time and referred to the Committee on Transportation Finance and Policy |
| 02/22/2024 | Adoption of Report: Re-referred to the Committee on Ways and Means |
| 02/28/2024 | Adoption of Report: Placed on the General Register<br>Read for the Second Time |
| 03/04/2024 | Calendar for the Day, Amended<br>Read Third Time as Amended<br>Passed by the House as Amended and transmitted to the Senate to include Floor Amendments |
| 04/08/2024 | Passed by the Senate and returned to the House |
| 04/12/2024 | Presented to Governor |
| 04/15/2024 | Governor Approval |

A bill for an act

relating to transportation; designating the Michael Gau Memorial Bridge over U.S. Highway 169 on Hennepin County State-Aid Highway 9 in the city of Plymouth; amending Minnesota Statutes 2022, section 161.14, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 104. **Michael Gau Memorial Bridge.** The bridge over marked U.S. Highway 169 on Hennepin County State-Aid Highway 9, known as Rockford Road, in the city of Plymouth, is designated as "Michael Gau Memorial Bridge." Notwithstanding section 161.139, the commissioner must adopt a suitable design to mark the bridge and erect appropriate signs.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Duckworth.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3613:** A bill for an act relating to transportation; providing for clarifications on forecasted Metro Mobility funding; amending Minnesota Statutes 2022, section 473.386, subdivision 10; Laws 2021, First Special Session chapter 5, article 4, section 114.

H.F. No. 3613 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 12, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Marty | Pha |
| Bahr | Dziedzic | Johnson | Maye Quade | Port |
| Boldon | Farnsworth | Klein | McEwen | Pratt |
| Carlson | Fateh | Koran | Miller | Putnam |
| Champion | Frentz | Kreun | Mitchell | Rarick |
| Coleman | Gustafson | Kunesh | Mohamed | Rest |
| Cwodzinski | Hauschild | Kupec | Morrison | Seeberger |
| Dahms | Hawj | Lang | Murphy | Weber |
| Dibble | Hoffman | Latz | Nelson | Westlin |
| Dornink | Housley | Limmer | Oumou Verbeten | Wiklund |
| Draheim | Howe | Mann | Pappas | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Anderson | Green | Lucero | Utke |
| Drazkowski | Gruenhagen | Mathews | Wesenberg |
| Eichorn | Lieske | Rasmusson | Westrom |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3437:** A bill for an act relating to transportation; designating the Michael Gau Memorial Bridge over U.S. Highway 169 on Hennepin County State-Aid Highway 9 in the city of Plymouth; amending Minnesota Statutes 2022, section 161.14, by adding a subdivision.

H.F. No. 3437 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Eichorn | Johnson | Mathews | Pratt |
| Anderson | Farnsworth | Klein | Maye Quade | Putnam |
| Boldon | Fateh | Koran | McEwen | Rarick |
| Carlson | Frentz | Kreun | Miller | Rasmusson |
| Champion | Green | Kunesh | Mitchell | Rest |
| Coleman | Gruenhagen | Kupec | Mohamed | Seeberger |
| Cwodzinski | Gustafson | Lang | Morrison | Utke |
| Dahms | Hauschild | Latz | Murphy | Weber |
| Dibble | Hawj | Lieske | Nelson | Wesenberg |
| Dornink | Hoffman | Limmer | Oumou Verbeten | Westlin |
| Draheim | Housley | Lucero | Pappas | Westrom |
| Duckworth | Howe | Mann | Pha | Wiklund |
| Dziedzic | Jasinski | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

| | |
|---|---|
| Bahr | Drazkowski |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4483:** A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2022, sections 12A.02, subdivision 6; 12B.15, subdivision 8; 13.3805, subdivision 1; 13.6401, subdivision 2; 14.37, subdivision 2; 16A.99, subdivision 4; 62V.04, subdivision 12; 62V.05, subdivision 5; 115A.952, subdivision 1; 116.07, subdivision 4k; 120A.22, subdivision 11; 122A.182, subdivision 5; 123B.72, subdivision 3; 124E.03, subdivision 7; 124E.14; 126C.05, subdivision 8; 126C.126; 126C.13, subdivision 4; 126C.17, subdivision 5; 150A.091, subdivisions 2, 5, 11a; 152.25, subdivision 1b; 155A.29, subdivision 2; 161.088, subdivision 7; 171.17, subdivision 1; 171.22, subdivision 1; 176.011, subdivision 15; 180.03, subdivision 4; 216B.161, subdivision 1; 241.67, subdivision 2; 245A.11, subdivision 2; 253B.02, subdivisions 7, 9; 256.042, subdivision 4; 256.9742, subdivision 3; 256B.056, subdivision 11; 256B.058, subdivision 2; 256B.0595, subdivisions 1, 4; 256B.0625, subdivision 56; 256B.0941, subdivision 1; 256B.196, subdivision 2; 256B.197, subdivision 3; 256B.4911, subdivision 1; 256D.64, subdivision 2; 256I.04, subdivision 2a; 256L.11, subdivisions 2, 6a; 259.12; 260B.188, subdivision 1; 270C.445, subdivisions 6b, 6c, 6d; 270C.446, subdivision 5; 272.02, subdivision 97; 273.032; 273.121, subdivision 1; 276.04, subdivision 2; 290.0132, subdivision 15; 297A.71, subdivision 14; 297A.75, subdivisions 1, 2, 3; 299K.09, subdivision 1; 326B.164, subdivision 5; 353.6511, subdivision 5; 353.6512, subdivision 5; 462.357, subdivision 7; 504B.178, subdivision 2; 609.2231, subdivision 3; 609.596, subdivision 3; 609.748, subdivision 1; Minnesota Statutes 2023 Supplement, sections 15.06, subdivision 1; 17.457, subdivision 5; 47.60, subdivision 1; 115E.042, subdivision 1a; 116J.871, subdivision 1; 116P.21,

# 028. HF 4483

**Vote:** 2024-04-08 | **Workbook row:** 33
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 1 nays

**Workbook subject:** Miscellaneous technical corrections made to laws and statutes; erroneous, obsolete, and omitted text and references corrected; and redundant, conflicting, and superseded provisions removed.

## Included complete bill documents

**1. 1st Engrossment, posted 2024-03-11** - 112 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/4483/versions/1/pdf/

## Original Senate journal context

PDF pages 145-146. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240408099.pdf#page=146

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/4483/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 4483**

| | |
|---|---|
| 02/29/2024 | Authored by Becker-Finn and Scott |
| | The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law |
| 03/11/2024 | Adoption of Report: Placed on the General Register as Amended |
| | Read for the Second Time |
| 03/14/2024 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 04/08/2024 | Passed by the Senate and returned to the House |
| 04/12/2024 | Presented to Governor |
| 04/15/2024 | Governor Approval |

A bill for an act

relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2022, sections 12A.02, subdivision 6; 12B.15, subdivision 8; 13.3805, subdivision 1; 13.6401, subdivision 2; 14.37, subdivision 2; 16A.99, subdivision 4; 62V.04, subdivision 12; 62V.05, subdivision 5; 115A.952, subdivision 1; 116.07, subdivision 4k; 120A.22, subdivision 11; 122A.182, subdivision 5; 123B.72, subdivision 3; 124E.03, subdivision 7; 124E.14; 126C.05, subdivision 8; 126C.126; 126C.13, subdivision 4; 126C.17, subdivision 5; 150A.091, subdivisions 2, 5, 11a; 152.25, subdivision 1b; 155A.29, subdivision 2; 161.088, subdivision 7; 171.17, subdivision 1; 171.22, subdivision 1; 176.011, subdivision 15; 180.03, subdivision 4; 216B.161, subdivision 1; 241.67, subdivision 2; 245A.11, subdivision 2; 253B.02, subdivisions 7, 9; 256.042, subdivision 4; 256.9742, subdivision 3; 256B.056, subdivision 11; 256B.058, subdivision 2; 256B.0595, subdivisions 1, 4; 256B.0625, subdivision 56; 256B.0941, subdivision 1; 256B.196, subdivision 2; 256B.197, subdivision 3; 256B.4911, subdivision 1; 256D.64, subdivision 2; 256I.04, subdivision 2a; 256L.11, subdivisions 2, 6a; 259.12; 260B.188, subdivision 1; 270C.445, subdivisions 6b, 6c, 6d; 270C.446, subdivision 5; 272.02, subdivision 97; 273.032; 273.121, subdivision 1; 276.04, subdivision 2; 290.0132, subdivision 15; 297A.71, subdivision 14; 297A.75, subdivisions 1, 2, 3; 299K.09, subdivision 1; 326B.164, subdivision 5; 353.6511, subdivision 5; 353.6512, subdivision 5; 462.357, subdivision 7; 504B.178, subdivision 2; 609.2231, subdivision 3; 609.596, subdivision 3; 609.748, subdivision 1; Minnesota Statutes 2023 Supplement, sections 15.06, subdivision 1; 17.457, subdivision 5; 47.60, subdivision 1; 115E.042, subdivision 1a; 116J.871, subdivision 1; 116P.21, subdivision 5; 122A.092, subdivision 5; 124D.65, subdivision 5; 124E.02; 125A.15; 125A.51; 125A.515, subdivision 3; 144E.101, subdivisions 7, 12; 145D.01, subdivision 5; 145D.02; 147.02, subdivision 1; 147.03, subdivision 1; 174.07, subdivision 3; 181.217, subdivision 1; 245A.03, subdivisions 2, 7; 245A.10, subdivision 3; 245G.06, subdivision 3a; 254B.05, subdivision 5; 256B.0625, subdivision 13e; 256B.0913, subdivision 5; 256B.0943, subdivision 1; 289A.08, subdivision 7a; 290.0132, subdivision 32; 290.067, subdivision 1; 290A.04, subdivision 2h; 297A.71, subdivision 44; 299C.10, subdivision 1; 326B.164, subdivision 13; 609.185; 624.7178, subdivision 4; Laws 2023, chapter 41, article 1, section 2, subdivision 49; Laws 2023, chapter 57, article 1, section 4, subdivision 2; Laws 2023, chapter 70, article 15, sections 10, subdivision 4; 12; repealing Minnesota Statutes 2022, sections 13.6435, subdivision 8; 16A.727; 256.021, subdivision 3;

273.11, subdivision 16; 297A.71, subdivision 45; Laws 2023, chapter 16, section 36; Laws 2023, chapter 53, article 11, section 31; Laws 2023, chapter 55, article 1, section 2; article 7, section 6; Laws 2023, chapter 57, article 2, section 39; Laws 2023, chapter 60, article 7, section 8; Laws 2023, chapter 63, article 7, sections 1; 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 12A.02, subdivision 6, is amended to read:

Subd. 6. **Local government.** "Local government" has the meaning given in section 12.03, subdivision ~~5d~~ 5f.

Sec. 2. Minnesota Statutes 2022, section 12B.15, subdivision 8, is amended to read:

Subd. 8. **Local government.** "Local government" has the meaning given in section 12.03, subdivision ~~5d~~ 5f.

Sec. 3. Minnesota Statutes 2022, section 13.3805, subdivision 1, is amended to read:

Subdivision 1. **Health data generally.** (a) **Definitions.** As used in this subdivision:

(1) "Commissioner" means the commissioner of health.

(2) "Health data" are data on individuals created, collected, received, or maintained by the Department of Health, political subdivisions, or statewide systems relating to the identification, description, prevention, and control of disease or as part of an epidemiologic investigation the commissioner designates as necessary to analyze, describe, or protect the public health.

(b) **Data on individuals.** (1) Health data are private data on individuals. Notwithstanding section 13.05, subdivision 9, health data may not be disclosed except as provided in this subdivision and section 13.04.

(2) The commissioner or a community health board as defined in section 145A.02, subdivision 5, may disclose health data to the data subject's physician as necessary to locate or identify a case, carrier, or suspect case, to establish a diagnosis, to provide treatment, to identify persons at risk of illness, or to conduct an epidemiologic investigation.

(3) With the approval of the commissioner, health data may be disclosed to the extent necessary to assist the commissioner to locate or identify a case, carrier, or suspect case, to alert persons who may be threatened by illness as evidenced by epidemiologic data, to control or prevent the spread of serious disease, or to diminish an imminent threat to the public health.

~~(c) **Health summary data.** Summary data derived from data collected under section 145.413 may be provided under section 13.05, subdivision 7.~~

Sec. 4. Minnesota Statutes 2022, section 13.6401, subdivision 2, is amended to read:

Subd. 2. **Department of Management and Budget.** (a) **Financial documents.** Data sharing of financial documents between agencies and the commissioner of management and budget is governed by section 16A.055.

(b) **Electronic payments.** Data relating to government services transactions is governed by section 16A.626.

(c) **Register of ownership of bonds or certificates.** Information in a register of ownership of state bonds or certificates is classified under section 16A.672, subdivision 11~~, or, for tobacco securitization bonds, under section 16A.98, subdivision 5, paragraph (l)~~.

Sec. 5. Minnesota Statutes 2022, section 14.37, subdivision 2, is amended to read:

Subd. 2. **Compiled rules.** The text of the rules in the first compilation published by the revisor is prima facie evidence of the text of the rules as against any previous documents. However, the previous documents may be used to construe the text of a rule. Except as provided in section 14.47, subdivision 6, the compilation shall not be construed as repealing any unpublished rule. The rules published in the compilation shall be construed as continuations of prior rules and not as new rules.

Any subsequent compilation or supplement published by the revisor and containing the revisor's certificate is prima facie evidence of the administrative rules in all courts and proceedings. Except as provided in section 14.47, subdivision 6, a compilation or supplement shall not be construed as repealing an unpublished rule. If there is any material inconsistency through omission or otherwise between the first compilation, a subsequent compilation or supplement, the State Register, and a rule filed with the secretary of state, and the omission or change was not due to the provisions of section 14.47, subdivision 6 or the correction of an obvious error or unintentional omission as required by section 14.47, subdivision 3, the rule filed with the secretary shall prevail.

Sec. 6. Minnesota Statutes 2023 Supplement, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic

Development; Health; Human Rights; Human Services; Iron Range Resources and Rehabilitation; Labor and Industry; Management and Budget; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; ~~the Office of Commissioner of Iron Range Resources and Rehabilitation;~~ the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 7. Minnesota Statutes 2022, section 16A.99, subdivision 4, is amended to read:

Subd. 4. **Refunding bonds.** The commissioner from time to time may issue appropriation bonds for the purpose of refunding any appropriation bonds ~~or tobacco securitization bonds authorized under section 16A.98~~ then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the bonds to be refunded or interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the appropriation bond proceeds account for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the bonds to be refunded.

Sec. 8. Minnesota Statutes 2023 Supplement, section 17.457, subdivision 5, is amended to read:

Subd. 5. **Enforcement.** This section may be enforced by an enforcement officer under sections 97A.205 and 97A.211 and by the commissioner under sections 17.982 to ~~17.984~~ 17.983.

Sec. 9. Minnesota Statutes 2023 Supplement, section 47.60, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the terms defined have the meanings given them:

(a) "Consumer small loan" is a loan transaction in which cash is advanced to a borrower for the borrower's own personal, family, or household purpose. A consumer small loan is a short-term, unsecured loan to be repaid in a single installment. The cash advance of a consumer small loan is equal to or less than $350. A consumer small loan includes an indebtedness evidenced by but not limited to a promissory note or agreement to defer the presentation of a personal check for a fee.

(b) "Consumer small loan lender" is a financial institution as defined in section 47.59 or a business entity registered with the commissioner and engaged in the business of making consumer small loans.

(c) "Annual percentage rate" means a measure of the cost of credit, expressed as a yearly rate, that relates the amount and timing of value received by the consumer to the amount and timing of payments made. Annual percentage ~~interest~~ rate includes all interest, finance charges, and fees. The annual percentage rate must be determined in accordance with either the actuarial method or the United States Rule method.

Sec. 10. Minnesota Statutes 2022, section 62V.04, subdivision 12, is amended to read:

Subd. 12. **Compensation.** ~~(a) The board members shall be paid a salary not to exceed the salary limits established under section 15A.0815, subdivision 4. The salary for board members shall be set in accordance with this subdivision and section 15A.0815, subdivision 5. This paragraph expires December 31, 2015.~~

~~(b)~~ Beginning January 1, 2016, the board members may be compensated in accordance with section 15.0575.

Sec. 11. Minnesota Statutes 2022, section 62V.05, subdivision 5, is amended to read:

Subd. 5. **Health carrier and health plan requirements; participation.** (a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health plans to be offered through MNsure that satisfy federal requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:

(1) apply uniformly to all health carriers and health plans in the individual market;

(2) apply uniformly to all health carriers and health plans in the small group market; and

(3) satisfy minimum federal certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(c) In accordance with section 1311(e) of the Affordable Care Act, Public Law 111-148, the board shall establish policies and procedures for certification and selection of health plans to be offered as qualified health plans through MNsure. The board shall certify and select a health plan as a qualified health plan to be offered through MNsure, if:

(1) the health plan meets the minimum certification requirements established in paragraph (a) or the market regulatory requirements in paragraph (b);

(2) the board determines that making the health plan available through MNsure is in the interest of qualified individuals and qualified employers;

(3) the health carrier applying to offer the health plan through MNsure also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and

(4) the health carrier does not apply to offer health plans in the individual and small group markets through MNsure under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside MNsure.

(d) In determining the interests of qualified individuals and employers under paragraph (c), clause (2), the board may not exclude a health plan for any reason specified under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board may consider:

(1) affordability;

(2) quality and value of health plans;

(3) promotion of prevention and wellness;

(4) promotion of initiatives to reduce health disparities;

(5) market stability and adverse selection;

(6) meaningful choices and access;

(7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and

(8) other criteria that the board determines appropriate.

(e) For qualified health plans offered through MNsure on or after January 1, 2015, the board shall establish policies and procedures under paragraphs (c) and (d) for selection of health plans to be offered as qualified health plans through MNsure by February 1 of each year, beginning February 1, 2014. The board shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the board may use the process described in subdivision ~~9~~ 8.

(f) For 2014, the board shall not have the power to select health carriers and health plans for participation in MNsure. The board shall permit all health plans that meet the certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, to be offered through MNsure.

(g) Under this subdivision, the board shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in MNsure.

(h) The board has the authority to decertify health carriers and health plans that fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(i) For qualified health plans offered through MNsure beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with Indian health care providers. MNsure shall comply with all future changes in federal law with regard to health coverage for the tribes.

Sec. 12. Minnesota Statutes 2022, section 115A.952, subdivision 1, is amended to read:

Subdivision 1. **Duties of agency; rules.** The agency may adopt rules to identify products that are used primarily for personal, family, or household purposes and that constitute a problem material or contain a problem material as defined in section 115A.03, subdivision ~~24a~~ 24c. The rules may also prescribe a uniform label to be affixed by retailers of identified products as provided in subdivision 4. Packaging that is recyclable or made from recycled material shall not constitute a problem material.

Sec. 13. Minnesota Statutes 2023 Supplement, section 115E.042, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Exercise" means an activity or training to evaluate responsibilities, roles, and response plans for the discharge of oil or hazardous substances and includes but is not limited to walkthroughs, tabletop exercises, or functional exercises.

(c) "Full-scale exercise" means training activities to evaluate responsibilities, roles, and response plans for a confirmed discharge or worst-case discharge of oil or hazardous substances and includes utilizing, as much as practicable, the equipment, personnel, and coordinated resources required under ~~section 115E.042,~~ subdivision 4.

(d) "Functional exercise" means a guided session where a simulated operational environment trains and evaluates specific personnel, procedures, or resources on scenarios relating to the discharge of oil or hazardous substances.

(e) "Tabletop exercise" means a guided session where the discussion addresses topics, including but not limited to the roles and responsibilities of a rail carrier and its personnel in response to a confirmed discharge of oil or hazardous substances.

(f) "Walkthrough" means drills and training designed to familiarize railroad personnel with the response plans required under this chapter and the response requirements to a confirmed discharge under this section.

Sec. 14. Minnesota Statutes 2022, section 116.07, subdivision 4k, is amended to read:

Subd. 4k. **Household hazardous waste and other problem materials; management.** (a) The agency shall adopt rules to require the owner or operator of a solid waste disposal facility or resource recovery facility to submit to the agency and to each county using or projected to use the facility a management plan for the separation of household hazardous waste and other problem materials from solid waste prior to disposal or processing and for the proper management of the waste. The rules must require that the plan be developed in coordination with each county using, or projected to use, the facility. The plan must not be inconsistent with the plan developed under section 115A.956, subdivision 2, and must include:

(1) identification of materials that are problem materials, as defined in section 115A.03, subdivision ~~24a~~ 24c, for the facility;

(2) participation in public education activities on management of household hazardous waste and other problem materials in the facility's service area;

(3) a strategy for reduction of household hazardous waste and other problem materials entering the facility; and

(4) a plan for the storage and proper management of separated household hazardous waste and other problem materials.

(b) By September 30, 1992, the owner or operator of a facility shall implement the elements of the plan required in paragraph (a) relating to household hazardous waste management. After that date, the agency may not grant or renew a permit for a facility until the agency has:

(1) reviewed the elements of the facility's plan relating to household hazardous waste management;

(2) directed the applicant or permittee to make changes to these elements as necessary to comply with the plan requirements under paragraph (a); and

(3) included a requirement to implement the elements as a condition of the issued or renewed permit.

(c) By September 30, 1993, the owner or operator of a facility shall implement the elements of the plan required in paragraph (a) relating to problem materials management. After that date, the agency may not grant or renew a permit for a facility until the agency has:

(1) reviewed the elements of the facility's plan relating to problem materials management;

(2) directed the applicant or permittee to make changes to these elements as necessary to comply with the plan requirements under paragraph (a); and

(3) included a requirement to implement the elements as a condition of the issued or renewed permit.

Sec. 15. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, is amended to read:

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

(b) "Economic development" means financial assistance provided to a person directly or to a local unit of government or nonprofit organization on behalf of a person who is

engaged in the manufacture or sale of goods and services. Economic development does not include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance for new housing construction in which total financial assistance at a single project site is less than $100,000; or (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units. For purposes of this paragraph, "affordable homeownership" means housing targeted at households with incomes, at initial occupancy, at or below 115 percent of the state or area median income, whichever is greater, as determined by the United States Department of Housing and Urban Development.

(c) "Financial assistance" means (1) a grant awarded by a state agency for economic development related purposes if a single business receives $200,000 or more of the grant proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for economic development related purposes if a single business receives $500,000 or more of the loan proceeds; or (3) a reduction, credit, or abatement of a tax assessed under chapter 297A where the tax reduction, credit, or abatement applies to a geographic area smaller than the entire state and was granted for economic development related purposes. Financial assistance does not include payments by the state of aids and credits under chapter 273 or 477A to a political subdivision.

(d) "Project site" means the location where improvements are made that are financed in whole or in part by the financial assistance; or the location of employees that receive financial assistance in the form of employment and training services as defined in section 116L.19, subdivision 4, or customized training from a technical college.

(e) "State agency" means any agency defined under section 16B.01, subdivision 2, Enterprise Minnesota, Inc., and the Department of Iron Range Resources and Rehabilitation ~~Board~~.

Sec. 16. Minnesota Statutes 2023 Supplement, section 116P.21, subdivision 5, is amended to read:

Subd. 5. **Other capital construction statutes.** The following statutes also apply to recipients of appropriations from the trust fund: sections 16B.32; ~~16B.326;~~ 16B.335, subdivisions 3 and 4; 16C.054; 16C.16; 16C.28; 16C.285; 138.40; 138.665; 138.666; 177.41 to 177.44; and 471.345.

Sec. 17. Minnesota Statutes 2022, section 120A.22, subdivision 11, is amended to read:

Subd. 11. **Assessment of performance.** (a) Each year the performance of every child ages seven through 16 and every child ages 16 through 17 for which an initial report was filed pursuant to section 120A.24, subdivision 1, after the child is 16 and who is not enrolled in a public school must be assessed using a nationally norm-referenced standardized achievement examination. The superintendent of the district in which the child receives instruction and the person in charge of the child's instruction must agree about the specific examination to be used and the administration and location of the examination.

(b) To the extent the examination in paragraph (a) does not provide assessment in all of the subject areas in subdivision 9, the parent must assess the child's performance in the applicable subject area. This requirement applies only to a parent who provides instruction and does not meet the requirements of subdivision 10, clause (1)~~,~~ or (2)~~, or (3)~~.

(c) If the results of the assessments in paragraphs (a) and (b) indicate that the child's performance on the total battery score is at or below the 30th percentile or one grade level below the performance level for children of the same age, the parent must obtain additional evaluation of the child's abilities and performance for the purpose of determining whether the child has learning problems.

(d) A child receiving instruction from a nonpublic school, person, or institution that is accredited by an accrediting agency, recognized according to section 123B.445, or recognized by the commissioner, is exempt from the requirements of this subdivision.

Sec. 18. Minnesota Statutes 2023 Supplement, section 122A.092, subdivision 5, is amended to read:

Subd. 5. **Reading strategies.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare persons for classroom teacher licensure must include in its teacher preparation programs evidence-based best practices in reading, consistent with sections 120B.1117 to 120B.124, including instruction on phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. Instruction on reading must enable the licensure candidate to teach reading in the candidate's content areas. Teacher candidates must be instructed in using students' native languages as a resource in creating effective differentiated instructional strategies for English learners developing literacy skills. A teacher preparation provider also must prepare early childhood and elementary teacher candidates for Tier 3 and Tier 4 teaching licenses under sections 122A.183 and 122A.184, respectively~~, for the portion of the~~

~~examination under section 122A.185, subdivision 1, paragraph (c), covering assessment of reading instruction~~.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in applying evidence-based, structured literacy reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with sections 120B.1117 to 120B.124, with emphasis on mastery of foundational reading skills so that students achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels, including multilingual learners and students demonstrating characteristics of dyslexia, to become proficient readers.

(c) Board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention must include instruction on dyslexia, as defined in section 125A.01, subdivision 2. Teacher preparation programs may consult with the Department of Education, including the dyslexia specialist under section 120B.122, to develop instruction under this paragraph. Instruction on dyslexia must be modeled on practice standards of the International Dyslexia Association, and must address:

(1) the nature and symptoms of dyslexia;

(2) resources available for students who show characteristics of dyslexia;

(3) evidence-based instructional strategies for students who show characteristics of dyslexia, including the structured literacy approach; and

(4) outcomes of intervention and lack of intervention for students who show characteristics of dyslexia.

(d) Nothing in this section limits the authority of a school district to select a school's reading program or curriculum.

Sec. 19. Minnesota Statutes 2022, section 122A.182, subdivision 5, is amended to read:

Subd. 5. **Limitations on license.** (a) A Tier 2 license is limited to the content matter indicated on the application for the initial Tier 2 license under subdivision 1, ~~paragraph (a),~~ and limited to the district or charter school that requested the initial Tier 2 license.

(b) A Tier 2 license shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, clause (a).

Sec. 20. Minnesota Statutes 2022, section 123B.72, subdivision 3, is amended to read:

Subd. 3. **Certification.** Prior to occupying or reoccupying a school facility affected by this section, a school board or its designee shall submit a document prepared by a system inspector to the building official or to the commissioner, verifying that the facility's heating, ventilation, and air conditioning system has been installed and operates according to design specifications and code, according to section 123B.71, subdivision 9, clause ~~(6)~~ (7), item (iii). A systems inspector shall also verify that the facility's design will provide the ability for monitoring of outdoor airflow and total airflow of ventilation systems in new school facilities and that any heating, ventilation, or air conditioning system that is installed or modified for a project subject to this section must provide a filtration system with a current ASHRAE standard.

Sec. 21. Minnesota Statutes 2023 Supplement, section 124D.65, subdivision 5, is amended to read:

Subd. 5. **School district EL revenue.** (a) For fiscal year 2024 through fiscal year 2026, a district's English learner programs revenue equals the sum of:

(1) the product of (i) $1,228, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year; and

(2) $436 times the English learner pupil units under section 126C.05, subdivision 17.

(b) For fiscal year 2027 and later, a district's English learner programs revenue equals the sum of:

(1) the product of (i) $1,775, and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year;

(2) $630 times the English learner pupil units under section 126C.05, subdivision 17; and

(3) the district's English learner cross subsidy aid. A district's English learner cross subsidy aid ~~under paragraph (c)~~ equals 25 percent of the district's English learner cross subsidy under paragraph (c) for fiscal year 2027 and later.

(c) A district's English learner cross subsidy ~~aid~~ equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year.

(d) A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.

Sec. 22. Minnesota Statutes 2023 Supplement, section 124E.02, is amended to read:

**124E.02 DEFINITIONS.**

(a) For purposes of this chapter, the terms defined in this section have the meanings given them.

(b) "Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under section 124E.06, subdivision 4, attesting to its review and approval process before chartering a school.

(c) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person.

(d) "Charter management organization" or "CMO" means any nonprofit or for-profit entity that contracts with a charter school board of directors to provide, manage, or oversee all or substantially all of a school's education program or a school's administrative, financial, business, or operational functions.

(e) "Control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether by owning voting securities, by contract, or otherwise.

(f) "Educational management organization" or "EMO" means a nonprofit or for-profit entity that provides, manages or oversees all or substantially all of the education program, or the school's administrative, financial, business, or operational functions.

(g) "Immediate family member" means an individual whose relationship by blood, marriage, adoption, or partnership is no more remote than first cousin.

(h) "Market need and demand study" means a study that includes the following for the proposed locations of the school or additional site:

(1) current and projected demographic information;

(2) student enrollment patterns;

(3) information on existing schools and types of educational programs currently available;

(4) characteristics of proposed students and families;

(5) availability of properly zoned and classified facilities; and

(6) quantification of existing demand for the school or site.

(i) "Person" means an individual or entity of any kind.

(j) "Related party" means an affiliate or immediate ~~relative~~ family member of the other interested party, an affiliate of an immediate ~~relative~~ family member who is the other interested party, or an immediate ~~relative~~ family member of an affiliate who is the other interested party.

(k) For purposes of this chapter, the terms defined in section 120A.05 have the same meanings.

Sec. 23. Minnesota Statutes 2022, section 124E.03, subdivision 7, is amended to read:

Subd. 7. **Additional program-specific requirements.** (a) A charter school offering online courses or programs must comply with section ~~124D.095~~ 124D.094 governing online ~~learning~~ instruction.

(b) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19 governing early childhood screening.

(c) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38 governing policies on concussions.

Sec. 24. Minnesota Statutes 2022, section 124E.14, is amended to read:

**124E.14 CONFLICTS OF INTEREST.**

(a) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:

(1) the board member, employee, officer, or agent;

(2) the immediate family member of the board member, employee, officer, or agent;

(3) the partner of the board member, employee, officer, or agent; or

(4) an organization that employs, or is about to employ any individual in clauses (1) to (3),

has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.

(b) The conflict of interest provisions under this section do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

(c) A charter school board member, employee, or officer is a local official for purposes of section 471.895 with regard to receipt of gifts as defined under section 10A.071, subdivision 1, paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.

Sec. 25. Minnesota Statutes 2023 Supplement, section 125A.15, is amended to read:

**125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.**

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner.

(b) If a district other than the resident district places a pupil for care and treatment, the district placing the pupil must notify and give the resident district an opportunity to participate in the placement decision. When an immediate emergency placement of a pupil is necessary and time constraints foreclose a resident district from participating in the emergency placement decision, the district in which the pupil is temporarily placed must notify the resident district of the emergency placement within 15 days. The resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program

and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the child's district of residence may utilize that ~~state-approved~~ online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph (e). However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the nonresident district may utilize that ~~state-approved~~ online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(e) A privately owned and operated residential facility may enter into a contract to obtain appropriate educational programs for special education children and services with a joint powers entity. The entity with which the private facility contracts for special education services shall be the district responsible for providing students placed in that facility an appropriate educational program in place of the district in which the facility is located. If a privately owned and operated residential facility does not enter into a contract under this paragraph, then paragraph (d) applies.

(f) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

Sec. 26. Minnesota Statutes 2023 Supplement, section 125A.51, is amended to read:

**125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES; EDUCATION AND TRANSPORTATION.**

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the commissioner, and who is temporarily placed for care and treatment for that illness or disability, must be determined as provided in this section.

(a) The school district of residence of the pupil is the district in which the pupil's parent or guardian resides. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner.

(b) When parental rights have been terminated by court order, the legal residence of a child placed in a residential or foster facility for care and treatment is the district in which the child resides.

(c) Before the placement of a pupil for care and treatment, the district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When a nonresident district makes an emergency placement without first consulting with the resident district, the resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the care and treatment program for the pupil. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the

child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the instruction at a school within the district of residence; at the pupil's residence; through an authorized online learning program provided by the pupil's resident district, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction; or, in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the Professional Educator Licensing and Standards Board.

(e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. If a pupil's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the district in which the pupil is placed may utilize that ~~state-approved~~ online learning program in fulfilling its responsibility to provide instruction under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or private homeless shelter, then the district that enrolls the pupil under section 120A.20, subdivision 2, paragraph (b), shall provide the transportation, unless the district that enrolls the pupil and the district in which the pupil is temporarily placed agree that the district in which the pupil is temporarily placed shall provide transportation. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the Professional Educator Licensing and Standards Board. For purposes of this section, the state correctional facilities

operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(g) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category if the pupils cannot be transported on a regular school bus route without special accommodations.

Sec. 27. Minnesota Statutes 2023 Supplement, section 125A.515, subdivision 3, is amended to read:

Subd. 3. **Responsibilities for providing education.** (a) The district in which the children's residential facility is located must provide education services, including special education if eligible, to all students placed in a facility. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the district in which the children's residential facility is located may utilize that ~~state-approved~~ online learning program in fulfilling its education services responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(b) For education programs operated by the Department of Corrections, the providing district shall be the Department of Corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the Department of Corrections.

Sec. 28. Minnesota Statutes 2022, section 126C.05, subdivision 8, is amended to read:

Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused. However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or intersession classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this

section shall be construed as waiving the compulsory attendance provisions cited in section 120A.22. Average daily membership equals the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days the schools are in session or are providing e-learning days due to inclement weather. Days of summer school or intersession classes of flexible school year programs are only included in the computation of membership for pupils with a disability not appropriately served primarily in the regular classroom. A student must not be counted as more than 1.2 pupils in average daily membership under this section and section 126C.10, subdivision 2a, paragraph ~~(b)~~ (c). When the initial total average daily membership exceeds 1.2 for a pupil enrolled in more than one school district during the fiscal year, each district's average daily membership must be reduced proportionately.

(b) A student must not be counted as more than one pupil in average daily membership except for purposes of section 126C.10, subdivision 2a.

Sec. 29. Minnesota Statutes 2022, section 126C.126, is amended to read:

**126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.**

A school district may spend general education revenue on extended time kindergarten and prekindergarten programs. At the school board's discretion, the district may use revenue generated by the all-day kindergarten pupil count under section 126C.05, subdivision 1, paragraph ~~(d)~~ (c), to meet the needs of three- and four-year-olds in the district. A school district may not use these funds on programs for three- and four-year-old children while maintaining a fee-based all-day kindergarten program.

Sec. 30. Minnesota Statutes 2022, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** For fiscal year 2015 and later, a district's general education aid equals:

(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue~~, minus the student achievement levy, multiplied times the ratio of the actual amount of student achievement levy levied to the permitted student achievement levy~~; plus

(2) operating capital aid under section 126C.10, subdivision 13b;

(3) equity aid under section 126C.10, subdivision 30; plus

(4) transition aid under section 126C.10, subdivision 33; plus

(5) shared time aid under section 126C.01, subdivision 7; plus

(6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus

(7) online learning aid under section 124D.096; plus

(8) local optional aid according to section 126C.10, subdivision 2e, paragraph ~~(e)~~ (f).

Sec. 31. Minnesota Statutes 2022, section 126C.17, subdivision 5, is amended to read:

Subd. 5. **Referendum equalization revenue.** (a) A district's referendum equalization revenue equals the sum of the first tier referendum equalization revenue and the second tier referendum equalization revenue.

(b) A district's first tier referendum equalization revenue equals the district's first tier referendum equalization allowance times the district's adjusted pupil units for that year.

(c) A district's first tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or $460.

(d) A district's second tier referendum equalization revenue equals the district's second tier referendum equalization allowance times the district's adjusted pupil units for that year.

(e) A district's second tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or 25 percent of the formula allowance, minus the sum of $300 and the district's first tier referendum equalization allowance.

(f) Notwithstanding paragraph (e), the second tier referendum equalization allowance for a district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's referendum allowance under subdivision 1 minus the district's first tier referendum equalization allowance.

Sec. 32. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 7, is amended to read:

Subd. 7. **Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an advanced life-support ambulance shall be staffed by at least:

(1) one EMT or one AEMT and one paramedic;

(2) one EMT or one AEMT and one registered nurse who is an EMT or an AEMT, is currently practicing nursing, and has passed a paramedic practical skills test approved by the board and administered by an education program; or

(3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT, is currently practicing as a physician assistant, and has passed a paramedic practical skills test approved by the board and administered by an education program.

(b) An advanced life-support service shall provide basic life support, as specified under subdivision 6, paragraph (a), advanced airway management, manual defibrillation, administration of intravenous fluids and pharmaceuticals, and administration of opiate antagonists.

(c) In addition to providing advanced life support, an advanced life-support service may staff additional ambulances to provide basic life support according to subdivision 6 and section 144E.103, subdivision 1.

(d) An ambulance service providing advanced life support shall have a written agreement with its medical director to ensure medical control for patient care 24 hours a day, seven days a week. The terms of the agreement shall include a written policy on the administration of medical control for the service. The policy shall address the following issues:

(1) two-way communication for physician direction of ambulance service personnel;

(2) patient triage, treatment, and transport;

(3) use of standing orders; and

(4) the means by which medical control will be provided 24 hours a day.

The agreement shall be signed by the licensee's medical director and the licensee or the licensee's designee and maintained in the files of the licensee.

(e) When an ambulance service provides advanced life support, the authority of a paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician assistant-EMT to determine the delivery of patient care prevails over the authority of an EMT.

(f) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in paragraph (a), clause (1), and may authorize an advanced life-support ambulance to be staffed by a registered emergency medical responder driver with a paramedic for all emergency calls and interfacility transfers. The variance shall apply to advanced life-support ambulance services until the ambulance service renews its license. When the variance expires, an ambulance service may apply for a new variance under this paragraph. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato,

Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.

(g) After an initial emergency ambulance call, each subsequent emergency ambulance response, until the initial ambulance is again available, and interfacility transfers, may be staffed by one registered emergency medical responder driver and an EMT or paramedic. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.

Sec. 33. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 12, is amended to read:

Subd. 12. **Mutual aid agreement.** (a) A licensee shall have a written agreement with at least one neighboring licensed ambulance service for the preplanned and organized response of emergency medical services, and other emergency personnel and equipment, to a request for assistance in an emergency when local ambulance transport resources have been expended. The response is predicated upon formal agreements among participating ambulance services. A copy of each mutual aid agreement shall be maintained in the files of the licensee and shall be filed with the board for informational purposes only.

(b) A licensee may have a written agreement with a neighboring licensed ambulance service, including a licensed ambulance service from a neighboring state if that service is currently and remains in compliance with its home state licensing requirements, to provide support to the primary service area of the licensee upon the licensee's request. The agreement may allow the licensee to suspend ambulance services in its primary service area during the times the neighboring licensed ambulance service has agreed to provide all emergency services to the licensee's primary service area. The agreement may permit the neighboring licensed ambulance service to serve the licensee's primary service area for up to 24 hours per day, provided service by the neighboring licensed ambulance service does not exceed 108 hours per calendar week. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 2,500 persons.

Sec. 34. Minnesota Statutes 2023 Supplement, section 145D.01, subdivision 5, is amended to read:

Subd. 5. **Attorney general enforcement and supplemental authority.** (a) The attorney general may bring an action in district court to enjoin or unwind a transaction or seek other equitable relief necessary to protect the public interest if a health care entity or transaction violates this section, if the transaction is contrary to the public interest, or if both a health care entity or transaction violates this section and the transaction is contrary to the public interest. Factors informing whether a transaction is contrary to the public interest include but are not limited to whether the transaction:

(1) will harm public health;

(2) will reduce the affected community's continued access to affordable and quality care and to the range of services historically provided by the entities or will prevent members in the affected community from receiving a comparable or better patient experience;

(3) will have a detrimental impact on competing health care options within primary and dispersed service areas;

(4) will reduce delivery of health care to disadvantaged, uninsured, underinsured, and underserved populations and to populations enrolled in public health care programs;

(5) will have a substantial negative impact on medical education and teaching programs, health care workforce training, or medical research;

(6) will have a negative impact on the market for health care services, health insurance services, or skilled health care workers;

(7) will increase health care costs for patients;

(8) will adversely impact provider cost trends and containment of total health care spending;

(9) will have a negative impact on wages paid by, or the number of employees employed by, a health care entity involved in a transaction; or

(10) will have a negative impact on wages, collective bargaining units, and collective bargaining agreements of existing or future workers employed by a health care entity involved in a transaction.

(b) The attorney general may enforce this section under section 8.31.

(c) Failure of the entities involved in a transaction to provide timely information as required by the attorney general or the commissioner shall be an independent and sufficient

ground for a court to enjoin or unwind the transaction or provide other equitable relief, provided the attorney general notified the entities of the inadequacy of the information provided and provided the entities with a reasonable opportunity to remedy the inadequacy.

(d) The commissioner shall provide to the attorney general, upon request, data and research on broader market trends, impacts on prices and outcomes, public health and population health considerations, and health care access, for the attorney general to use when evaluating whether a transaction is contrary to public interest. The commissioner may share with the attorney general, according to section 13.05, subdivision 9, any not public data, as defined in section 13.02, subdivision 8a, held by the commissioner to aid in the investigation and review of the transaction, and the attorney general must maintain this data with the same classification according to section 13.03, subdivision 4, paragraph ~~(d)~~ (c).

Sec. 35. Minnesota Statutes 2023 Supplement, section 145D.02, is amended to read:

**145D.02 DATA REPORTING OF CERTAIN HEALTH CARE TRANSACTIONS.**

(a) This section applies to all transactions where:

(1) the health care entity involved in the transaction has average revenue between $10,000,000 and $80,000,000 per year; or

(2) the transaction will result in an entity projected to have average revenue between $10,000,000 per year and $80,000,000 per year once the entity is operating at full capacity.

(b) A health care entity must provide the following data to the commissioner at least 30 days before the proposed completion date of the transaction, or within ten business days of the date the parties first reasonably anticipate entering into the transaction if the expected completion is within less than 30 days, in the form and manner determined by the commissioner:

(1) the entities involved in the transaction;

(2) the leadership, ownership structures, and business relationship of the entities involved in the transaction, including all board members, managing partners, member managers, and officers;

(3) the services provided by each entity and the operating and nonoperating revenue for each entity by location, for the last three years;

(4) the primary service area for each location;

(5) the proposed service area for each location;

(6) the current relationships between the entities and the affected health care providers and practices, the locations of affected health care providers and practices, the services provided by affected health care providers and practices, and the proposed relationships between the entities and the affected health care providers and practices;

(7) the terms of the transaction agreement or agreements;

(8) potential areas of expansion, whether in existing markets or new markets;

(9) plans to close facilities, reduce workforce, or reduce or eliminate services;

(10) the number of full-time equivalent positions at each location before and after the transaction by job category, including administrative and contract positions; and

(11) any other information relevant to evaluating the transaction that is requested by the commissioner.

(c) If the commissioner determines that information required from the health care entity under this section has not been provided, the commissioner may notify the entity of the necessary information within 30 days of the health care entity's initial submission of the notice. The health care entity must provide such additional information to the commissioner within 14 days of the commissioner's request.

(d) Data provided to or collected by the commissioner under this section are private data on individuals or nonpublic data, as defined in section 13.02. The commissioner may share with the attorney general, according to section 13.05, subdivision 9, any not public data, as defined in section 13.02, subdivision 8a, held by the commissioner to aid in the investigation and review of the transaction, and the attorney general must maintain this data with the same classification according to section 13.03, subdivision 4, paragraph ~~(d)~~ (c).

(e) A health care entity is exempt from reporting under this section if the health care entity is required to submit information to the attorney general and commissioner under section 145D.01, subdivision 2.

(f) The commissioner shall use data collected under this section to analyze the number of health care transactions in Minnesota and the potential impact these transactions may have on equitable access to or the cost and quality of health care services, and develop recommendations for the legislature on improvements to the law.

Sec. 36. Minnesota Statutes 2023 Supplement, section 147.02, subdivision 1, is amended to read:

Subdivision 1. **United States or Canadian medical school graduates.** The board shall issue a license to practice medicine to a person not currently licensed in another state or Canada and who meets the requirements in paragraphs (a) to (i).

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic medical school located in the United States, its territories, or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed an examination as described in clause (1) or (2).

(1) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the National Board of Medical Examiners, the Federation of State Medical Boards, the Medical Council of Canada, the National Board of Osteopathic Examiners, or the appropriate state board that the board determines acceptable. The board shall by rule determine what constitutes a passing score in the examination.

(2) The applicant taking the United States Medical Licensing Examination (USMLE) or Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA) must have passed steps or levels one, two, and three. Step or level three must be passed within five years of passing step or level two, or before the end of residency training. The applicant must pass each of steps or levels one, two, and three with passing scores as recommended by the USMLE program or National Board of Osteopathic Medical Examiners within three attempts. The applicant taking combinations of Federation of State Medical Boards, National Board of Medical Examiners, and USMLE may be accepted only if the combination is approved by the board as comparable to existing comparable examination sequences and all examinations are completed prior to the year 2000.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board.

(e) The applicant may make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a nonrefundable fee established by the board. Upon application or notice of license renewal, the board must provide notice to the applicant and to the person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:

(1) state the dollar amount of the additional costs; and

(2) clearly identify to the applicant the payment schedule of additional costs.

(g) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(h) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (g). If the applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

(i) If the examination in paragraph (c) was passed more than ten years ago, the applicant must either:

(1) pass the special purpose examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(2) have a current certification by a specialty board of the American Board of Medical Specialties, ~~of~~ the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or ~~of~~ the College of Family Physicians of Canada.

Sec. 37. Minnesota Statutes 2023 Supplement, section 147.03, subdivision 1, is amended to read:

Subdivision 1. **Endorsement; reciprocity.** (a) The board may issue a license to practice medicine to any person who satisfies the requirements in paragraphs (b) to (e).

(b) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (b), (d), (e), and (f), or section 147.037, subdivision 1, paragraphs (a) to (e).

(c) The applicant shall:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the National Board of Medical Examiners, or the United States Medical Licensing Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2); the National Board of Osteopathic Medical Examiners; or the Medical Council of Canada; and

(2) have a current license from the equivalent licensing agency in another state or Canada and, if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards (SPEX) within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, ~~of~~ the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or ~~of~~ the College of Family Physicians of Canada; or

(3) if the applicant fails to meet the requirement established in section 147.02, subdivision 1, paragraph (c), clause (2), because the applicant failed to pass within the permitted three attempts each of steps or levels one, two, and three of the USMLE or the Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA), the applicant may be granted a license provided the applicant:

(i) has passed each of steps or levels one, two, and three within no more than four attempts for any of the three steps or levels with passing scores as recommended by the USMLE or COMLEX-USA program;

(ii) is currently licensed in another state; and

(iii) has current certification by a specialty board of the American Board of Medical Specialties, the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or the College of Family Physicians of Canada.

(d) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(e) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (d). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

(f) Upon the request of an applicant, the board may conduct the final interview of the applicant by teleconference.

Sec. 38. Minnesota Statutes 2022, section 150A.091, subdivision 2, is amended to read:

Subd. 2. **Application and initial license or registration fees.** Each applicant shall submit with a license, advanced dental therapist certificate, or permit application a nonrefundable fee in the following amounts in order to administratively process an application:

(1) dentist, $308;

(2) full faculty dentist, $308;

(3) limited faculty dentist, $140;

(4) resident dentist or dental provider, $55;

(5) advanced dental therapist, $100;

(6) dental therapist, $220;

(7) dental hygienist, $115;

(8) licensed dental assistant, $115;

(9) dental assistant with limited radiology registration as described in Minnesota Rules, part ~~3100.8500, subpart 3~~ 3100.1320, $27; and

(10) guest license, $50.

Sec. 39. Minnesota Statutes 2022, section 150A.091, subdivision 5, is amended to read:

Subd. 5. **Biennial license or registration renewal fees.** Each of the following applicants shall submit with a biennial license or permit renewal application a fee as established by the board, not to exceed the following amounts:

(1) dentist or full faculty dentist, $475;

(2) dental therapist, $300;

(3) dental hygienist, $200;

(4) licensed dental assistant, $150; and

(5) dental assistant with a limited radiology registration as described in Minnesota Rules, part ~~3100.8500, subpart 3~~ 3100.1320, $24.

Sec. 40. Minnesota Statutes 2022, section 150A.091, subdivision 11a, is amended to read:

Subd. 11a. **Certificate for anesthesia/sedation late fee.** Applications for renewal of a general anesthesia or moderate sedation certificate or a contracted sedation provider certificate received after the time specified in Minnesota Rules, part 3100.3600, subparts ~~9~~ 19 and ~~9b~~ 21, must be assessed a late fee equal to 50 percent of the biennial renewal fee for an anesthesia/sedation certificate.

Sec. 41. Minnesota Statutes 2022, section 152.25, subdivision 1b, is amended to read:

Subd. 1b. **Temporary suspension proceedings.** The commissioner may institute proceedings to temporarily suspend the registration of a medical cannabis manufacturer for a period of up to 90 days by notifying the manufacturer in writing if any action by an employee, agent, officer, director, or controlling person of the manufacturer:

(1) violates any of the requirements of sections ~~152.21~~ 152.22 to 152.37 or the rules adopted thereunder;

(2) permits, aids, or abets the commission of any violation of state law at the manufacturer's location for cultivation, harvesting, manufacturing, packaging, and processing or at any site for distribution of medical cannabis;

(3) performs any act contrary to the welfare of a registered patient or registered designated caregiver; or

(4) obtains, or attempts to obtain, a registration by fraudulent means or misrepresentation.

Sec. 42. Minnesota Statutes 2022, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** The conditions and process by which a salon is licensed shall be established by the board by rule. In addition to those requirements, no license shall be issued unless the board first determines that the conditions in clauses (1) to ~~(5)~~ (4) have been satisfied:

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

(2) the employment of a manager, as defined in section 155A.23, subdivision 8;

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

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

Sec. 43. Minnesota Statutes 2022, section 161.088, subdivision 7, is amended to read:

Subd. 7. **Legislative report; evaluation.** (a) Annually by November 1, the commissioner must electronically submit a report on the corridors of commerce program to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) a summary of the program, including a review of:

(i) project selection process details that address program design and implementation, decision-making procedures, and eligibility evaluation;

(ii) criteria measurement methodologies and criteria weighting used in project selection; and

(iii) the policy that provides the weight given each criterion;

(2) a summary of program finance, including funds expended in the previous selection cycle, any future operating costs assigned under subdivision 6, and total funds expended since program inception;

(3) a list of projects funded under the program in the previous selection cycle, including:

(i) project classification;

(ii) a breakdown of project costs and funding sources; and

(iii) a brief project description that is comprehensible to a lay audience;

(4) a comprehensive list of evaluated projects and candidate project recommendations as required under subdivision 5, ~~paragraph (b),~~ that identifies for each project: eligibility, classification, evaluation results for each criterion, score, and disposition in the selection process; and

(5) any recommendations for changes to statutory requirements of the program.

(b) In every even-numbered year, the commissioner must incorporate into the report the results of an independent evaluation of impacts and effectiveness of the program. The evaluation must be performed by agency staff or a consultant. The individual or individuals performing the evaluation must have experience in program evaluation, but must not be regularly involved in the program's implementation.

(c) Notwithstanding paragraph (a), a report is not required in a year in which:

(1) no project selection was completed during the preceding 12 months; and

(2) an evaluation under paragraph (b) is not due.

Sec. 44. Minnesota Statutes 2022, section 171.17, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The department shall immediately revoke the license of a driver upon receiving a record of the driver's conviction of:

(1) manslaughter resulting from the operation of a motor vehicle or criminal vehicular homicide or injury under section 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21;

(2) a violation of section 169A.20 or 609.487;

(3) a felony in the commission of which a motor vehicle was used;

(4) failure to stop and disclose identity and render aid, as required under section 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

(5) perjury or the making of a false affidavit or statement to the department under any law relating to the application, ownership, or operation of a motor vehicle, including on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), subitem (C), to issue an instruction permit to a homeschool student;

(6) except as this section otherwise provides, three charges of violating within a period of 12 months any of the provisions of chapter 169 or of the rules or municipal ordinances enacted in conformance with chapter 169, for which the accused may be punished upon conviction by imprisonment;

(7) two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

(8) the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);

(9) an offense in another state that, if committed in this state, would be grounds for revoking the driver's license; or

(10) a violation of an applicable speed limit by a person driving in excess of 100 miles per hour. The person's license must be revoked for six months for a violation of this clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

(b) The department shall immediately revoke the school bus endorsement of a driver upon receiving a record of the driver's conviction of the misdemeanor offense described in section 169.443, subdivision 7.

Sec. 45. Minnesota Statutes 2022, section 171.22, subdivision 1, is amended to read:

Subdivision 1. **Violations.** With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:

(1) to display, cause or permit to be displayed, or have in possession, any fictitious or fraudulently altered driver's license or Minnesota identification card;

(2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;

(3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;

(4) to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;

(5) to alter any driver's license or Minnesota identification card;

(6) to take any part of the driver's license examination for another or to permit another to take the examination for that person;

(7) to make a counterfeit driver's license or Minnesota identification card;

(8) to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer;

(9) to display as a valid driver's license any canceled, revoked, or suspended driver's license. A person whose driving privileges have been withdrawn may display a driver's license only for identification purposes; or

(10) to submit a false affidavit or statement to the department on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), subitem (C), to issue an instruction permit to a homeschool student.

Sec. 46. Minnesota Statutes 2023 Supplement, section 174.07, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** This section does not apply to:

(1) a law that establishes a requirement with general applicability for an agency or agencies to submit a report, including but not limited to reports and information under sections 14.05, subdivision 5, and 14.116;

(2) a law that specifies a reporting expiration date or a date for the submission of a final report;

(3) information required by law to be included in a budget submission to the legislature under section 16A.11;

(4) the plans required under section 174.03, subdivisions 1a, 1b, and 1c;

(5) the forecast information requirements under section 174.03, subdivision 9; and

(6) the reports required under sections 161.088, subdivision 7; 161.089; 161.3203, subdivision 4; 165.03, subdivision 8; ~~165.14, subdivision 5;~~ 174.03, subdivision 12; 174.185, subdivision 3; 174.247; 174.56, subdivisions 1 and 2; and 174.75, subdivision 3.

Sec. 47. Minnesota Statutes 2022, section 176.011, subdivision 15, is amended to read:

Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental impairment as defined in paragraph (d) or physical disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting in physical injury shall remain compensable. Mental impairment is not considered a disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota State Patrol, conservation officer service, state crime bureau, as a forest officer by the Department of Natural Resources, correctional officer or security counselor

employed by the state or a political subdivision at a corrections, detention, or secure treatment facility, or sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota State Patrol, conservation officer service, state crime bureau, Department of Natural Resources, Department of Corrections, or sheriff's department of any county, which examination and report negatived any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1; firefighter; paramedic; correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; emergency medical technician; or licensed nurse providing emergency medical care; and who contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment and the presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors which shall be used to rebut this presumption and which are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.

(d) For the purposes of this chapter, "mental impairment" means a diagnosis of post-traumatic stress disorder by a licensed psychiatrist or psychologist. For the purposes of this chapter, "post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by

the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or more compensable mental impairment claims arising out of a single event or occurrence shall constitute a single loss occurrence.

(e) If, preceding the date of disablement or death, an employee who was employed on active duty as: a licensed police officer; a firefighter; a paramedic; an emergency medical technician; a licensed nurse employed to provide emergency medical services outside of a medical facility; a public safety dispatcher; a correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; a sheriff or full-time deputy sheriff of any county; or a member of the Minnesota State Patrol is diagnosed with a mental impairment as defined in paragraph (d), and had not been diagnosed with the mental impairment previously, then the mental impairment is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. This presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors that are used to rebut this presumption and that are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability. The mental impairment is not considered an occupational disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer.

~~(f) Notwithstanding paragraph (a) and the rebuttable presumption for infectious or communicable diseases in paragraph (b), an employee who contracts COVID-19 is presumed to have an occupational disease arising out of and in the course of employment if the employee satisfies the requirements of clauses (1) and (2).~~

~~(1) The employee was employed as a licensed peace officer under section 626.84, subdivision 1; firefighter; paramedic; nurse or health care worker, correctional officer, or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; emergency medical technician; a health care provider, nurse, or assistive employee employed in a health care, home care, or long-term care setting, with direct COVID-19 patient care or ancillary work in COVID-19 patient units; and workers required to provide child care to first responders and health care workers under Executive Order 20-02 and Executive Order 20-19.~~

~~(2) The employee's contraction of COVID-19 must be confirmed by a positive laboratory test or, if a laboratory test was not available for the employee, as diagnosed and documented by the employee's licensed physician, licensed physician's assistant, or licensed advanced practice registered nurse (APRN), based on the employee's symptoms. A copy of the positive~~

~~laboratory test or the written documentation of the physician's, physician assistant's, or APRN's diagnosis shall be provided to the employer or insurer.~~

~~(3) Once the employee has satisfied the requirements of clauses (1) and (2), the presumption shall only be rebutted if the employer or insurer shows the employment was not a direct cause of the disease. A denial of liability under this paragraph must meet the requirements for a denial under section 176.221, subdivision 1.~~

~~(4) The date of injury for an employee who has contracted COVID-19 under this paragraph shall be the date that the employee was unable to work due to a diagnosis of COVID-19, or due to symptoms that were later diagnosed as COVID-19, whichever occurred first.~~

~~(5) An employee who has contracted COVID-19 but who is not entitled to the presumption under this paragraph is not precluded from claiming an occupational disease as provided in other paragraphs of this subdivision or from claiming a personal injury under subdivision 16.~~

~~(6) The commissioner shall provide a detailed report on COVID-19 workers' compensation claims under this paragraph to the Workers' Compensation Advisory Council, and chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over workers' compensation, by January 15, 2021.~~

Sec. 48. Minnesota Statutes 2022, section 180.03, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** (a) The portion of an excavation, cave, open or water-filled pit, or shaft is exempt from the requirements of this section if:

(1) it is located on property owned, leased, or administered by the ~~Office of the Commissioner~~ Department of Iron Range Resources and Rehabilitation;

(2) it is for the construction, operation, maintenance, or administration of:

(i) grants-in-aid trails as defined in section 85.018;

(ii) property owned or leased by a municipality, as defined in section 466.01, subdivision 1, that is intended or permitted to be used as a park, an open area for recreational purposes, or for the provision of recreational services, including the creation of trails or paths without artificial surfaces; or

(iii) recreational use, as defined in section 604A.21, subdivisions 5 and 6, provided the use is administered by a municipality, as defined in section 466.01, subdivision 1;

(3) it is for economic development purposes under chapter 469; or

(4) upon written application by the property owner, the county mine inspector determines that it is provided with fencing, barriers, appropriate signs, or combinations of them, in a manner that is reasonably similar to the standards in subdivision 2, or if, in the inspector's judgment, it does not constitute a safety hazard.

(b) Where an exemption applies, there shall be, at a minimum, appropriate signs posted by the recipient of the exemption consistent with section 97B.001, subdivision 4:

(1) at each location of public access to the mining area restricting access to designated areas and warning of possible dangers due to the presence of excavations, shafts, caves, or open or water-filled pits;

(2) prohibiting public access beyond the boundaries of the designated public access area; and

(3) identifying those areas where the property on which public access is allowed abuts private property.

(c) Where an exemption applies, to reduce the possibility of inadvertent access beyond the boundaries of the designated public access area, any new fencing erected by the recipient of the exemption in accordance with subdivision 2 or 3 shall be maintained by the recipient of the exemption.

(d) Notwithstanding section 180.10, limited openings in preexisting fencing may be created and maintained by the recipient of the exemption or its agent to provide public access to the designated public access area.

(e) The county mine inspector has the authority to enter, examine, and inspect any and all property exempted under this section at all reasonable times by day or by night, and, in addition to enforcing the provisions of this chapter, may make recommendations regarding the erection of fences, barriers, signs, or a combination of them.

Sec. 49. Minnesota Statutes 2023 Supplement, section 181.217, subdivision 1, is amended to read:

Subdivision 1. **Minimum nursing home employment standards.** Except as provided in section 181.213, subdivision ~~4~~ 5, paragraph (b) or (c), the minimum wages and other compensation established by the board in rule as minimum nursing home employment standards shall be the minimum wages and other compensation for nursing home workers or a subgroup of nursing home workers as a matter of state law. Except as provided in section 181.213, subdivision ~~4~~ 5, paragraph (b) or (c), it shall be unlawful for a nursing

home employer to employ a nursing home worker for lower wages or other compensation than that established as the minimum nursing home employment standards.

Sec. 50. Minnesota Statutes 2022, section 216B.161, subdivision 1, is amended to read:

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

(b) "Area development rate" means a rate schedule established by a utility that provides customers within an area development zone service under a base utility rate schedule, except that charges may be reduced from the base rate as agreed upon by the utility and the customer consistent with this section.

(c) "Area development zone" means a contiguous or noncontiguous area designated by an authority or municipality for development or redevelopment and within which one of the following conditions exists:

(1) obsolete buildings not suitable for improvement or conversion or other identified hazards to the health, safety, and general well-being of the community;

(2) buildings in need of substantial rehabilitation or in substandard condition; or

(3) low values and damaged investments.

(d) "Authority" means a rural development financing authority established under sections 469.142 to 469.151; a housing and redevelopment authority established under sections 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an economic development authority established under sections 469.090 to 469.108; a redevelopment agency as defined in sections 469.152 to 469.165; the ~~commissioner~~ Department of Iron Range Resources and Rehabilitation established under section 298.22; a municipality that is administering a development district created under sections 469.124 to 469.133 or any special law; a municipality that undertakes a project under sections 469.152 to 469.165, except a town located outside the metropolitan area as defined in section 473.121, subdivision 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers of a port authority under any general or special law.

(e) "Municipality" means a city, however organized, and, with respect to a project undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142 to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008, also includes any county.

Sec. 51. Minnesota Statutes 2022, section 241.67, subdivision 2, is amended to read:

Subd. 2. **Treatment program standards.** (a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities and state-operated adult and juvenile sex offender treatment programs not operated in state or local correctional facilities. The rules shall require that sex offender treatment programs be at least four months in duration. A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, ~~subdivision 1, paragraph (f)~~ subdivision 1i.

(b) In addition to other certification requirements established under paragraph (a), the commissioner must require all programs certified under this subdivision to participate in the sex offender program evaluation project established by the commissioner under section 241.67, subdivision 8.

Sec. 52. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related unless the residential program is a child foster care placement made by a local social services agency or a licensed child-placing agency, except as provided in subdivision 2a;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not misuse substances or have a substance use disorder, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the

same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;

(9) homes providing programs for persons placed by a county or a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

(12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in section 315.51, whose primary purpose is to provide child care or services to school-age children;

(13) Head Start nonresidential programs which operate for less than 45 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

(15) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance;

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;

(22) the placement of a child by a birth parent or legal guardian in a preadoptive home for purposes of adoption as authorized by section 259.47;

(23) settings registered under chapter ~~144D which~~ 144G that provide home care services licensed by the commissioner of health to fewer than seven adults;

(24) substance use disorder treatment activities of licensed professionals in private practice as defined in section 245G.01, subdivision 17;

(25) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:

(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and

(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service;

(26) a program serving only children who are age 33 months or older, that is operated by a nonpublic school, for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:

(i) an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization; or

(ii) an accrediting agency that requires background studies and that receives and investigates complaints about the services provided.

A program that asserts its exemption from licensure under item (ii) shall, upon request from the commissioner, provide the commissioner with documentation from the accrediting agency that verifies: that the accreditation is current; that the accrediting agency investigates complaints about services; and that the accrediting agency's standards require background studies on all people providing direct contact services;

(27) a program operated by a nonprofit organization incorporated in Minnesota or another state that serves youth in kindergarten through grade 12; provides structured, supervised youth development activities; and has learning opportunities take place before or after

school, on weekends, or during the summer or other seasonal breaks in the school calendar. A program exempt under this clause is not eligible for child care assistance under chapter 119B. A program exempt under this clause must:

(i) have a director or supervisor on site who is responsible for overseeing written policies relating to the management and control of the daily activities of the program, ensuring the health and safety of program participants, and supervising staff and volunteers;

(ii) have obtained written consent from a parent or legal guardian for each youth participating in activities at the site; and

(iii) have provided written notice to a parent or legal guardian for each youth at the site that the program is not licensed or supervised by the state of Minnesota and is not eligible to receive child care assistance payments;

(28) a county that is an eligible vendor under section 254B.05 to provide care coordination and comprehensive assessment services;

(29) a recovery community organization that is an eligible vendor under section 254B.05 to provide peer recovery support services; or

(30) Head Start programs that serve only children who are at least three years old but not yet six years old.

(b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Except for the home and community-based services identified in section 245D.03, subdivision 1, nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

Sec. 53. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a family child foster care home or family adult foster care home

license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24; or

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care~~;~~ ~~or~~.

~~(5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 or elderly waiver plan under chapter 256S and residing in the customized living setting for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until December 31, 2023. This exception is available when:~~

~~(i) the person's customized living services are provided in a customized living service setting serving four or fewer people in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;~~

~~(ii) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and~~

~~(iii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the customized living setting as determined by the lead agency.~~

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the

initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

Sec. 54. Minnesota Statutes 2023 Supplement, section 245A.10, subdivision 3, is amended to read:

Subd. 3. **Application fee for initial license or certification.** (a) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a $500 application fee with each new application required under this subdivision. An applicant for an initial day services facility license under chapter 245D shall submit a $250 application fee with each new application. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in clauses (1) and (2), an applicant shall apply for a license to provide services at a specific location.

(1) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide. Notwithstanding paragraph (a), applications received by the commissioner between July 1, 2013, and December 31, 2013, for licensure of services provided under chapter 245D must include an application fee that is equal to the annual license renewal fee under subdivision 4, paragraph (b), or $500, whichever is less. Applications received by the commissioner after January 1, 2014, must include the application fee required under paragraph (a). Applicants who meet the modified application criteria identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

(2) For a license for a private agency to provide foster care or adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application to provide services statewide.

~~(c) The initial application fee charged under this subdivision does not include the temporary license surcharge under section 16E.22.~~

Sec. 55. Minnesota Statutes 2022, section 245A.11, subdivision 2, is amended to read:

Subd. 2. **Permitted single-family residential use.** ~~(a)~~ Residential programs with a licensed capacity of six or fewer persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations, except

that a residential program whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use. This exception shall not apply to residential programs licensed before July 1, 1995. Programs otherwise allowed under this subdivision shall not be prohibited by operation of restrictive covenants or similar restrictions, regardless of when entered into, which cannot be met because of the nature of the licensed program, including provisions which require the home's occupants be related, and that the home must be occupied by the owner, or similar provisions.

~~(b) Unless otherwise provided in any town, municipal, or county zoning regulation, licensed residential services provided to more than four persons with developmental disabilities in a supervised living facility, including intermediate care facilities for persons with developmental disabilities, with a licensed capacity of seven to eight persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations. A town, municipal, or county zoning authority may require a conditional use or special use permit to assure proper maintenance and operation of the residential program. Conditions imposed on the residential program must not be more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones, unless the additional conditions are necessary to protect the health and safety of the persons being served by the program. This paragraph expires July 1, 2023.~~

Sec. 56. Minnesota Statutes 2023 Supplement, section 245G.06, subdivision 3a, is amended to read:

Subd. 3a. **Frequency of treatment plan reviews.** (a) A license holder must ensure that the alcohol and drug counselor responsible for a client's treatment plan completes and documents a treatment plan review that meets the requirements of subdivision 3 in each client's file, according to the frequencies required in this subdivision. All ASAM levels referred to in this chapter are those described in section 254B.19, subdivision 1.

(b) For a client receiving residential ASAM level 3.3 or 3.5 high-intensity services or residential hospital-based services, a treatment plan review must be completed once every 14 days.

(c) For a client receiving residential ASAM level 3.1 low-intensity services or any other residential level not listed in paragraph (b), a treatment plan review must be completed once every 30 days.

(d) For a client receiving nonresidential ASAM level 2.5 partial hospitalization services, a treatment plan review must be completed once every 14 days.

(e) For a client receiving nonresidential ASAM level 1.0 outpatient or 2.1 intensive outpatient services or any other nonresidential level not included in paragraph (d), a treatment plan review must be completed once every 30 days.

(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22, a treatment plan review must be completed:

(1) ~~a treatment plan review must be completed~~ weekly for the ten weeks following completion of the treatment plan; and

(2) monthly thereafter.

Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) Notwithstanding paragraphs (e) and (f), clause (2), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days. Treatment plan reviews must be completed more frequently when clinical needs warrant.

Sec. 57. Minnesota Statutes 2022, section 253B.02, subdivision 7, is amended to read:

Subd. 7. **Examiner.** "Examiner" means a person who is knowledgeable, trained, and practicing in the diagnosis and assessment or in the treatment of the alleged impairment, and who is a licensed physician; a mental health professional ~~as defined in section 245.462, subdivision 18, clauses (1) to (6)~~ qualified under section 245I.04, subdivision 2; a licensed physician assistant; or an advanced practice registered nurse (APRN) as defined in section 148.171, subdivision 3, who is practicing in the emergency room of a hospital, so long as the hospital has a process for credentialing and recredentialing any APRN acting as an examiner in an emergency room.

Sec. 58. Minnesota Statutes 2022, section 253B.02, subdivision 9, is amended to read:

Subd. 9. **Health officer.** "Health officer" means:

(1) a licensed physician;

(2) a mental health professional ~~as defined in section 245.462, subdivision 18, clauses (1) to (6)~~ qualified under section 245I.04, subdivision 2;

(3) a licensed social worker;

(4) a registered nurse working in an emergency room of a hospital;

(5) an advanced practice registered nurse (APRN) as defined in section 148.171, subdivision 3;

(6) a physician assistant as defined in section 147A.01, subdivision 18;

(7) a mental health practitioner as defined in section 245.462, subdivision 17, providing mental health mobile crisis intervention services as described under section 256B.0624 with the consultation and approval by a mental health professional; or

(8) a formally designated member of a prepetition screening unit established by section 253B.07.

Sec. 59. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);

(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and

(vii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7);

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) withdrawal management services provided according to chapter 245F;

(6) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(7) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

(8) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(9) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause ~~(4)~~ (5), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

Sec. 60. Minnesota Statutes 2022, section 256.042, subdivision 4, is amended to read:

Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report of the grants proposed by the advisory council to be awarded for the upcoming calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, by December 1 of each year, beginning December 1, 2022. This paragraph expires upon the expiration of the advisory council.

(b) The grants shall be awarded to proposals selected by the advisory council that address the priorities in subdivision 1, paragraph (a), clauses (1) to (4), unless otherwise appropriated by the legislature. The advisory council shall determine grant awards and funding amounts based on the funds appropriated to the commissioner under section 256.043, subdivision 3, paragraph ~~(h)~~ (n), and subdivision 3a, paragraph (d). The commissioner shall award the grants from the opiate epidemic response fund and administer the grants in compliance with

section 16B.97. No more than ten percent of the grant amount may be used by a grantee for administration.

Sec. 61. Minnesota Statutes 2022, section 256.9742, subdivision 3, is amended to read:

Subd. 3. **Posting.** Every long-term care facility and acute care facility shall post in a conspicuous place the address and telephone number of the office. A home care service provider shall provide all recipients, including those in ~~housing with services under chapter 144D~~ an assisted living facility under chapter 144G, with the address and telephone number of the office. Counties shall provide clients receiving long-term care consultation services under section 256B.0911 or home and community-based services through a state or federally funded program with the name, address, and telephone number of the office. The posting or notice is subject to approval by the ombudsman.

Sec. 62. Minnesota Statutes 2022, section 256B.056, subdivision 11, is amended to read:

Subd. 11. **Treatment of annuities.** (a) Any person requesting medical assistance payment of long-term care services shall provide a complete description of any interest either the person or the person's spouse has in annuities on a form designated by the department. The form shall include a statement that the state becomes a preferred remainder beneficiary of annuities or similar financial instruments by virtue of the receipt of medical assistance payment of long-term care services. The person and the person's spouse shall furnish the agency responsible for determining eligibility with complete current copies of their annuities and related documents and complete the form designating the state as the preferred remainder beneficiary for each annuity in which the person or the person's spouse has an interest.

(b) The department shall provide notice to the issuer of the department's right under this section as a preferred remainder beneficiary under the annuity or similar financial instrument for medical assistance furnished to the person or the person's spouse, and provide notice of the issuer's responsibilities as provided in paragraph (c).

(c) An issuer of an annuity or similar financial instrument who receives notice of the state's right to be named a preferred remainder beneficiary as described in paragraph (b) shall provide confirmation to the requesting agency that the state has been made a preferred remainder beneficiary. The issuer shall also notify the county agency when a change in the amount of income or principal being withdrawn from the annuity or other similar financial instrument or a change in the state's preferred remainder beneficiary designation under the annuity or other similar financial instrument occurs. The county agency shall provide the

issuer with the name, address, and telephone number of a unit within the department that the issuer can contact to comply with this paragraph.

(d) "Preferred remainder beneficiary" for purposes of this subdivision and sections 256B.0594 and 256B.0595 means the state is a remainder beneficiary in the first position in an amount equal to the amount of medical assistance paid on behalf of the institutionalized person, or is a remainder beneficiary in the second position if the institutionalized person designates and is survived by a remainder beneficiary who is (1) a spouse who does not reside in a medical institution, (2) a minor child, or (3) a child of any age who is blind or permanently and totally disabled as defined in the Supplemental Security Income program. Notwithstanding this paragraph, the state is the remainder beneficiary in the first position if the spouse or child disposes of the remainder for less than fair market value.

(e) For purposes of this subdivision, "institutionalized person" and "long-term care services" have the meanings given in section 256B.0595, subdivision 1, paragraph ~~(f)~~ (a).

(f) For purposes of this subdivision, "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with developmental disabilities, nursing facility, or inpatient hospital.

Sec. 63. Minnesota Statutes 2022, section 256B.058, subdivision 2, is amended to read:

Subd. 2. **Monthly income allowance for community spouse.** (a) For an institutionalized spouse, monthly income may be allocated to the community spouse as a monthly income allowance for the community spouse. Beginning with the first full calendar month the institutionalized spouse is in the institution, the monthly income allowance is not considered available to the institutionalized spouse for monthly payment of costs of care in the institution as long as the income is made available to the community spouse.

(b) The monthly income allowance is the amount by which the community spouse's monthly maintenance needs allowance under paragraphs (c) and (d) exceeds the amount of monthly income otherwise available to the community spouse.

(c) The community spouse's monthly maintenance needs allowance is the lesser of $1,500 or 122 percent of the monthly federal poverty guideline for a family of two plus an excess shelter allowance. The excess shelter allowance is for the amount of shelter expenses that exceed 30 percent of 122 percent of the federal poverty guideline ~~line~~ for a family of two. Shelter expenses are the community spouse's expenses for rent, mortgage payments including principal and interest, taxes, insurance, required maintenance charges for a cooperative or condominium that is the community spouse's principal residence, and the standard utility

allowance under section 5 of the federal Food and Nutrition Act of 2008. If the community spouse has a required maintenance charge for a cooperative or condominium, the standard utility allowance must be reduced by the amount of utility expenses included in the required maintenance charge.

If the community or institutionalized spouse establishes that the community spouse needs income greater than the monthly maintenance needs allowance determined in this paragraph due to exceptional circumstances resulting in significant financial duress, the monthly maintenance needs allowance may be increased to an amount that provides needed additional income.

(d) The percentage of the federal poverty guideline used to determine the monthly maintenance needs allowance in paragraph (c) is increased to 133 percent on July 1, 1991, and to 150 percent on July 1, 1992. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the annual changes. The $1,500 maximum must be adjusted January 1, 1990, and every January 1 after that by the same percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average) between the two previous Septembers.

(e) If a court has entered an order against an institutionalized spouse for monthly income for support of the community spouse, the community spouse's monthly income allowance under this subdivision shall not be less than the amount of the monthly income ordered.

Sec. 64. Minnesota Statutes 2022, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. **Prohibited transfers.** (a) For purposes of this section, "long-term care services" includes services in a nursing facility; services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed; services in an intermediate care facility for persons with developmental disabilities; and home and community-based services provided pursuant to sections 256B.092 and 256B.49 and chapter 256S. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, a swing bed, or an intermediate care facility for persons with developmental disabilities, or who is receiving home and community-based services under sections 256B.092 and 256B.49 and chapter 256S.

~~(a)~~ (b) Effective for transfers made after August 10, 1993, an institutionalized person, an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the

institutionalized person or institutionalized person's spouse, may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the Supplemental Security Income program, for the purpose of establishing or maintaining medical assistance eligibility. This applies to all transfers, including those made by a community spouse after the month in which the institutionalized spouse is determined eligible for medical assistance. For purposes of determining eligibility for long-term care services, any transfer of such assets within 36 months before or any time after an institutionalized person requests medical assistance payment of long-term care services, or 36 months before or any time after a medical assistance recipient becomes an institutionalized person, for less than fair market value may be considered. Any such transfer is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the institutionalized person is ineligible for long-term care services for the period of time determined under subdivision 2, unless the institutionalized person furnishes convincing evidence to establish that the transaction was exclusively for another purpose, or unless the transfer is permitted under subdivision 3 or 4. In the case of payments from a trust or portions of a trust that are considered transfers of assets under federal law, or in the case of any other disposal of assets made on or after February 8, 2006, any transfers made within 60 months before or any time after an institutionalized person requests medical assistance payment of long-term care services and within 60 months before or any time after a medical assistance recipient becomes an institutionalized person, may be considered.

~~(b)~~ (c) This section applies to transfers, for less than fair market value, of income or assets, including assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments or income to which the institutionalized person or the institutionalized person's spouse is entitled but does not receive due to action by the institutionalized person, the institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or the institutionalized person's spouse.

~~(c)~~ (d) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement that was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

~~(d)~~ (e) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person who has applied for or is receiving long-term care services or the institutionalized person's spouse shall be treated as the disposal of an asset for less than fair market value unless the department is named a preferred remainder beneficiary as described in section 256B.056, subdivision 11. Any subsequent change to the designation of the department as a preferred remainder beneficiary shall result in the annuity being treated as a disposal of assets for less than fair market value. The amount of such transfer shall be the maximum amount the institutionalized person or the institutionalized person's spouse could receive from the annuity or similar financial instrument. Any change in the amount of the income or principal being withdrawn from the annuity or other similar financial instrument at the time of the most recent disclosure shall be deemed to be a transfer of assets for less than fair market value unless the institutionalized person or the institutionalized person's spouse demonstrates that the transaction was for fair market value. In the event a distribution of income or principal has been improperly distributed or disbursed from an annuity or other retirement planning instrument of an institutionalized person or the institutionalized person's spouse, a cause of action exists against the individual receiving the improper distribution for the cost of medical assistance services provided or the amount of the improper distribution, whichever is less.

~~(e)~~ (f) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person applying for or receiving long-term care services shall be treated as a disposal of assets for less than fair market value unless it is:

(1) an annuity described in subsection (b) or (q) of section 408 of the Internal Revenue Code of 1986; or

(2) purchased with proceeds from:

(i) an account or trust described in subsection (a), (c), or (p) of section 408 of the Internal Revenue Code;

(ii) a simplified employee pension within the meaning of section 408(k) of the Internal Revenue Code; or

(iii) a Roth IRA described in section 408A of the Internal Revenue Code; or

(3) an annuity that is irrevocable and nonassignable; is actuarially sound as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration; and provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.

~~(f) For purposes of this section, long-term care services include services in a nursing facility, services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed, intermediate care facility for persons with developmental disabilities, and home and community-based services provided pursuant to chapter 256S and sections 256B.092 and 256B.49. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility or in a swing bed, or intermediate care facility for persons with developmental disabilities or who is receiving home and community-based services under chapter 256S and sections 256B.092 and 256B.49.~~

(g) This section applies to funds used to purchase a promissory note, loan, or mortgage unless the note, loan, or mortgage:

(1) has a repayment term that is actuarially sound;

(2) provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made; and

(3) prohibits the cancellation of the balance upon the death of the lender.

(h) In the case of a promissory note, loan, or mortgage that does not meet an exception in paragraph (g), clauses (1) to (3), the value of such note, loan, or mortgage shall be the outstanding balance due as of the date of the institutionalized person's request for medical assistance payment of long-term care services.

(i) This section applies to the purchase of a life estate interest in another person's home unless the purchaser resides in the home for a period of at least one year after the date of purchase.

(j) This section applies to transfers into a pooled trust that qualifies under United States Code, title 42, section 1396p(d)(4)(C), by:

(1) a person age 65 or older or the person's spouse; or

(2) any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of a person age 65 or older or the person's spouse.

Sec. 65. Minnesota Statutes 2022, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. **Other exceptions to transfer prohibition.** (a) An institutionalized person, as defined in subdivision 1, paragraph ~~(f)~~ (a), who has made, or whose spouse has made a

transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions applies:

(1) the assets were transferred to the individual's spouse or to another for the sole benefit of the spouse; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the Supplemental Security Income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of a period of ineligibility resulting from a transfer for less than fair market value based on an imminent threat to the individual's health and well-being. Imminent threat to the individual's health and well-being means that imposing a period of ineligibility would endanger the individual's health or life or cause serious deprivation of food, clothing, or shelter. Whenever an applicant or recipient is denied eligibility because of a transfer for less than fair market value, the local agency shall notify the applicant or recipient that the applicant or recipient may request a waiver of the period of ineligibility if the denial of eligibility will cause undue hardship. With the written consent of the individual or the personal representative of the individual, a long-term care facility in which an individual is residing may file an undue hardship waiver request, on behalf of the individual who is denied eligibility for long-term care services on or after July 1, 2006, due to a period of ineligibility resulting from a transfer on or after February 8, 2006; or

(6) for transfers occurring after August 10, 1993, the assets were transferred by the person or the person's spouse: (i) into a trust established for the sole benefit of a son or daughter of any age who is blind or disabled as defined by the Supplemental Security Income program; or (ii) into a trust established for the sole benefit of an individual who is under 65 years of age who is disabled as defined by the Supplemental Security Income program. "For the sole benefit of" has the meaning found in section 256B.059, subdivision 1.

(b) Subject to paragraph (c), when evaluating a hardship waiver, the local agency shall take into account whether the individual was the victim of financial exploitation, whether

the individual has made reasonable efforts to recover the transferred property or resource, whether the individual has taken any action to prevent the designation of the department as a remainder beneficiary on an annuity as described in section 256B.056, subdivision 11, and other factors relevant to a determination of hardship.

(c) In the case of an imminent threat to the individual's health and well-being, the local agency shall approve a hardship waiver of the portion of an individual's period of ineligibility resulting from a transfer of assets for less than fair market value by or to a person:

(1) convicted of financial exploitation, fraud, or theft upon the individual for the transfer of assets; or

(2) against whom a report of financial exploitation upon the individual has been substantiated. For purposes of this paragraph, "financial exploitation" and "substantiated" have the meanings given in section 626.5572.

(d) The local agency shall make a determination within 30 days of the receipt of all necessary information needed to make such a determination. If the local agency does not approve a hardship waiver, the local agency shall issue a written notice to the individual stating the reasons for the denial and the process for appealing the local agency's decision. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services provided within:

(1) 30 months of a transfer made on or before August 10, 1993;

(2) 60 months of a transfer if the assets were transferred after August 30, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law;

(3) 36 months of a transfer if transferred in any other manner after August 10, 1993, but prior to February 8, 2006; or

(4) 60 months of any transfer made on or after February 8, 2006,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action.

Sec. 66. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the usual and customary price charged to the public. The usual and customary price means the lowest price charged by the provider to a patient who pays for the prescription by cash,

check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or pharmacy chain. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any third-party provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The professional dispensing fee shall be $10.77 for prescriptions filled with legend drugs meeting the definition of "covered outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions that must be compounded by the pharmacist shall be $10.77 per claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient drugs shall be $10.77 for dispensed quantities equal to or greater than the number of units contained in the manufacturer's original package. The professional dispensing fee shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered outpatient drugs shall be $3.65 for quantities equal to or greater than the number of units contained in the manufacturer's original package and shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The National Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a drug. For drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for a provider participating in the federal 340B Drug Pricing Program shall be either the 340B Drug Pricing Program ceiling price established by the Health Resources and Services Administration or NADAC, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to the actual acquisition cost of the drug product and no higher than the NADAC of the generic product. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) Pharmacies dispensing prescriptions to residents of long-term care facilities using an automated drug distribution system meeting the requirements of section 151.58, or a

packaging system meeting the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ retrospective billing for prescription drugs dispensed to long-term care facility residents. A retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC of the generic product or the maximum allowable cost established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. If average sales price is unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider, the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

(f) The commissioner may establish maximum allowable cost rates for specialty pharmacy products that are lower than the ingredient cost formulas specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are

defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the Formulary Committee to develop a list of specialty pharmacy products subject to maximum allowable cost reimbursement. In consulting with the Formulary Committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the maximum allowable cost to prevent access to care issues.

(g) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

(h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey for all pharmacies that are physically located in the state of Minnesota that dispense outpatient drugs under medical assistance. The commissioner shall ensure that the vendor has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the department to dispense outpatient prescription drugs to fee-for-service members must respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner shall require the vendor to measure a single statewide cost of dispensing for specialty prescription drugs and a single statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies to measure the mean, mean weighted by total prescription volume, mean weighted by medical assistance prescription volume, median, median weighted by total prescription volume, and median weighted by total medical assistance prescription volume. The commissioner shall post a copy of the final cost of dispensing survey report on the department's website. The initial survey must be completed no later than January 1, 2021, and repeated every three years. The commissioner shall provide a summary of the results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking minority members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section 256.01, subdivision 42, this paragraph does not expire.

(i) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to the wholesale drug distributor tax under section 295.52.

Sec. 67. Minnesota Statutes 2022, section 256B.0625, subdivision 56, is amended to read:

Subd. 56. **Medical service coordination.** (a)(1) Medical assistance covers in-reach community-based service coordination that is performed through a hospital emergency department as an eligible procedure under a state ~~healthcare~~ health care program for a frequent user. A frequent user is defined as an individual who has frequented the hospital emergency department for services three or more times in the previous four consecutive months. In-reach community-based service coordination includes navigating services to address a client's mental health, chemical health, social, economic, and housing needs, or any other activity targeted at reducing the incidence of emergency room and other nonmedically necessary health care utilization.

(2) Medical assistance covers in-reach community-based service coordination that is performed through a hospital emergency department or inpatient psychiatric unit for a child or young adult up to age 21 with a serious emotional disturbance who has frequented the hospital emergency room two or more times in the previous consecutive three months or been admitted to an inpatient psychiatric unit two or more times in the previous consecutive four months, or is being discharged to a shelter.

(b) Reimbursement must be made in 15-minute increments and allowed for up to 60 days posthospital discharge based upon the specific identified emergency department visit or inpatient admitting event. In-reach community-based service coordination shall seek to connect frequent users with existing covered services available to them, including, but not limited to, targeted case management, waiver case management, or care coordination in a health care home. For children and young adults with a serious emotional disturbance, in-reach community-based service coordination includes navigating and arranging for community-based services prior to discharge to address a client's mental health, chemical health, social, educational, family support and housing needs, or any other activity targeted at reducing multiple incidents of emergency room use, inpatient readmissions, and other nonmedically necessary health care utilization. In-reach services shall seek to connect them with existing covered services, including targeted case management, waiver case management, care coordination in a health care home, children's therapeutic services and supports, crisis services, and respite care. Eligible in-reach service coordinators must hold a minimum of a bachelor's degree in social work, public health, corrections, or a related

field. The commissioner shall submit any necessary application for waivers to the Centers for Medicare and Medicaid Services to implement this subdivision.

(c)(1) For the purposes of this subdivision, "in-reach community-based service coordination" means the practice of a community-based worker with training, knowledge, skills, and ability to access a continuum of services, including housing, transportation, chemical and mental health treatment, employment, education, and peer support services, by working with an organization's staff to transition an individual back into the individual's living environment. In-reach community-based service coordination includes working with the individual during their discharge and for up to a defined amount of time in the individual's living environment, reducing the individual's need for readmittance.

(2) Hospitals utilizing in-reach service coordinators shall report annually to the commissioner on the number of adults, children, and adolescents served; the postdischarge services which they accessed; and emergency department/psychiatric hospitalization readmissions. The commissioner shall ensure that services and payments provided under in-reach care coordination do not duplicate services or payments provided under subdivision 20 or section 256B.0753, or 256B.0755~~, or 256B.0625, subdivision 20~~.

Sec. 68. Minnesota Statutes 2023 Supplement, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. **Services covered under alternative care.** (a) Alternative care funding may be used for payment of costs of:

(1) adult day services and adult day services bath;

(2) home care;

(3) homemaker services;

(4) personal care;

(5) case management and conversion case management;

(6) respite care;

(7) specialized supplies and equipment;

(8) home-delivered meals;

(9) nonmedical transportation;

(10) nursing services;

(11) chore services;

(12) companion services;

(13) nutrition services;

(14) family caregiver training and education;

(15) coaching and counseling;

(16) telehome care to provide services in their own homes in conjunction with in-home visits;

(17) consumer-directed community supports;

(18) environmental accessibility and adaptations; and

(19) discretionary services, for which lead agencies may make payment from their alternative care program allocation for services not otherwise defined in this section or section 256B.0625, following approval by the commissioner.

(b) Total annual payments for discretionary services for all clients served by a lead agency must not exceed 25 percent of that lead agency's annual alternative care program base allocation, except that when alternative care services receive federal financial participation under the 1115 waiver demonstration, funding shall be allocated in accordance with subdivision 17.

Sec. 69. Minnesota Statutes 2022, section 256B.0941, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) An individual who is eligible for mental health treatment services in a psychiatric residential treatment facility must meet all of the following criteria:

(1) before admission, services are determined to be medically necessary according to Code of Federal Regulations, title 42, section 441.152;

(2) is younger than 21 years of age at the time of admission. Services may continue until the individual meets criteria for discharge or reaches 22 years of age, whichever occurs first;

(3) has a mental health diagnosis as defined in the most recent edition of the Diagnostic and Statistical Manual for Mental Disorders, as well as clinical evidence of severe aggression, or a finding that the individual is a risk to self or others;

(4) has functional impairment and a history of difficulty in functioning safely and successfully in the community, school, home, or job; an inability to adequately care for one's physical needs; or caregivers, guardians, or family members who are unable to safely fulfill the individual's needs;

(5) requires psychiatric residential treatment under the direction of a physician to improve the individual's condition or prevent further regression so that services will no longer be needed;

(6) utilized and exhausted other community-based mental health services, or clinical evidence indicates that such services cannot provide the level of care needed; and

(7) was referred for treatment in a psychiatric residential treatment facility by a mental health professional qualified according to section 245I.04, subdivision 2.

(b) The commissioner shall provide oversight and review the use of referrals for clients admitted to psychiatric residential treatment facilities to ensure that eligibility criteria, clinical services, and treatment planning reflect clinical, state, and federal standards for psychiatric residential treatment facility level of care. The commissioner shall coordinate the production of a statewide list of children and youth who meet the medical necessity criteria for psychiatric residential treatment facility level of care and who are awaiting admission. The commissioner and any recipient of the list shall not use the statewide list to direct admission of children and youth to specific facilities.

Sec. 70. Minnesota Statutes 2023 Supplement, section 256B.0943, subdivision 1, is amended to read:

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

(b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention to treat a diagnosed emotional disturbance, as defined in section 245.4871, subdivision 15, or a diagnosed mental illness, as defined in section 245.462, subdivision 20. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

(d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group

as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured mental health program consisting of psychotherapy for three or more individuals and individual or group skills training provided by a team, under the treatment supervision of a mental health professional.

(g) "Direct service time" means the time that a mental health professional, clinical trainee, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family or providing covered services through telehealth as defined under section 256B.0625, subdivision 3b. Direct service time includes time in which the provider obtains a client's history, develops a client's treatment plan, records individual treatment outcomes, or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling or maintaining clinical records.

(h) "Direction of mental health behavioral aide" means the activities of a mental health professional, clinical trainee, or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individual treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (7).

(i) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.

(j) "Individual treatment plan" means the plan described in section 245I.10, subdivisions 7 and 8.

(k) "Mental health behavioral aide services" means medically necessary one-on-one activities performed by a mental health behavioral aide qualified according to section 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously trained by a mental health professional, clinical trainee, or mental health practitioner and as described in the child's individual treatment plan and individual behavior plan. Activities involve working directly with the child or child's family as provided in subdivision 9, paragraph (b), clause (4).

(l) "Mental health certified family peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 12.

(m) "Mental health practitioner" means a staff person who is qualified according to section 245I.04, subdivision 4.

(n) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(o) "Mental health service plan development" includes:

(1) development and revision of a child's individual treatment plan; and

(2) administering and reporting ~~the standardized outcome measurements in section 245I.10, subdivision 6, paragraph (d), clauses (3) and (4), and other~~ standardized outcome measurements approved by the commissioner, as periodically needed to evaluate the effectiveness of treatment.

(p) "Mental illness," for persons at least age 18 but under age 21, has the meaning given in section 245.462, subdivision 20, paragraph (a).

(q) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

(r) "Rehabilitative services" or "psychiatric rehabilitation services" means interventions to: (1) restore a child or adolescent to an age-appropriate developmental trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric rehabilitation services for children combine coordinated psychotherapy to address internal psychological, emotional, and intellectual processing deficits, and skills training to restore personal and social functioning. Psychiatric rehabilitation services establish a progressive series of goals with each achievement building upon a prior achievement.

(s) "Skills training" means individual, family, or group training, delivered by or under the supervision of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

(t) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

(u) "Treatment supervision" means the supervision described in section 245I.06.

Sec. 71. Minnesota Statutes 2022, section 256B.196, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision 3, the commissioner shall determine the fee-for-service outpatient hospital services upper payment limit for nonstate government hospitals. The commissioner shall then determine the amount of a supplemental payment to Hennepin County Medical Center and Regions Hospital for these services that would increase medical assistance spending in this category to the aggregate upper payment limit for all nonstate government hospitals in Minnesota. In making this determination, the commissioner shall allot the available increases between Hennepin County Medical Center and Regions Hospital based on the ratio of medical assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner shall adjust this allotment as necessary based on federal approvals, the amount of intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors, in order to maximize the additional total payments. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match federal Medicaid payments available under this subdivision in order to make supplementary medical assistance payments to Hennepin County Medical Center and Regions Hospital equal to an amount that when combined with existing medical assistance payments to nonstate governmental hospitals would increase total payments to hospitals in this category for outpatient services to the aggregate upper payment limit for all hospitals in this category in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center and Regions Hospital.

(b) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians and other billing professionals affiliated with Hennepin County Medical Center and with Regions Hospital. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center and to make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group equal to the difference between the established medical assistance payment for physician and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center

and shall make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group.

(c) Beginning January 1, 2010, Ramsey County may make monthly voluntary intergovernmental transfers to the commissioner in amounts not to exceed $6,000,000 per year. The commissioner shall increase the medical assistance capitation payments to any licensed health plan under contract with the medical assistance program that agrees to make enhanced payments to Regions Hospital. The increase shall be in an amount equal to the annual value of the monthly transfers plus federal financial participation, with each health plan receiving its pro rata share of the increase based on the pro rata share of medical assistance admissions to Regions Hospital by those plans. For the purposes of this paragraph, "the base amount" means the total annual value of increased medical assistance capitation payments, including the voluntary intergovernmental transfers, under this paragraph in calendar year 2017. For managed care contracts beginning on or after January 1, 2018, the commissioner shall reduce the total annual value of increased medical assistance capitation payments under this paragraph by an amount equal to ten percent of the base amount, and by an additional ten percent of the base amount for each subsequent contract year until December 31, 2025. Upon the request of the commissioner, health plans shall submit individual-level cost data for verification purposes. The commissioner may ratably reduce these payments on a pro rata basis in order to satisfy federal requirements for actuarial soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed health plan that receives increased medical assistance capitation payments under the intergovernmental transfer described in this paragraph shall increase its medical assistance payments to Regions Hospital by the same amount as the increased payments received in the capitation payment described in this paragraph. This paragraph expires January 1, 2026.

(d) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for ambulance services affiliated with Hennepin County Medical Center and the city of St. Paul, and ambulance services owned and operated by another governmental entity that chooses to participate by requesting the commissioner to determine an upper payment limit. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County, the city of St. Paul, and other participating governmental entities of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities equal to

the difference between the established medical assistance payment for ambulance services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities. A tribal government that owns and operates an ambulance service is not eligible to participate under this subdivision.

(e) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians, dentists, and other billing professionals affiliated with the University of Minnesota and University of Minnesota Physicians. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform the University of Minnesota Medical School and University of Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians equal to the difference between the established medical assistance payment for physician, dentist, and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians.

(f) The commissioner shall inform the transferring governmental entities on an ongoing basis of ~~the need for~~ any changes needed in the intergovernmental transfers in order to continue the payments under paragraphs (a) to (e), at their maximum level, including increases in upper payment limits, changes in the federal Medicaid match, and other factors.

(g) The payments in paragraphs (a) to (e) shall be implemented independently of each other, subject to federal approval and to the receipt of transfers under subdivision 3.

(h) All of the data and funding transactions related to the payments in paragraphs (a) to (e) shall be between the commissioner and the governmental entities.

(i) For purposes of this subdivision, billing professionals are limited to physicians, nurse practitioners, nurse midwives, clinical nurse specialists, physician assistants, anesthesiologists, certified registered nurse anesthetists, dentists, dental hygienists, and dental therapists.

Sec. 72. Minnesota Statutes 2022, section 256B.197, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties.** (a) For the purposes of this subdivision, the commissioner shall determine the fee-for-service inpatient hospital services upper payment limit for nonstate government hospitals. The commissioner shall determine, for each eligible nonstate government hospital, the amount of a supplemental payment for inpatient hospital services that would increase medical assistance spending for each eligible nonstate government hospital up to the amount that Medicare would pay for the Medicaid fee-for-service inpatient hospital services provided by that hospital. If the combined amount of such supplemental payment amounts and existing medical assistance payments for inpatient hospital services to all nonstate government hospitals is less than the upper payment limit, the commissioner shall increase the supplemental payment amount for each eligible nonstate government hospital in proportion to the initial supplemental payments in order to maximize the additional total payments.

(b) The commissioner shall inform each eligible nonstate government hospital and associated governmental entities of voluntary intergovernmental transfers necessary to provide the nonfederal share for the supplemental payment amount attributable to each eligible nonstate government hospital, as calculated under paragraph (a).

(c) Upon receipt of a voluntary intergovernmental transfer from a governmental entity associated with an eligible nonstate government hospital or from the eligible nonstate government hospital, the commissioner shall make a supplemental payment, using the amounts calculated under paragraph (a), to the associated eligible nonstate government hospital.

(d) The commissioner may implement the payments in this section through use of periodic payments and voluntary intergovernmental transfers.

(e) The commissioner shall inform eligible nonstate government hospitals and associated governmental entities on an ongoing basis of ~~the need for~~ any changes needed in the payment amounts or voluntary intergovernmental transfers in order to continue the payments under paragraph (c) at their maximum level, including increases in upper payment limits, changes in the federal Medicaid match, and other factors.

Sec. 73. Minnesota Statutes 2022, section 256B.4911, subdivision 1, is amended to read:

Subdivision 1. **Federal authority.** Consumer-directed community supports, as referenced in sections 256B.0913, subdivision 5, paragraph (a), clause (17); 256B.092, subdivision 1b,

clause (4); 256B.49, subdivision 16, paragraph (c); and chapter 256S are governed, in whole, by the federally-approved waiver plans for home and community-based services.

Sec. 74. Minnesota Statutes 2022, section 256D.64, subdivision 2, is amended to read:

Subd. 2. **Eligibility requirements.** To be eligible for the Minnesota food assistance program, all of the following conditions must be met:

(1) the applicant must meet the initial and ongoing eligibility requirements for the federal SNAP, except for the applicant's ineligible immigration status;

(2) the applicant must be either a qualified noncitizen as defined in section 256J.08, subdivision 73, or a noncitizen otherwise residing lawfully in the United States;

(3) the applicant must be a resident of the state; and

(4) the applicant must not be receiving assistance under ~~the~~ MFIP ~~or the work first program~~.

Sec. 75. Minnesota Statutes 2022, section 256I.04, subdivision 2a, is amended to read:

Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph (b), an agency may not enter into an agreement with an establishment to provide housing support unless:

(1) the establishment is licensed by the Department of Health as a hotel and restaurant; a board and lodging establishment; a boarding care home before March 1, 1985; or a supervised living facility, and the service provider for residents of the facility is licensed under chapter 245A. However, an establishment licensed by the Department of Health to provide lodging need not also be licensed to provide board if meals are being supplied to residents under a contract with a food vendor who is licensed by the Department of Health;

(2) the residence is: (i) licensed by the commissioner of human services under Minnesota Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265; (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120, with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02, subdivision 4a, as a community residential setting by the commissioner of human services; or

(3) the facility is ~~registered under chapter 144D or~~ licensed under chapter 144G and provides three meals a day.

(b) The requirements under paragraph (a) do not apply to establishments exempt from state licensure because they are:

(1) located on Indian reservations and subject to tribal health and safety requirements; or

(2) supportive housing establishments where an individual has an approved habitability inspection and an individual lease agreement.

(c) Supportive housing establishments that serve individuals who have experienced long-term homelessness and emergency shelters must participate in the homeless management information system and a coordinated assessment system as defined by the commissioner.

(d) Effective July 1, 2016, an agency shall not have an agreement with a provider of housing support unless all staff members who have direct contact with recipients:

(1) have skills and knowledge acquired through one or more of the following:

(i) a course of study in a health- or human services-related field leading to a bachelor of arts, bachelor of science, or associate's degree;

(ii) one year of experience with the target population served;

(iii) experience as a mental health certified peer specialist according to section 256B.0615; or

(iv) meeting the requirements for unlicensed personnel under sections 144A.43 to 144A.483;

(2) hold a current driver's license appropriate to the vehicle driven if transporting recipients;

(3) complete training on vulnerable adults mandated reporting and child maltreatment mandated reporting, where applicable; and

(4) complete housing support orientation training offered by the commissioner.

Sec. 76. Minnesota Statutes 2022, section 256L.11, subdivision 2, is amended to read:

Subd. 2. **Payment of certain providers.** Services provided by federally qualified health centers, rural health clinics, facilities of the Indian ~~health service~~ Health Service, and certified community behavioral health clinics shall be paid for according to the same rates and conditions applicable to the same service provided by providers that are not federally qualified health centers, rural health clinics, facilities of the Indian ~~health service~~ Health Service, or certified community behavioral health clinics. The alternative payment

methodology described under section 256B.0625, subdivision 30, paragraph (l), shall not apply to services delivered under this chapter by federally qualified health centers, rural health clinics, and facilities of the Indian Health ~~Services~~ Service. The prospective payment system for certified behavioral health clinics under section 256B.0625, subdivision 5m, shall not apply to services delivered under this chapter.

Sec. 77. Minnesota Statutes 2022, section 256L.11, subdivision 6a, is amended to read:

Subd. 6a. **Dental providers.** ~~(a) Effective for dental services provided to MinnesotaCare enrollees on or after January 1, 2018, to December 31, 2021, the commissioner shall increase payment rates to dental providers by 54 percent.~~

~~(b)~~ (a) Effective for dental services provided on or after January 1, 2022, payment rates to dental providers shall equal the payment rates described in section 256B.76, subdivision 2.

~~(c)~~ (b) Payments made to prepaid health plans under section 256L.12 shall reflect the payment rates described in this subdivision. The prepaid health plans under contract with the commissioner shall provide payments to dental providers that are at least equal to a rate that includes the payment rate specified in this subdivision, and if applicable to the provider, the rates described under subdivision 7.

Sec. 78. Minnesota Statutes 2022, section 259.12, is amended to read:

**259.12 CORRECTIONAL INMATES; NAME CHANGES; LIMITED.**

During an inmate's confinement in a correctional facility, as defined in section 241.021, ~~subdivision 1, paragraph (f)~~ subdivision 1i, an inmate may request a name change under section 259.10 only once and may proceed in forma pauperis only when the failure to allow the name change would infringe on a constitutional right of an inmate.

Sec. 79. Minnesota Statutes 2022, section 260B.188, subdivision 1, is amended to read:

Subdivision 1. **Medical aid.** If a child is taken into custody as provided in section 260B.175 and detained in a local juvenile secure detention facility or shelter care facility, or if a child is sentenced by the juvenile court to a local correctional facility as defined in section 241.021, ~~subdivision 1, paragraph (f)~~ subdivision 1i, the child's county of residence shall pay the costs of medical services provided to the child during the period of time the child is residing in the facility. The county of residence is entitled to reimbursement from the child or the child's family for payment of medical bills to the extent that the child or the child's family has the ability to pay for the medical services. If there is a disagreement

between the county and the child or the child's family concerning the ability to pay or whether the medical services were necessary, the court with jurisdiction over the child shall determine the extent, if any, of the child's or the family's ability to pay for the medical services or whether the services are necessary. If the child is covered by health or medical insurance or a health plan when medical services are provided, the county paying the costs of medical services has a right of subrogation to be reimbursed by the insurance carrier or health plan for all amounts spent by it for medical services to the child that are covered by the insurance policy or health plan, in accordance with the benefits, limitations, exclusions, provider restrictions, and other provisions of the policy or health plan. The county may maintain an action to enforce this subrogation right. The county does not have a right of subrogation against the medical assistance program or the MinnesotaCare program.

Sec. 80. Minnesota Statutes 2022, section 270C.445, subdivision 6b, is amended to read:

Subd. 6b. **Exchange of data; Lawyers ~~Board of~~ Professional Responsibility Board.** The Lawyers ~~Board of~~ Professional Responsibility Board may refer to the commissioner complaints it receives about tax preparers who are not subject to its jurisdiction and who are alleged to have violated the provisions of this section, except subdivision 5a, or section 270C.4451.

Sec. 81. Minnesota Statutes 2022, section 270C.445, subdivision 6c, is amended to read:

Subd. 6c. **Exchange of data; commissioner.** The commissioner shall refer information and complaints about tax preparers who are alleged to have violated the provisions of this section, except subdivision 5a, or section 270C.4451, to:

(1) the State Board of Accountancy, if the tax preparer is under its jurisdiction; and

(2) the Lawyers ~~Board of~~ Professional Responsibility Board, if the tax preparer is under its jurisdiction.

Sec. 82. Minnesota Statutes 2022, section 270C.445, subdivision 6d, is amended to read:

Subd. 6d. **Data private.** Information exchanged on individuals under subdivisions 6a to 6c are private data under section 13.02, subdivision 12, until such time as a penalty is imposed as provided in section 326A.08 or by the Lawyers ~~Board of~~ Professional Responsibility Board.

Sec. 83. Minnesota Statutes 2022, section 270C.446, subdivision 5, is amended to read:

Subd. 5. **Removal from list.** The commissioner shall remove the name of a tax preparer from the list of tax preparers published under this section:

(1) when the commissioner determines that the name was included on the list in error;

(2) within three years after the preparer has demonstrated to the commissioner that the preparer fully paid all fines and penalties imposed, served any suspension, satisfied any sentence imposed, successfully completed any probationary period imposed, and successfully completed any remedial actions required by the commissioner, the State Board of Accountancy, or the Lawyers ~~Board of~~ Professional Responsibility Board; or

(3) when the commissioner has been notified that the tax preparer is deceased.

Sec. 84. Minnesota Statutes 2022, section 272.02, subdivision 97, is amended to read:

Subd. 97. **Property used in business of mining subject to ~~net~~ gross proceeds tax.** The following property used in the business of mining that is subject to the ~~net~~ gross proceeds tax under section 298.015 is exempt:

(1) deposits of ores, metals, and minerals and the lands in which they are contained;

(2) all real and personal property used in mining, quarrying, producing, or refining ores, minerals, or metals, including lands occupied by or used in connection with the mining, quarrying, production, or ore refining facilities; and

(3) concentrate.

This exemption applies for each year that a person subject to tax under section 298.015 uses the property for mining, quarrying, producing, or refining ores, metals, or minerals.

Sec. 85. Minnesota Statutes 2022, section 273.032, is amended to read:

**273.032 MARKET VALUE DEFINITION.**

(a) Unless otherwise provided, for the purpose of determining any property tax levy limitation based on market value or any limit on net debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market value, any qualification to receive state aid based on market value, or any state aid amount based on market value, the terms "market value," "estimated market value," and "market valuation," whether equalized or unequalized, mean the estimated market value of taxable property within the local unit of government before any of the following or similar adjustments for:

(1) the market value exclusions under:

(i) section 273.11, subdivisions 14a and 14c (vacant platted land);

~~(ii) section 273.11, subdivision 16 (certain improvements to homestead property);~~

~~(iii)~~ (ii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);

~~(iv)~~ (iii) section 273.11, subdivision 21 (homestead property damaged by mold);

~~(v)~~ (iv) section 273.13, subdivision 34 (homestead of a veteran with a disability or family caregiver); or

~~(vi)~~ (v) section 273.13, subdivision 35 (homestead market value exclusion); or

(2) the deferment of value under:

(i) the Minnesota Agricultural Property Tax Law, section 273.111;

(ii) the Aggregate Resource Preservation Law, section 273.1115;

(iii) the Minnesota Open Space Property Tax Law, section 273.112;

(iv) the rural preserves property tax program, section 273.114; or

(v) the Metropolitan Agricultural Preserves Act, section 473H.10; or

(3) the adjustments to tax capacity for:

(i) tax increment financing under sections 469.174 to 469.1794;

(ii) fiscal disparities under chapter 276A or 473F; or

(iii) powerline credit under section 273.425.

(b) Estimated market value under paragraph (a) also includes the market value of tax-exempt property if the applicable law specifically provides that the limitation, qualification, or aid calculation includes tax-exempt property.

(c) Unless otherwise provided, "market value," "estimated market value," and "market valuation" for purposes of property tax levy limitations and calculation of state aid, refer to the estimated market value for the previous assessment year and for purposes of limits on net debt, the issuance of bonds, certificates of indebtedness, or capital notes refer to the estimated market value as last finally equalized.

(d) For purposes of a provision of a home rule charter or of any special law that is not codified in the statutes and that imposes a levy limitation based on market value or any limit on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market

value, the terms "market value," "taxable market value," and "market valuation," whether equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

Sec. 86. Minnesota Statutes 2022, section 273.121, subdivision 1, is amended to read:

Subdivision 1. **Notice.** Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be included on the assessment roll that year if the person's address is known to the assessor, otherwise the occupant of the property. The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of appeal and equalization under section 274.01 or the review process established under section 274.13, subdivision 1c. Upon written request by the owner of the property, the assessor may send the notice in electronic form or by electronic mail instead of on paper or by ordinary mail. It shall contain: (1) the market value for the current and prior assessment~~,~~; (2) ~~the qualifying amount of any improvements under section 273.11, subdivision 16, for the current assessment, (3)~~ the market value subject to taxation after subtracting the amount of any qualifying improvements for the current assessment~~, (4)~~; (3) the classification of the property for the current and prior assessment~~, (5)~~; (4) the assessor's office address~~,~~ and ~~(6)~~; (5) the dates, places, and times set for the meetings of the local board of appeal and equalization, the review process established under section 274.13, subdivision 1c, and the county board of appeal and equalization. If the classification of the property has changed between the current and prior assessments, a specific note to that effect shall be prominently listed on the statement. The commissioner of revenue shall specify the form of the notice. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any assessor who is not provided sufficient funds from the assessor's governing body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and, if satisfied that the assessor does not have the necessary funds, issue a certification to the commissioner of management and budget of the amount necessary to provide such notices. The commissioner of management and budget shall issue a payment for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 87. Minnesota Statutes 2022, section 276.04, subdivision 2, is amended to read:

Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The tax statement must not state or imply that property tax credits are paid by the state of Minnesota. The statement must contain a tabulated statement of the dollar amount due to each taxing authority and the amount of the state tax from the parcel of real property for which a particular tax statement is prepared. The dollar amounts attributable to the county, the state tax, the voter approved school tax, the other local school tax, the township or municipality, and the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated except that any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly under the appropriate county's levy. If the county levy under this paragraph includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount. In the case of Ramsey County, if the county levy under this paragraph includes an amount for public library service under section 134.07, the amount attributable for that purpose may be separated from the remaining county levy amount. The amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. ~~The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement.~~

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value under section 273.11, subdivision 1;

(2) the property's homestead market value exclusion under section 273.13, subdivision 35;

(3) the property's taxable market value under section 272.03, subdivision 15;

(4) the property's gross tax, before credits;

(5) for agricultural properties, the credits under sections 273.1384 and 273.1387;

(6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and

(7) the net tax payable in the manner required in paragraph (a).

(d) If the county uses envelopes for mailing property tax statements and if the county agrees, a taxing district may include a notice with the property tax statement notifying taxpayers when the taxing district will begin its budget deliberations for the current year, and encouraging taxpayers to attend the hearings. If the county allows notices to be included in the envelope containing the property tax statement, and if more than one taxing district relative to a given property decides to include a notice with the tax statement, the county treasurer or auditor must coordinate the process and may combine the information on a single announcement.

Sec. 88. Minnesota Statutes 2023 Supplement, section 289A.08, subdivision 7a, is amended to read:

Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "income" has the meaning given in section 290.01, subdivision 19, paragraph (i). The income of a resident qualifying owner of a qualifying entity that is a partnership or limited liability company taxed as a partnership under the Internal Revenue Code is not subject to allocation outside this state as provided for resident individuals under section 290.17, subdivision 1, paragraph (a). The income of a nonresident qualifying owner of a qualifying entity and the income of a resident qualifying owner of a qualifying entity that is an S corporation, including a qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal Revenue Code, are allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20;

(2) "qualifying entity" means a partnership, limited liability company taxed as a partnership or S corporation, or S corporation including a qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal Revenue Code that has at least one qualifying owner. Qualifying entity does not include a publicly traded partnership, as defined in section 7704 of the Internal Revenue Code; and

(3) "qualifying owner" means:

(i) a resident or nonresident individual or estate that is a partner, member, or shareholder of a qualifying entity;

(ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an S corporation; or

(iii) a disregarded entity that has a qualifying owner as its single owner.

(b) For taxable years beginning after December 31, 2020, a qualifying entity may elect to file a return and pay the pass-through entity tax imposed under paragraph (c). The election:

(1) must be made on or before the due date or extended due date of the qualifying entity's pass-through entity tax return;

(2) must exclude partners, members, shareholders, or owners who are not qualifying owners;

(3) may only be made by qualifying owners who collectively hold more than 50 percent of the ownership interests in the qualifying entity held by qualifying owners;

(4) is binding on all qualifying owners who have an ownership interest in the qualifying entity; and

(5) once made is irrevocable for the taxable year.

(c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

(d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount of the qualifying owner's income multiplied by the highest tax rate for individuals under section 290.06, subdivision 2c. The computation of a qualifying owner's net investment income tax liability must be computed under section 290.033. When making this determination:

(1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed; and

(2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

(e) The amount of each credit and deduction used to determine a qualifying owner's tax liability under paragraph (d) must also be used to determine that qualifying owner's income tax liability under chapter 290.

(f) This subdivision does not negate the requirement that a qualifying owner pay estimated tax if the qualifying owner's tax liability would exceed the requirements set forth in section 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's tax liability as determined under paragraph (d) is, however, satisfied when the qualifying entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated tax.

(g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the treatment of distributions, is determined as if the election to pay the pass-through entity tax under paragraph (b) is not made.

(h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a pass-through entity tax return must be treated as a composite return and a qualifying entity filing a pass-through entity tax return must be treated as a partnership filing a composite return.

(i) The provisions of subdivision 17 apply to the election to pay the pass-through entity tax under this subdivision.

(j) If a nonresident qualifying owner of a qualifying entity making the election to file and pay the tax under this subdivision has no other Minnesota source income, filing of the pass-through entity tax return is a return for purposes of subdivision 1, provided that the nonresident qualifying owner must not have any Minnesota source income other than the income from the qualifying entity, other electing qualifying entities, and other partnerships electing to file a composite return under subdivision 7. If it is determined that the nonresident qualifying owner has other Minnesota source income, the inclusion of the income and tax liability for that owner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the qualifying owner as part of the pass-through entity tax return is allowed as a payment of the tax by the qualifying owner on the date on which the pass-through entity tax return payment was made.

(k) Once a credit is claimed by a qualifying owner under section 290.06, subdivision 40, a qualifying entity cannot receive a refund for tax paid under this subdivision for any amounts claimed under that section by the qualifying owners. Once a credit is claimed under

section 290.06, subdivision 40, any refund must be claimed in conjunction with a return filed by the qualifying owner.

(l) This ~~section~~ subdivision expires at the same time and on the same terms as section 164(b)(6)(B) of the Internal Revenue Code, except that the expiration of this ~~section~~ subdivision does not affect the commissioner's authority to audit or power of examination and assessments for credits claimed under this section.

Sec. 89. Minnesota Statutes 2022, section 290.0132, subdivision 15, is amended to read:

Subd. 15. **Nonresident military service compensation.** For nonresidents of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in United States Code, ~~Appendix,~~ title 50, section ~~511(2)~~ 3911(2), is a subtraction.

Sec. 90. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 32, is amended to read:

Subd. 32. **Delayed net operating loss deduction.** The amount of the sum of each addition required in section 290.0131, subdivision 20, for each taxable year, except as otherwise provided, less the sum of all amounts subtracted under this subdivision in all prior taxable years, that does not exceed 80 percent of federal taxable income as defined in section 290.01, subdivision 19, paragraph (b), determined without regard to this subdivision, is a subtraction. Any excess is a delayed net operating loss deduction carryforward, the entire amount of which must be carried to the earliest taxable year. No subtraction under this subdivision is allowed after 20 taxable years from the taxable year in which an operating loss arises. The sum of the additions required under section 290.0131, subdivision 20, paragraph (a), are aggregated and assigned to the taxable year immediately succeeding the taxable year in which the operating loss arises, for purposes of determining the subtraction allowed under this subdivision in that succeeding taxable year and the amount carried forward.

Sec. 91. Minnesota Statutes 2023 Supplement, section 290.067, subdivision 1, is amended to read:

Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code except that in determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance

to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer.

(b) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one ~~qualified~~ qualifying individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a taxpayer:

(1) has a child who has not attained the age of one year at the close of the taxable year; and

(2) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the earned income of the taxpayer or (ii) the amount of the maximum limit for one ~~qualified~~ qualifying individual under section 21(c) and (d) of the Internal Revenue Code will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

(e) In the case of a nonresident~~,~~ or part-year resident, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

(f) For residents of Minnesota, the subtractions for military pay under section 290.0132, subdivisions 11 and 12, are not considered "earned income not subject to tax under this chapter."

(g) For residents of Minnesota, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."

(h) For taxpayers with federal adjusted gross income in excess of $52,230, the credit is equal to the lesser of the credit otherwise calculated under this subdivision, or the amount equal to $600 minus five percent of federal adjusted gross income in excess of $52,230 for taxpayers with one ~~qualified~~ qualifying individual, or $1,200 minus five percent of federal adjusted gross income in excess of $52,230 for taxpayers with two or more ~~qualified~~ qualifying individuals, but in no case is the credit less than zero.

Sec. 92. Minnesota Statutes 2023 Supplement, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead increase more than 12 percent over the property taxes payable in the prior year on the same property that is owned and occupied by the same owner on January 2 of both years, and the amount of that increase is $100 or more, a claimant who is a homeowner shall be allowed an additional refund equal to 60 percent of the amount of the increase over the greater of 12 percent of the prior year's property taxes payable or $100. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes. ~~This subdivision shall not apply to any increase in the gross property taxes payable attributable to the termination of valuation exclusions under section 273.11, subdivision 16.~~

The maximum refund allowed under this subdivision is $1,000.

(b) For purposes of this subdivision "gross property taxes payable" means property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

(d) Upon request, the appropriate county official shall make available the names and addresses of the property taxpayers who may be eligible for the additional property tax refund under this section. The information shall be provided electronically. The county may recover its costs by charging the person requesting the information the reasonable cost for preparing the data. The information may not be used for any purpose other than for notifying the homeowner of potential eligibility and assisting the homeowner, without charge, in preparing a refund claim.

Sec. 93. Minnesota Statutes 2022, section 297A.71, subdivision 14, is amended to read:

Subd. 14. **Mineral production facilities.** Building materials, equipment, and supplies used for the construction of the following mineral production facilities are exempt.

The mineral production facilities that qualify for this exemption are:

(1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent;

(2) a facility used for the manufacture of fluxed taconite pellets as defined in section 298.24;

(3) a new capital project that has a total cost of over $40,000,000 that is directly related to production, cost, or quality at an existing taconite facility that does not qualify under clause (1) or (2); and

(4) a new mine or minerals processing plant for any mineral subject to the ~~net~~ gross proceeds tax imposed under section 298.015.

The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75.

Sec. 94. Minnesota Statutes 2023 Supplement, section 297A.71, subdivision 44, is amended to read:

Subd. 44. **Building materials, capital projects.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction or improvement of a capital

project funded partially or wholly under section 297A.9905 are exempt, provided that the project has a total construction cost of at least $40,000,000 within a 24-month period.

(b) Materials and supplies used or consumed in and equipment incorporated into the construction, remodeling, expansion, or improvement of an ice arena or other buildings or facilities owned and operated by the city of Plymouth are exempt. For purposes of this paragraph, "facilities" include municipal streets and facilities associated with streets including but not limited to lighting, curbs and gutters, and sidewalks. The total amount of refund on all building materials, supplies, and equipment that the city may apply for under this paragraph is $2,500,000.

(c) The tax on purchases exempt under paragraph (a) and paragraph (b) must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75. ~~Notwithstanding section 289A.40, the city of Plymouth must file for refund by December 31, 2017, for sales tax paid on all eligible purchases under paragraph (b) made prior to December 31, 2015.~~

Sec. 95. Minnesota Statutes 2022, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(3) building materials for correctional facilities under section 297A.71, subdivision 3;

(4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;

(5) elevators and building materials exempt under section 297A.71, subdivision 12;

(6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;

(7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;

(8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;

(9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

(10) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

~~(11) materials, supplies, and equipment for construction, improvement, or expansion of a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;~~

~~(12)~~ (11) enterprise information technology equipment and computer software for use in a qualified data center exempt under section 297A.68, subdivision 42;

~~(13)~~ (12) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

~~(14)~~ (13) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

~~(15)~~ (14) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

~~(16)~~ (15) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

~~(17)~~ (16) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52; and

~~(18)~~ (17) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53.

Sec. 96. Minnesota Statutes 2022, section 297A.75, subdivision 2, is amended to read:

Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must be paid to the applicant. Only the following persons may apply for the refund:

(1) for subdivision 1, clauses (1), (2), and ~~(14)~~ (13), the applicant must be the purchaser;

(2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

(3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits provided in United States Code, title 38, chapter 21;

(4) for subdivision 1, clause (5), the applicant must be the owner of the homestead property;

(5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

(6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a joint venture of municipal electric utilities;

(7) for subdivision 1, clauses (8), (11), ~~(12),~~ and ~~(15)~~ (14), the owner of the qualifying business;

(8) for subdivision 1, clauses (9), (10), ~~(13), (17)~~ (12), (16), and ~~(18)~~ (17), the applicant must be the governmental entity that owns or contracts for the project or facility; and

(9) for subdivision 1, clause ~~(16)~~ (15), the applicant must be the owner or developer of the building or project.

Sec. 97. Minnesota Statutes 2022, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clauses (3) to ~~(13)~~ (12) or ~~(15) to (18)~~ (14) to (17), the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(b) An applicant may not file more than two applications per calendar year for refunds for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

Sec. 98. Minnesota Statutes 2023 Supplement, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. **Required fingerprinting.** (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken immediately fingerprints and thumbprints, photographs, distinctive physical mark identification data, information on any known aliases or street names, and other identification data requested or required by the superintendent of the bureau, of the following:

(1) persons arrested for, appearing in court on a charge of, or convicted of a felony, gross misdemeanor, or targeted misdemeanor;

(2) juveniles arrested for, appearing in court on a charge of, adjudicated delinquent for, or alleged to have committed felonies or gross misdemeanors as distinguished from those committed by adult offenders;

(3) adults and juveniles admitted to jails or detention facilities;

(4) persons reasonably believed by the arresting officer to be fugitives from justice;

(5) persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes;

(6) juveniles referred by a law enforcement agency to a diversion program for a felony or gross misdemeanor offense; and

(7) persons currently involved in the criminal justice process, on probation, on parole, or in custody for any offense whom the superintendent of the bureau identifies as being the subject of a court disposition record which cannot be linked to an arrest record, and whose fingerprints are necessary to reduce the number of suspense files, or to comply with the mandates of section 299C.111, relating to the reduction of the number of suspense files. This duty to obtain fingerprints for the offenses in suspense at the request of the bureau shall include the requirement that fingerprints be taken in post-arrest interviews, while making court appearances, while in custody, or while on any form of probation, diversion, or supervised release.

(b) Unless the superintendent of the bureau requires a shorter period, within 24 hours of taking the fingerprints and data, the fingerprint records and other identification data specified under paragraph (a) must be electronically entered into a bureau-managed searchable database in a manner as may be prescribed by the superintendent.

(c) Prosecutors, courts, and probation officers and their agents, employees, and subordinates shall attempt to ensure that the required identification data is taken on a person described in paragraph (a). Law enforcement may take fingerprints of an individual who is presently on probation.

(d) Fingerprints and thumbprints must be obtained no later than:

(1) release from booking; or

(2) if not booked prior to acceptance of a plea of guilty or not guilty.

Prior to acceptance of a plea of guilty or not guilty, an individual's finger and thumb prints must be submitted to the Bureau of Criminal Apprehension for the offense. If finger and thumb prints have not been successfully received by the bureau, an individual may, upon order of the court, be taken into custody for no more than eight hours so that the taking of prints can be completed. Upon notice and motion of the prosecuting attorney, this time period may be extended upon a showing that additional time in custody is essential for the successful taking of prints.

(e) For purposes of this section, a targeted misdemeanor is a misdemeanor violation of section 169A.20 (driving while impaired), 518B.01 (order for protection violation), 609.224 (fifth-degree assault), 609.2242 (domestic assault), 609.746 (interference with privacy), 609.748 (harassment or restraining order violation), ~~609.749~~ 609.79 (obscene or harassing telephone calls), 617.23 (indecent exposure), or 629.75 (domestic abuse no contact order).

Sec. 99. Minnesota Statutes 2022, section 299K.09, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The commission shall adopt rules setting the following fees:

(1) a material safety data sheet fee to be paid by a facility when it submits material safety data sheets in lieu of a hazardous chemical report form as required under section 11021 of the federal act;

(2) a fee to be paid annually by a facility when the owner or operator submits its emergency and hazardous chemical inventory form, required under section 11022 of the federal act~~, for calendar year 1990 and annually afterwards~~; and

(3) a late fee to be paid by a facility that fails to pay a fee under clause (1) or (2) in a timely manner, not to exceed 200 percent of the original fee.

Sec. 100. Minnesota Statutes 2022, section 326B.164, subdivision 5, is amended to read:

Subd. 5. **Registered unlicensed elevator constructor.** (a) An unlicensed individual shall not perform elevator work, unless the individual has first registered with the department as an unlicensed elevator constructor. Except as allowed by subdivision ~~12~~ 13, a registered unlicensed elevator constructor shall not perform elevator work unless the work is performed under the direct supervision of an individual actually licensed to perform such work. The licensed elevator constructor and the registered unlicensed elevator constructor must be employed by the same employer. Unlicensed individuals shall not supervise the performance of elevator work or make assignments of elevator work to unlicensed individuals. Licensed

elevator constructors shall provide direct supervision for no more than two registered unlicensed elevator constructors.

(b) Notwithstanding any other provision of this section, no individual other than a master elevator constructor or limited master elevator constructor shall plan or lay out elevator wiring, apparatus, or equipment.

(c) Contractors employing registered unlicensed elevator constructors performing elevator work shall maintain records establishing compliance with this subdivision that shall identify all unlicensed individuals performing elevator work and shall permit the department to examine and copy all such records.

(d) When a licensed elevator constructor supervises the elevator work of an unlicensed individual, the licensed elevator constructor is responsible for ensuring that the elevator work complies with this section and the Minnesota Elevator Code.

(e) A registered unlicensed elevator constructor with a minimum of one year experience may perform the following maintenance tasks for elevator equipment without being provided with direct supervision: oiling, cleaning, greasing, painting, relamping, and replacing of escalator and moving walk comb teeth.

Sec. 101. Minnesota Statutes 2023 Supplement, section 326B.164, subdivision 13, is amended to read:

Subd. 13. **Exemption from licensing.** (a) Employees of a licensed elevator contractor or licensed limited elevator contractor are not required to hold or obtain a license under this section or be provided with direct supervision by a licensed master elevator constructor, licensed limited master elevator constructor, licensed elevator constructor, or licensed limited elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts. Unlicensed employees performing elevator work under this exemption must comply with subdivision ~~5~~ 6. This exemption does not include the installation, maintenance, repair, or replacement of electrical wiring for elevator equipment.

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

(1) conveyors, excluding vertical reciprocating conveyors;

(2) platform lifts not covered under section 326B.163, subdivision 5a; or

(3) dock levelers.

Sec. 102. Minnesota Statutes 2022, section 353.6511, subdivision 5, is amended to read:

Subd. 5. **Surviving dependent child benefit.** A surviving dependent child under section 353.01, subdivision ~~15a~~ 15, of a deceased member described in subdivision 1 is entitled to a surviving child benefit equal to eight units.

Sec. 103. Minnesota Statutes 2022, section 353.6512, subdivision 5, is amended to read:

Subd. 5. **Surviving dependent child benefit.** A surviving dependent child under section 353.01, subdivision ~~15a~~ 15, of a deceased member described in subdivision 1 is entitled to a surviving child benefit equal to eight units.

Sec. 104. Minnesota Statutes 2022, section 462.357, subdivision 7, is amended to read:

Subd. 7. **Permitted single family use.** A state licensed residential facility ~~or a housing with services establishment registered under chapter 144D~~, including an assisted living facility under chapter 144G, serving six or fewer persons, a licensed day care facility serving 12 or fewer persons, and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445 to serve 14 or fewer children shall be considered a permitted single family residential use of property for the purposes of zoning, except that a residential facility whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use.

Sec. 105. Minnesota Statutes 2022, section 504B.178, subdivision 2, is amended to read:

Subd. 2. **Interest.** Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.55, subdivision 26, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple noncompounded interest at the rate of ~~three percent per annum until August 1, 2003, and~~ one percent per annum ~~thereafter~~, computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than $1 shall be excluded from the provisions of this section.

Sec. 106. Minnesota Statutes 2023 Supplement, section 609.185, is amended to read:

**609.185 MURDER IN THE FIRST DEGREE.**

(a) Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, carjacking in the first or second degree, kidnapping, arson in the first or second degree, a drive-by shooting, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer, prosecuting attorney, judge, or a guard employed at a Minnesota state or local correctional facility, with intent to effect the death of that person or another, while the person is engaged in the performance of official duties;

(5) causes the death of a minor while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon a child and the death occurs under circumstances manifesting an extreme indifference to human life;

(6) causes the death of a human being while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim or upon another family or household member and the death occurs under circumstances manifesting an extreme indifference to human life; or

(7) causes the death of a human being while committing, conspiring to commit, or attempting to commit a felony crime to further terrorism and the death occurs under circumstances manifesting an extreme indifference to human life.

(b) For the purposes of paragraph (a), clause (4), "prosecuting attorney" has the meaning given in section 609.221, ~~subdivision 2, paragraph (c), clause (4)~~ subdivision 6, clause (4).

(c) For the purposes of paragraph (a), clause (4), "judge" has the meaning given in section 609.221, ~~subdivision 2, paragraph (c), clause (5)~~ subdivision 6, clause (5).

(d) For purposes of paragraph (a), clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of the following laws of this state or any similar laws of the United States or any other state: section 609.221; 609.222; 609.223; 609.224; 609.2242; 609.342; 609.343; 609.344; 609.345; 609.377; 609.378; or 609.713.

(e) For purposes of paragraph (a), clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.2242, 609.342, 609.343, 609.344, 609.345, 609.713, or any similar laws of the United States or any other state; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

(f) For purposes of paragraph (a), clause (7), "further terrorism" has the meaning given in section 609.714, subdivision 1.

Sec. 107. Minnesota Statutes 2022, section 609.2231, subdivision 3, is amended to read:

Subd. 3. **Correctional employees; prosecuting attorneys; judges; probation officers.** Whoever commits either of the following acts against an employee of a correctional facility as defined in section 241.021, ~~subdivision 1, paragraph (f)~~ subdivision 1i, against a prosecuting attorney as defined in section 609.221, ~~subdivision 2, paragraph (c), clause (4)~~ subdivision 6, clause (4), against a judge as defined in section 609.221, ~~subdivision 2, paragraph (c), clause (5)~~ subdivision 6, clause (5), or against a probation officer or other qualified person employed in supervising offenders while the person is engaged in the performance of a duty imposed by law, policy, or rule is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both:

(1) assaults the person and inflicts demonstrable bodily harm; or

(2) intentionally throws or otherwise transfers bodily fluids or feces at or onto the person.

Sec. 108. Minnesota Statutes 2022, section 609.596, subdivision 3, is amended to read:

Subd. 3. **Definitions.** As used in this section:

(1) "arson dog" means a dog that has been certified as an arson dog by a state fire or police agency or by an independent testing laboratory;

(2) "correctional facility" has the meaning given in section 241.021, ~~subdivision 1, paragraph (f)~~ subdivision 1i;

(3) "peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c); and

(4) "search and rescue dog" means a dog that is trained to locate lost or missing persons, victims of natural or other disasters, and human bodies.

Sec. 109. Minnesota Statutes 2022, section 609.748, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purposes of this section, the following terms have the meanings given them in this subdivision.

(a) "Harassment" includes:

(1) a single incident of physical or sexual assault, a single incident of harassment under section 609.749, subdivision 2, paragraph (c), clause (8), a single incident of nonconsensual dissemination of private sexual images under section 617.261, or repeated incidents of intrusive or unwanted acts, words, or gestures that have a substantial adverse effect or are intended to have a substantial adverse effect on the safety, security, or privacy of another, regardless of the relationship between the actor and the intended target;

(2) targeted residential picketing; and

(3) a pattern of attending public events after being notified that the actor's presence at the event is harassing to another.

(b) "Respondent" includes any adults or juveniles alleged to have engaged in harassment or organizations alleged to have sponsored or promoted harassment.

(c) "Targeted residential picketing" includes the following acts when committed on more than one occasion:

(1) marching, standing, or patrolling by one or more persons directed solely at a particular residential building in a manner that adversely affects the safety, security, or privacy of an occupant of the building; or

(2) marching, standing, or patrolling by one or more persons which prevents an occupant of a residential building from gaining access to or exiting from the property on which the residential building is located.

Sec. 110. Minnesota Statutes 2023 Supplement, section 624.7178, subdivision 4, is amended to read:

Subd. 4. **Liability protection for mental health professionals.** A mental health professional who provides notice to the sheriff under section ~~626.7171~~ 624.7171, subdivision

5, is immune from monetary liability and no cause of action, or disciplinary action by the person's licensing board may arise against the mental health professional for disclosure of confidences to the sheriff, for failure to disclose confidences to the sheriff, or for erroneous disclosure of confidences to the sheriff in a good faith effort to warn against or take precautions against a client's violent behavior or threat of suicide.

Sec. 111. Laws 2023, chapter 41, article 1, section 2, subdivision 49, is amended to read:

| | | | |
|---|---|---|---|
| Subd. 49. **North Star Promise** | | -0- | 117,226,000 |
| $117,226,000 the second year is transferred from the general fund to the account in the special revenue fund under Minnesota Statutes, section 136A.1465, subdivision ~~6~~ 8. The base for the transfer is $49,500,000 in fiscal year 2026 and thereafter. | | | |

Sec. 112. Laws 2023, chapter 57, article 1, section 4, subdivision 2, is amended to read:

| | | |
|---|---|---|
| Subd. 2. **Excessive Price Increases to Generic Drugs** | 549,000 | 549,000 |
| $549,000 each year is for the duties under Minnesota Statutes, sections 62J.841 to ~~64J.845~~ 62J.95. | | |

Sec. 113. Laws 2023, chapter 70, article 15, section 10, subdivision 4, is amended to read:

Subd. 4. **Integrated services for children and families.** (a) Any amount appropriated for this subdivision is to stabilize and update legacy information technology systems, modernize systems, and develop a plan for the future of information technology systems for the programs that serve children and families. Outcomes to be achieved include:

(1) reducing unscheduled downtime on Social Services Information System by at least 20 percent;

(2) completing the transition of automated child support systems from mainframe technology to a web-based environment;

(3) making information received regarding an individual's eligibility for benefits easier to understand;

(4) enhancing the child support participant portal to provide additional options for uploading and updating information, making payments, exchanging data securely, and providing other features requested by users of the portal; and

(5) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

(b) The commissioner must contract with an independent consultant to perform a thorough evaluation of the SSIS, which supports the child protection system in Minnesota. The consultant must make recommendations for improving the current system for usability, system performance, and federal Comprehensive Child Welfare Information System compliance and must address technical problems and identify any unnecessary or unduly burdensome data entry requirements that have contributed to system capacity issues. The consultant must assist the commissioner with selecting a platform for future development of an information technology system for child protection.

(c) The commissioner of human services must conduct a study and develop recommendations to streamline and reduce SSIS data entry requirements for child protection cases. The study must be completed in partnership with local social services agencies and others, as determined by the commissioner. The study must review all input fields required on current reporting forms and determine which input fields and information are required under state or federal law. By June 30, 2024, the commissioner must provide a status report and an implementation timeline to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. The status report must include information about procedures for soliciting ongoing user input from stakeholders, progress on solicitation and hiring of a consultant to conduct the system evaluation required under paragraph ~~(a)~~ (b), and a report on the progress and completed efforts to streamline data entry requirements and improve user experience.

Sec. 114. Laws 2023, chapter 70, article 15, section 12, is amended to read:

Sec. 12. **EFFECTIVE DATE CHANGES.**

(a) The effective date for 2023 S.F. No. 2934, article 3, section ~~5~~ 3, if enacted during the 2023 regular legislative session, is January 1, 2024, or upon federal approval, whichever occurs later, except that paragraph (a), clause (6), is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained. This paragraph prevails over any contrary effective date for 2023 S.F. No. 2934, article 3, section ~~5~~ 3, enacted during the 2023 regular legislative session, regardless of order of enactment.

(b) The effective date for 2023 S.F. No. 2934, article 5, section 10, if enacted during the 2023 regular legislative session, is the day following final enactment, except for paragraph (p), which is effective retroactive to June 30, 2022. This paragraph prevails over any contrary effective date for 2023 S.F. No. 2934, article 5, section 10, enacted during the 2023 regular legislative session, regardless of order of enactment.

(c) The effective date for 2023 S.F. No. 2934, article 5, section 11, if enacted during the 2023 regular legislative session, is the day following final enactment, except for paragraph (g), which is effective retroactive to June 30, 2022. This paragraph prevails over any contrary effective date for 2023 S.F. No. 2934, article 5, section 11, enacted during the 2023 regular legislative session, regardless of order of enactment.

Sec. 115. **REPEALER.**

Subdivision 1. **Conflict resolution.** Laws 2023, chapter 53, article 11, section 31, is repealed.

Subd. 2. **Conflict resolution.** Laws 2023, chapter 55, article 1, section 2, is repealed.

Subd. 3. **Conflict resolution.** Laws 2023, chapter 55, article 7, section 6, is repealed.

Subd. 4. **Conflict resolution.** Laws 2023, chapter 16, section 36, is repealed.

Subd. 5. **Conflict resolution.** Laws 2023, chapter 57, article 2, section 39, is repealed.

Subd. 6. **Conflict resolution.** Laws 2023, chapter 60, article 7, section 8, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2022, section 13.6435, subdivision 8, is repealed.

Subd. 8. **Obsolete provisions.** (a) Minnesota Statutes 2022, section 273.11, subdivision 16, is repealed.

(b) Minnesota Statutes 2022, section 16A.727, is repealed.

(c) Minnesota Statutes 2022, section 297A.71, subdivision 45, is repealed.

Subd. 9. **Conflict resolution.** Laws 2023, chapter 63, article 7, section 3, is repealed.

Subd. 10. **Conflict resolution.** Laws 2023, chapter 63, article 7, section 1, is repealed.

Subd. 11. **Expired report.** Minnesota Statutes 2022, section 256.021, subdivision 3, is repealed.

**EFFECTIVE DATE.** Subdivisions 9 and 10 are effective March 1, 2025.

Sec. 116. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2024 session of the legislature to sections also amended or repealed in this act supersede the amendments or repeals in this act, regardless of order of enactment.

**13.6435 AGRICULTURAL DATA CODED ELSEWHERE.**

Subd. 8. **Dairy products.** Financial and production information obtained by the commissioner of agriculture to administer chapter 32D are classified under section 32D.25, subdivision 2.

**16A.727 BACKUP REVENUES; FOOTBALL STADIUM FUNDING.**

(a) If the commissioner of management and budget determines that the amount of revenues under section 297E.021, subdivision 2, for the next fiscal year, plus $20,000,000, will be less than the amounts specified in section 297E.021, subdivision 3, clause (1), items (i) to (iii), for that fiscal year, the commissioner may implement the revenue options authorized in Laws 2012, chapter 299, article 6; provided that this section does not constitute a pledge of tax revenues as security for the payment of principal and interest on appropriation bonds issued under section 16A.965. If the commissioner determines to exercise the authority under this section for a fiscal year, the commissioner must implement the revenue options, as necessary, in the following order:

(1) a sports-themed lottery game under section 349A.20; and

(2) a tax on suites as provided under section 473J.14.

(b) Revenue raised under the authority granted by this section must be deposited in the general fund.

(c) If the commissioner determines to implement one or more of the revenue options authorized by this section, each subsequent year the commissioner must determine if the revenue is needed and will be imposed and collected for the next fiscal year. If the commissioner determines that one or more revenue options implemented for a fiscal year are not needed for a subsequent fiscal year, the commissioner must terminate them in the reverse order they were required to be implemented by paragraph (a) with the last option implemented terminated first and so forth.

(d) Before implementing a revenue source authorized under this section, the commissioner must report the intent to do so to the Legislative Commission on Planning and Fiscal Policy. The commissioner must inform the commission of determinations to continue or discontinue each revenue source for a subsequent fiscal year.

(e) The provisions of this section no longer apply after the Minnesota Sports Facilities Authority certifies to the commissioner that it has determined that the revenues of the general fund under section 297A.994, the increased revenues under chapter 297E, and other available resources of the authority provide adequate financial security for the state and the authority.

**256.021 VULNERABLE ADULT MALTREATMENT REVIEW PANEL.**

Subd. 3. **Report.** (a) By January 15 of each year, the panel shall submit a report to the committees of the legislature with jurisdiction over section 626.557 regarding the number of requests for review it receives under this section, the number of cases where the panel requires the lead investigative agency to reconsider its final disposition, and the number of cases where the final disposition is changed, and any recommendations to improve the review or investigative process.

(b) This subdivision expires January 1, 2024.

**273.11 VALUATION OF PROPERTY.**

Subd. 16. **Valuation exclusion for certain improvements.** (a) Improvements to homestead property made before January 2, 2003, shall be fully or partially excluded from the value of the property for assessment purposes provided that (1) the house is at least 45 years old at the time of the improvement and (2) the assessor's estimated market value of the house on January 2 of the current year is equal to or less than $400,000.

(b) For purposes of determining this eligibility, "house" means land and buildings.

(c) The age of a residence is the number of years since the original year of its construction. In the case of a residence that is relocated, the relocation must be from a location within the state and the only improvements eligible for exclusion under this subdivision are (1) those for which building permits were issued to the homeowner after the residence was relocated to its present site, and (2) those undertaken during or after the year the residence is initially occupied by the homeowner, excluding any market value increase relating to basic improvements that are necessary to install the residence on its foundation and connect it to utilities at its present site. In the case of an owner-occupied duplex or triplex, the improvement is eligible regardless of which portion of the property was improved.

(d) If the property lies in a jurisdiction which is subject to a building permit process, a building permit must have been issued prior to commencement of the improvement. The improvements for a single project or in any one year must add at least $5,000 to the value of the property to be eligible for exclusion under this subdivision. Only improvements to the structure which is the residence of the qualifying homesteader or construction of or improvements to no more than one two-car garage per residence qualify for the provisions of this subdivision. If an improvement was begun between January 2, 1992, and January 2, 1993, any value added from that improvement for the January 1994 and subsequent assessments shall qualify for exclusion under this subdivision provided that a building permit was obtained for the improvement between January 2, 1992, and January 2, 1993. Whenever a building permit is issued for property currently classified as homestead, the issuing jurisdiction shall notify the property owner of the possibility of valuation exclusion under this subdivision. The assessor shall require an application, including documentation of the age of the house from the owner, if unknown by the assessor. The application may be filed subsequent to the date of the building permit provided that the application must be filed within three years of the date the building permit was issued for the improvement. If the property lies in a jurisdiction which is not subject to a building permit process, the application must be filed within three years of the date the improvement was made. The assessor may require proof from the taxpayer of the date the improvement was made. Applications must be received prior to July 1 of any year in order to be effective for taxes payable in the following year.

No exclusion for an improvement may be granted by a local board of review or county board of equalization, and no abatement of the taxes for qualifying improvements may be granted by the county board unless (1) a building permit was issued prior to the commencement of the improvement if the jurisdiction requires a building permit, and (2) an application was completed.

(e) The assessor shall note the qualifying value of each improvement on the property's record, and the sum of those amounts shall be subtracted from the value of the property in each year for ten years after the improvement has been made. After ten years the amount of the qualifying value shall be added back as follows:

(1) 50 percent in the two subsequent assessment years if the qualifying value is equal to or less than $10,000 market value; or

(2) 20 percent in the five subsequent assessment years if the qualifying value is greater than $10,000 market value.

(f) If an application is filed after the first assessment date at which an improvement could have been subject to the valuation exclusion under this subdivision, the ten-year period during which the value is subject to exclusion is reduced by the number of years that have elapsed since the property would have qualified initially. The valuation exclusion shall terminate whenever (1) the property is sold, or (2) the property is reclassified to a class which does not qualify for treatment under this subdivision. Improvements made by an occupant who is the purchaser of the property under a conditional purchase contract do not qualify under this subdivision unless the seller of the property is a governmental entity. The qualifying value of the property shall be computed based upon the increase from that structure's market value as of January 2 preceding the acquisition of the property by the governmental entity.

(g) The total qualifying value for a homestead may not exceed $50,000. The total qualifying value for a homestead with a house that is less than 70 years old may not exceed $25,000. The term "qualifying value" means the increase in estimated market value resulting from the improvement if the improvement occurs when the house is at least 70 years old, or one-half of the increase in estimated market value resulting from the improvement otherwise. The $25,000 and $50,000 maximum qualifying value under this subdivision may result from multiple improvements to the homestead.

(h) If 50 percent or more of the square footage of a structure is voluntarily razed or removed, the valuation increase attributable to any subsequent improvements to the remaining structure does not qualify for the exclusion under this subdivision. If a structure is unintentionally or accidentally destroyed by a natural disaster, the property is eligible for an exclusion under this subdivision provided that the structure was not completely destroyed. The qualifying value on property destroyed by a natural disaster shall be computed based upon the increase from that structure's market value as determined on January 2 of the year in which the disaster occurred. A property receiving benefits under the homestead disaster provisions under sections 273.1231 to 273.1235 is not disqualified from receiving an exclusion under this subdivision. If any combination of improvements made to a structure after January 1, 1993, increases the size of the structure by 100 percent or more, the

valuation increase attributable to the portion of the improvement that causes the structure's size to exceed 100 percent does not qualify for exclusion under this subdivision.

**297A.71 CONSTRUCTION EXEMPTIONS.**

Subd. 45. **Biopharmaceutical manufacturing facility.** (a) Materials and supplies used or consumed in, capital equipment incorporated into, and privately owned infrastructure in support of the construction, improvement, or expansion of a biopharmaceutical manufacturing facility in the state are exempt if the commissioner of employment and economic development certifies to the commissioner of revenue that the following criteria are met:

(1) the facility is used for the manufacturing of biologics;

(2) the total capital investment made at the facility exceeds $50,000,000; and

(3) the facility creates and maintains at least 190 full-time equivalent positions at the facility. These positions must be new jobs in Minnesota and not the result of relocating jobs that currently exist in Minnesota.

(b) The tax must be imposed and collected as if the rate under section 297A.62 applied, and refunded in the manner provided in section 297A.75.

(c) To be eligible for a refund, the owner of the biopharmaceutical manufacturing facility must:

(1) initially apply to the commissioner of employment and economic development for certification no later than one year from the final completion date of construction, improvement, or expansion of the facility; and

(2) for each year that the owner of the biopharmaceutical manufacturing facility applies for a refund, the commissioner of revenue must have received written certification from the commissioner of employment and economic development that the facility has met the criteria of paragraph (a).

(d) The refund is to be paid annually at a rate of 25 percent of the total allowable refund payable to date, with the commissioner making annual payments of the remaining refund until all of the refund has been paid.

(e) For purposes of this subdivision, "biopharmaceutical" and "biologics" are interchangeable and mean medical drugs or medicinal preparations produced using technology that uses biological systems, living organisms, or derivatives of living organisms to make or modify products or processes for specific use. The medical drugs or medicinal preparations include but are not limited to proteins, antibodies, nucleic acids, and vaccines.

***Laws 2023, chapter 16, section 36 by Laws 2024, chapter 85, section 115***

Subdivision 1. **Conflict resolution.** Laws 2023, chapter 53, article 11, section 31, is repealed.

Subd. 2. **Conflict resolution.** Laws 2023, chapter 55, article 1, section 2, is repealed.

Subd. 3. **Conflict resolution.** Laws 2023, chapter 55, article 7, section 6, is repealed.

Subd. 4. **Conflict resolution.** Laws 2023, chapter 16, section 36, is repealed.

Subd. 5. **Conflict resolution.** Laws 2023, chapter 57, article 2, section 39, is repealed.

Subd. 6. **Conflict resolution.** Laws 2023, chapter 60, article 7, section 8, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2022, section 13.6435, subdivision 8, is repealed.

Subd. 8. **Obsolete provisions.** (a) Minnesota Statutes 2022, section 273.11, subdivision 16, is repealed.

(b) Minnesota Statutes 2022, section 16A.727, is repealed.

(c) Minnesota Statutes 2022, section 297A.71, subdivision 45, is repealed.

Subd. 9. **Conflict resolution.** Laws 2023, chapter 63, article 7, section 3, is repealed.

Subd. 10. **Conflict resolution.** Laws 2023, chapter 63, article 7, section 1, is repealed.

Subd. 11. **Expired report.** Minnesota Statutes 2022, section 256.021, subdivision 3, is repealed.

***Laws 2023, chapter 53, article 11, section 31 by Laws 2024, chapter 85, section 115***

Sec. 31. Minnesota Statutes 2022, section 181.9413, is amended to read:

**181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.**

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or harassment or stalking. For the purpose of this paragraph:

(1) "domestic abuse" has the meaning given in section 518B.01;

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "harass" and "stalking" have the meanings given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

(g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for requesting or obtaining a leave of absence under this section.

**EFFECTIVE DATE.** This section is effective July 1, 2023.
***Laws 2023, chapter 55, article 1, section 2 by Laws 2024, chapter 85, section 115***

Sec. 2. **[121A.224] OPIATE ANTAGONISTS.**

(a) A school district or charter school must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each school site to be administered in compliance with section 151.37, subdivision 12.

(b) Each school building must have two doses of nasal naloxone available on-site.

(c) The commissioner of health shall identify resources, including at least one training video to help schools implement an opiate antagonist emergency response and make the resources available for schools.

(d) A school board may adopt a model plan for use, storage, and administration of opiate antagonists.

**EFFECTIVE DATE.** This section is effective July 1, 2023.
***Laws 2023, chapter 55, article 7, section 6 by Laws 2024, chapter 85, section 115***

Subdivision 1. **Conflict resolution.** Laws 2023, chapter 53, article 11, section 31, is repealed.

Subd. 2. **Conflict resolution.** Laws 2023, chapter 55, article 1, section 2, is repealed.

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Subd. 8. **Obsolete provisions.** (a) Minnesota Statutes 2022, section 273.11, subdivision 16, is repealed.

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***Laws 2023, chapter 57, article 2, section 39 by Laws 2024, chapter 85, section 115***

Subdivision 1. **Conflict resolution.** Laws 2023, chapter 53, article 11, section 31, is repealed.

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Subd. 11. **Expired report.** Minnesota Statutes 2022, section 256.021, subdivision 3, is repealed.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Eichorn | Johnson | Mathews | Pratt |
| Anderson | Farnsworth | Klein | Maye Quade | Putnam |
| Boldon | Fateh | Koran | McEwen | Rarick |
| Carlson | Frentz | Kreun | Miller | Rasmusson |
| Champion | Green | Kunesh | Mitchell | Rest |
| Coleman | Gruenhagen | Kupec | Mohamed | Seeberger |
| Cwodzinski | Gustafson | Lang | Morrison | Utke |
| Dahms | Hauschild | Latz | Murphy | Weber |
| Dibble | Hawj | Lieske | Nelson | Wesenberg |
| Dornink | Hoffman | Limmer | Oumou Verbeten | Westlin |
| Draheim | Housley | Lucero | Pappas | Westrom |
| Duckworth | Howe | Mann | Pha | Wiklund |
| Dziedzic | Jasinski | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

| | |
|---|---|
| Bahr | Drazkowski |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4483:** A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2022, sections 12A.02, subdivision 6; 12B.15, subdivision 8; 13.3805, subdivision 1; 13.6401, subdivision 2; 14.37, subdivision 2; 16A.99, subdivision 4; 62V.04, subdivision 12; 62V.05, subdivision 5; 115A.952, subdivision 1; 116.07, subdivision 4k; 120A.22, subdivision 11; 122A.182, subdivision 5; 123B.72, subdivision 3; 124E.03, subdivision 7; 124E.14; 126C.05, subdivision 8; 126C.126; 126C.13, subdivision 4; 126C.17, subdivision 5; 150A.091, subdivisions 2, 5, 11a; 152.25, subdivision 1b; 155A.29, subdivision 2; 161.088, subdivision 7; 171.17, subdivision 1; 171.22, subdivision 1; 176.011, subdivision 15; 180.03, subdivision 4; 216B.161, subdivision 1; 241.67, subdivision 2; 245A.11, subdivision 2; 253B.02, subdivisions 7, 9; 256.042, subdivision 4; 256.9742, subdivision 3; 256B.056, subdivision 11; 256B.058, subdivision 2; 256B.0595, subdivisions 1, 4; 256B.0625, subdivision 56; 256B.0941, subdivision 1; 256B.196, subdivision 2; 256B.197, subdivision 3; 256B.4911, subdivision 1; 256D.64, subdivision 2; 256I.04, subdivision 2a; 256L.11, subdivisions 2, 6a; 259.12; 260B.188, subdivision 1; 270C.445, subdivisions 6b, 6c, 6d; 270C.446, subdivision 5; 272.02, subdivision 97; 273.032; 273.121, subdivision 1; 276.04, subdivision 2; 290.0132, subdivision 15; 297A.71, subdivision 14; 297A.75, subdivisions 1, 2, 3; 299K.09, subdivision 1; 326B.164, subdivision 5; 353.6511, subdivision 5; 353.6512, subdivision 5; 462.357, subdivision 7; 504B.178, subdivision 2; 609.2231, subdivision 3; 609.596, subdivision 3; 609.748, subdivision 1; Minnesota Statutes 2023 Supplement, sections 15.06, subdivision 1; 17.457, subdivision 5; 47.60, subdivision 1; 115E.042, subdivision 1a; 116J.871, subdivision 1; 116P.21,

subdivision 5; 122A.092, subdivision 5; 124D.65, subdivision 5; 124E.02; 125A.15; 125A.51; 125A.515, subdivision 3; 144E.101, subdivisions 7, 12; 145D.01, subdivision 5; 145D.02; 147.02, subdivision 1; 147.03, subdivision 1; 174.07, subdivision 3; 181.217, subdivision 1; 245A.03, subdivisions 2, 7; 245A.10, subdivision 3; 245G.06, subdivision 3a; 254B.05, subdivision 5; 256B.0625, subdivision 13e; 256B.0913, subdivision 5; 256B.0943, subdivision 1; 289A.08, subdivision 7a; 290.0132, subdivision 32; 290.067, subdivision 1; 290A.04, subdivision 2h; 297A.71, subdivision 44; 299C.10, subdivision 1; 326B.164, subdivision 13; 609.185; 624.7178, subdivision 4; Laws 2023, chapter 41, article 1, section 2, subdivision 49; Laws 2023, chapter 57, article 1, section 4, subdivision 2; Laws 2023, chapter 70, article 15, sections 10, subdivision 4; 12; repealing Minnesota Statutes 2022, sections 13.6435, subdivision 8; 16A.727; 256.021, subdivision 3; 273.11, subdivision 16; 297A.71, subdivision 45; Laws 2023, chapter 16, section 36; Laws 2023, chapter 53, article 11, section 31; Laws 2023, chapter 55, article 1, section 2; article 7, section 6; Laws 2023, chapter 57, article 2, section 39; Laws 2023, chapter 60, article 7, section 8; Laws 2023, chapter 63, article 7, sections 1; 3.

President Champion called President Pro Tem Rest to preside.

H.F. No. 4483 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | McEwen | Rasmusson |
| Anderson | Eichorn | Klein | Miller | Rest |
| Bahr | Farnsworth | Koran | Mitchell | Seeberger |
| Boldon | Fateh | Kreun | Mohamed | Utke |
| Carlson | Frentz | Kunesh | Morrison | Weber |
| Champion | Green | Kupec | Murphy | Wesenberg |
| Coleman | Gruenhagen | Lang | Nelson | Westlin |
| Cwodzinski | Gustafson | Latz | Oumou Verbeten | Westrom |
| Dahms | Hauschild | Lieske | Pappas | Wiklund |
| Dibble | Hawj | Limmer | Pha | Xiong |
| Dornink | Hoffman | Mann | Port | |
| Draheim | Housley | Marty | Pratt | |
| Drazkowski | Howe | Mathews | Putnam | |
| Duckworth | Jasinski | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Lucero

So the bill passed and its title was agreed to.

# 029. HF 3436

**Vote:** 2024-04-11 | **Workbook row:** 34
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Transportation policy bill.

## Included complete bill documents

**1. 3rd Engrossment, posted 2024-04-05** - 101 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3436/versions/3/pdf/

**2. 1st Unofficial Engrossment, posted 2024-04-11** - 87 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2024/0/HF/3436/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 82-93. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240411101.pdf#page=93

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3436/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 3436

02/12/2024 Authored by Tabke
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
02/22/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
02/26/2024 By motion, recalled and re-referred to the Committee on Transportation Finance and Policy
03/25/2024 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/04/2024 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
04/11/2024 Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed

A bill for an act

relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation notices, and greater Minnesota transit; establishing criminal penalties; modifying prior appropriations; making technical changes; appropriating money; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.685, subdivisions 4, 5, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivision 2; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 216D.01, subdivision 12, by adding subdivisions; 216D.03, by adding a subdivision; 216D.04; 216D.05; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 360.075, subdivision 1; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 161.045, subdivision 3; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.12, subdivisions 5c, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 1, section 2, subdivision 4; article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 216D.06, subdivision 3; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230;

8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1
## TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 4.076, subdivision 3, is amended to read:

Subd. 3. **Membership; chair.** (a) The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by a designee from:

(i) the Office of Traffic Safety in the Department of Public Safety;

(ii) the Office of Traffic Engineering in the Department of Transportation; and

(iii) the Injury and Violence Prevention Section in the Department of Health;

(2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);

(3) the statewide Toward Zero Deaths coordinator;

(4) a regional coordinator from the Toward Zero Deaths program;

(5) the chief of the State Patrol or a designee;

(6) the state traffic safety engineer in the Department of Transportation or a designee;

(7) a law enforcement liaison from the Department of Public Safety;

(8) a representative from the Department of Human Services;

(9) a representative from the Department of Education;

(10) a representative from the Council on Disability;

(11) a representative for Tribal governments;

(12) a representative from the Center for Transportation Studies at the University of Minnesota;

(13) a representative from the Minnesota Chiefs of Police Association;

(14) a representative from the Minnesota Sheriffs' Association;

(15) a representative from the Minnesota Safety Council;

(16) a representative from AAA Minnesota;

(17) a representative from the Minnesota Trucking Association;

(18) a representative from the Insurance Federation of Minnesota;

(19) a representative from the Association of Minnesota Counties;

(20) a representative from the League of Minnesota Cities;

(21) the American Bar Association State Judicial Outreach Liaison;

(22) a representative from the City Engineers Association of Minnesota;

(23) a representative from the Minnesota County Engineers Association;

(24) a representative from the Bicycle Alliance of Minnesota;

(25) two individuals representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance;

(26) a representative from Minnesota Operation Lifesaver;

(27) a representative from the Minnesota Driver and Traffic Safety Education Association;

(28) a representative from the Minnesota Association for Pupil Transportation;

(29) a representative from the State Trauma Advisory Council;

(30) a person representing metropolitan planning organizations; ~~and~~

(31) a person representing contractors engaged in construction and maintenance of highways and other infrastructure~~.~~;

(32) the director of the Minnesota Emergency Medical Services Regulatory Board; and

(33) a person representing a victims advocacy organization.

(b) The commissioners of public safety and transportation must jointly appoint the advisory council members under paragraph (a), clauses (11), (25), (30), ~~and~~ (31), and (33).

Sec. 2. Minnesota Statutes 2022, section 43A.17, is amended by adding a subdivision to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal

Apprehension agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; Department of Corrections Fugitive Apprehension Unit members; and Commerce Fraud Bureau agents in the Department of Commerce.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and expires January 1, 2032. This section applies to contracts entered into on or after the effective date but before January 1, 2032.

Sec. 3. Minnesota Statutes 2022, section 65B.28, subdivision 2, is amended to read:

Subd. 2. **Accident prevention course; rules.** (a) The commissioner of public safety shall adopt rules establishing and regulating a motor vehicle accident prevention course for persons 55 years old and older.

(b) The rules must, at a minimum, include provisions:

(1) establishing curriculum requirements; and

~~(2) establishing the number of hours required for successful completion of the course; and~~

~~(3)~~ (2) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course.

(c) The accident prevention course must be a total of four hours.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to accident prevention courses held on or after that date.

Sec. 4. Minnesota Statutes 2023 Supplement, section 115E.042, subdivision 4, is amended to read:

Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain and recover discharged oil or other hazardous substances, (2) protect the environment, and (3) assist local public safety officials. Within 15 minutes of a rail incident involving a

confirmed discharge or release of oil or other hazardous substances, a railroad must contact the applicable emergency manager and applicable fire ~~chief~~ department, through the local public safety answering point, having jurisdiction along the route where the incident occurred. After learning of the rail incident involving oil or other hazardous substances, the applicable emergency manager and applicable fire ~~chief~~ department must, as soon as practicable, identify and provide contact information of the responsible incident commander to the reporting railroad.

(b) Within 15 minutes of local emergency responder arrival on the scene of a rail incident involving oil or other hazardous substances, a railroad must assist the incident commander to determine the nature of any hazardous substance known to have been released and hazardous substance cargo transported on the train. Assistance must include providing information that identifies the chemical content of the hazardous substance, contact information for the shipper, and instructions for dealing with the release of the material. A railroad may provide information on the hazardous substances transported on the train through the train orders on board the train or by facsimile or electronic transmission.

(c) Within one hour of confirmation of a discharge, a railroad must provide a qualified company representative to advise the incident commander, assist in assessing the situation, initiate railroad response actions as needed, and provide advice and recommendations to the incident commander regarding the response. The representative may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad.

(d) Within three hours of confirmation of a discharge, a railroad must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

(e) Within three hours of confirmation of a discharge, a railroad must provide (1) qualified personnel at a discharge site to assess the discharge and to advise the incident commander, and (2) resources to assist the incident commander with ongoing public safety and scene stabilization.

(f) A railroad must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or other hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

(1) training and caching equipment with local jurisdictions;

(2) training and caching equipment with a fire mutual-aid group;

(3) means of an industry cooperative or mutual-aid group;

(4) deployment of a contractor;

(5) deployment of a response organization under state contract; or

(6) other dependable means acceptable to the Pollution Control Agency.

(g) Each arrangement under paragraph (f) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

(h) Within eight hours of confirmation of a discharge, a railroad must be capable of delivering and deploying containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

(1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and

(2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

(i) Within 60 hours of confirmation of a discharge, a railroad must be capable of delivering and deploying additional containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst case discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

Sec. 5. Minnesota Statutes 2023 Supplement, section 161.045, subdivision 3, is amended to read:

Subd. 3. **Limitations on spending.** (a) A commissioner must not pay for any of the following with funds from the highway user tax distribution fund or the trunk highway fund:

(1) Bureau of Criminal Apprehension laboratory;

(2) Explore Minnesota Tourism kiosks;

(3) Minnesota Safety Council;

(4) driver education programs;

(5) Emergency Medical Services Regulatory Board;

(6) Mississippi River Parkway Commission;

(7) payments to the Department of Information Technology Services in excess of actual costs incurred for trunk highway purposes;

(8) personnel costs incurred on behalf of the governor's office;

(9) the Office of Aeronautics within the Department of Transportation;

(10) the Office of Transit and Active Transportation within the Department of Transportation;

(11) the Office of Passenger Rail;

(12) purchase and maintenance of soft body armor under section 299A.38;

(13) tourist information centers;

(14) parades, events, or sponsorships of events;

~~(15) the installation, construction, expansion, or maintenance of public electric vehicle infrastructure;~~

~~(16)~~ (15) the statewide notification center for excavation services pursuant to chapter 216D; and

~~(17)~~ (16) manufacturing license plates.

(b) The prohibition in paragraph (a) includes all expenses for the named entity or program, including but not limited to payroll, purchased services, supplies, repairs, and equipment. This prohibition on spending applies to any successor entities or programs that are substantially similar to the entity or program named in this subdivision.

Sec. 6. Minnesota Statutes 2022, section 161.115, subdivision 116, is amended to read:

Subd. 116. **Route No. 185.** Beginning at a point on Route No. 1 ~~at Sandstone~~ and Route No. 390, thence extending in a northeasterly direction to a point on Route No. 103 as herein established in Duluth.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Pine County to transfer jurisdiction of a portion of Legislative Route No. 185 and notifies the revisor of statutes electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 7. Minnesota Statutes 2022, section 161.115, subdivision 117, is amended to read:

Subd. 117. **Route No. 186.** Beginning at a point on Route No. 110 as herein established, thence extending in an easterly direction to a point on Route No. ~~185 as herein established at or near Askov~~ 1 and Route No. 390; affording Isle~~,~~ and Finlayson~~, and Askov,~~ a reasonable means of communication each with the other and other places within the state.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 8. Minnesota Statutes 2022, section 161.115, is amended by adding a subdivision to read:

Subd. 272. **Route No. 341.** Beginning at a point on Route No. 1 at Sandstone, thence extending in a generally easterly direction to a point at or near the east bank of the Kettle River.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 9. Minnesota Statutes 2022, section 161.321, subdivision 2, is amended to read:

Subd. 2. **Small targeted group business, small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to small targeted group businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid.

(c) The commissioner may award up to a four percent preference in the amount bid for specified construction work to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Sec. 10. Minnesota Statutes 2022, section 161.321, subdivision 2b, is amended to read:

Subd. 2b. **Veteran-owned small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to veteran-owned small businesses, except when prohibited by the federal government as a condition of receiving federal funds. When a bid preference is provided under this

section, the percentage of preference in bid amount under this subdivision may not be less than the percentage of bid preference provided to any small targeted group business under subdivision 2.

(b) When a bid preference is provided under this subdivision, the commissioner must be as inclusive as possible in specifying contracts for construction work, as well as for construction-related professional and technical services, available under this bid preference program for veteran-owned small businesses. The term "construction" must be given broad meaning for purposes of specifying and letting contracts for veteran-owned small businesses and must include, but is not limited to, preplanning, planning, and all other construction-related professional and technical services.

(c) When a bid preference is provided under this subdivision, the commissioner must strive to ensure that contracts will be awarded on a proportional basis with contracts awarded under subdivision 2.

(d) The commissioner may designate a contract for construction work for award only to veteran-owned small businesses, if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

Sec. 11. Minnesota Statutes 2022, section 168.002, subdivision 18, is amended to read:

Subd. 18. **Motor vehicle.** (a) "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily on highways, and not operated exclusively upon railroad tracks. It includes any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys that are propelled by electric power obtained from overhead trolley wires but not operated upon rails.

(b) "Motor vehicle" includes an all-terrain vehicle only if the all-terrain vehicle (1) has at least four wheels, (2) is owned and operated by a physically disabled person, and (3) displays both disability plates and a physically disabled certificate issued under section 169.345.

(c) "Motor vehicle" does not include an all-terrain vehicle except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985. The owner may continue to license an all-terrain vehicle described in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

(d) "Motor vehicle" does not include a snowmobile; a manufactured home; a park trailer; an electric personal assistive mobility device as defined in section 169.011, subdivision 26;

a motorized foot scooter as defined in section 169.011, subdivision 46; or an electric-assisted bicycle as defined in section 169.011, subdivision 27.

(e) "Motor vehicle" includes an off-highway motorcycle modified to meet the requirements of chapter 169 according to section 84.788, subdivision 12.

(f) "Motor vehicle" includes a roadable aircraft as defined in section 169.011, subdivision 67a.

Sec. 12. Minnesota Statutes 2022, section 168.002, subdivision 24, is amended to read:

Subd. 24. **Passenger automobile.** (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 individuals, including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, buses, school buses, or commuter vans as defined in section 168.126.

(c) "Passenger automobile" includes~~,~~ but is not limited to:

(1) a vehicle that is a pickup truck or a van as defined in subdivisions 26 and 40;

(2) neighborhood electric vehicles, as defined in section 169.011, subdivision 47; ~~and~~

(3) medium-speed electric vehicles, as defined in section 169.011, subdivision 39; and

(4) roadable aircraft, as defined in section 169.011, subdivision 67a.

Sec. 13. Minnesota Statutes 2022, section 168.002, subdivision 26, is amended to read:

Subd. 26. **Pickup truck.** "Pickup truck" means any truck with a manufacturer's nominal rated carrying capacity of three-fourths ton or less and commonly known as a pickup truck. If the manufacturer's nominal rated carrying capacity is not provided or cannot be determined, then the value specified by the manufacturer as the gross vehicle weight as indicated on the manufacturer's certification label must be ~~less than~~ 10,000 pounds or less.

Sec. 14. Minnesota Statutes 2022, section 168.002, subdivision 27, is amended to read:

Subd. 27. **Recreational vehicle.** (a) "Recreational vehicle" means travel trailers including those that telescope or fold down, chassis-mounted campers, motor homes, tent trailers, teardrop trailers, and converted buses that provide temporary human living quarters.

(b) "Recreational vehicle" is a vehicle that:

(1) is not used as the residence of the owner or occupant;

(2) is used while engaged in recreational or vacation activities; and

(3) is either self-propelled or towed on the highways incidental to the recreational or vacation activities.

Sec. 15. Minnesota Statutes 2022, section 168.013, subdivision 1d, is amended to read:

Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than 3,000 pounds, the annual tax is based on total gross weight and is 30 percent of the Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent of the Minnesota base rate prescribed by subdivision 1e. A trailer registered at a gross vehicle weight greater than 3,000 pounds but no greater than 7,200 pounds may be taxed either: (1) annually as provided in this paragraph; or (2) once every three years on the basis of total gross weight and is 90 percent of the Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the commissioner allocated proportionally in the same manner as provided in section 168.33, subdivision 7, paragraph (e).

(b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.

(c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight of 3,000 pounds or less<u>, excluding recreational vehicles,</u> must display a distinctive plate. The registration on the license plate is valid for the life of the trailer only if it remains registered at the same gross vehicle weight. The onetime registration tax for trailers registered for the first time in Minnesota is $55. For trailers registered in Minnesota before July 1, 2001, and for which:

(1) registration is desired for the remaining life of the trailer, the registration tax is $25; or

(2) permanent registration is not desired, the biennial registration tax is $10 for the first renewal if registration is renewed between and including July 1, 2001, and June 30, 2003. These trailers must be issued permanent registration at the first renewal on or after July 1, 2003, and the registration tax is $20.

For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001, but not renewed until on or after July 1, 2003, the registration tax is $20 and permanent registration must be issued.

Sec. 16. Minnesota Statutes 2022, section 168.0135, is amended by adding a subdivision to read:

Subd. 2a. **Limitations.** (a) A vendor must not have an ownership interest with a deputy registrar or a driver's license agent.

(b) A vendor is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

(c) An entity that owns, leases, or otherwise provides a location where a self-service kiosk is placed is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent. This paragraph does not apply to a deputy registrar or a driver's license agent appointed prior to placement of a self-service kiosk within the office of the deputy registrar or driver's license agent.

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

Sec. 17. Minnesota Statutes 2022, section 168.12, subdivision 1, is amended to read:

Subdivision 1. **Plates; design, visibility, periods of issuance.** (a) The commissioner, upon approval and payment, shall issue to the applicant the plates required by this chapter, bearing the state name and an assigned vehicle registration number. The number assigned by the commissioner may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned must be in marked contrast. The plates must be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the commissioner.

(b) When a vehicle is registered on the basis of total gross weight, the plates issued must clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid.

(c) Plates issued to a noncommercial vehicle must bear the inscription "noncommercial" unless the vehicle is displaying a special plate authorized and issued under this chapter.

(d) A one-ton pickup truck that is used for commercial purposes and is subject to section 168.185, is eligible to display special plates as authorized and issued under this chapter.

(e) The plates must be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, the plates, when viewed from a vehicle equipped with standard headlights, must be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet.

(f) The commissioner shall issue plates for the following periods:

(1) New plates issued pursuant to section 168.012, subdivision 1, must be issued to a vehicle for as long as the vehicle is owned by the exempt agency and the plate shall not be transferable from one vehicle to another but the plate may be transferred with the vehicle from one tax-exempt agency to another.

(2) Plates issued for passenger automobiles must be issued for a seven-year period. All plates issued under this paragraph must be replaced if they are seven years old or older at the time of registration renewal or will become so during the registration period.

(3) Plates issued under sections 168.053 and 168.27, subdivisions 16 and 17, must be for a seven-year period.

(4) Plates issued under subdivisions 2c and 2d and sections 168.123, 168.1235, and 168.1255 must be issued for the life of the veteran under section 169.79.

(5) Plates for any vehicle not specified in clauses (1) to (3) must be issued for the life of the vehicle.

(g) In a year in which plates are not issued, the commissioner shall issue for each registration a sticker to designate the year of registration. This sticker must show the year or years for which the sticker is issued, and is valid only for that period. The plates and stickers issued for a vehicle may not be transferred to another vehicle during the period for which the sticker is issued, except when issued for a vehicle registered under section 168.187.

(h) Despite any other provision of this subdivision, plates issued to a vehicle used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The public school shall notify the commissioner of each transfer of plates under this paragraph. The commissioner may prescribe a format for notification.

(i) In lieu of plates required under this section, the commissioner must issue a registration number identical to the federally issued tail number assigned to a roadable aircraft.

Sec. 18. Minnesota Statutes 2023 Supplement, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) The commissioner shall issue a special plate emblem for each plate to an applicant who:

(1) is a member of a congressionally chartered veterans service organization and is a registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational

vehicle, or is a congressionally chartered veterans service organization that is the registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle;

(2) pays the registration tax required by law;

(3) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of two plates, and any other fees required by this chapter; and

(4) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

(b) The additional fee is payable at the time of initial application for the special plate emblem and when the plates must be replaced or renewed. ~~An applicant must not be issued more than two sets of special plate emblems for motor vehicles listed in paragraph (a) and registered to the applicant.~~

(c) The applicant must present a valid card indicating membership in the American Legion, Veterans of Foreign Wars, or Disabled American Veterans.

Sec. 19. Minnesota Statutes 2023 Supplement, section 168.1259, subdivision 5, is amended to read:

Subd. 5. **Contributions; account; appropriation.** Contributions collected under subdivision 2, paragraph (a), clause (5), must be deposited in the Minnesota professional sports team foundations account, which is established in the special revenue fund. Money in the account is annually appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the foundations in proportion to the total number of Minnesota professional sports team foundation plates issued for that year. Proceeds from a plate that includes the marks and colors of all foundations must be divided evenly between all foundations. The foundations must only use the proceeds for philanthropic or charitable purposes.

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

Sec. 20. **[168.24] ROADABLE AIRCRAFT REGISTRATION.**

(a) For purposes of this section, "roadable aircraft" has the meaning given in section 169.011, subdivision 67a.

(b) An owner of a roadable aircraft must comply with all rules and requirements of this chapter and chapter 168A governing the titling, registration, taxation, and insurance of motor vehicles.

(c) A person who seeks to register a roadable aircraft for operation as a motor vehicle on public roadways in Minnesota must apply to the commissioner. The application must contain:

(1) the name and address of the owner of the roadable aircraft;

(2) the federally issued tail number assigned to the aircraft;

(3) the make and model of the roadable aircraft; and

(4) any other information the commissioner may require.

(d) Upon receipt of a valid and complete application for registration of a roadable aircraft, the commissioner must issue a certificate of registration.

(e) A valid registration certificate issued under this section must be located inside the roadable aircraft when the aircraft is in operation on a public highway.

(f) A roadable aircraft registered as a motor vehicle under this section must also be registered as an aircraft as provided in section 360.60.

Sec. 21. Minnesota Statutes 2022, section 168.33, subdivision 8a, is amended to read:

Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic transmission of a motor vehicle transfer and registration by a new or used motor vehicle dealer, a deputy registrar who is equipped with electronic transmission technology and trained in its use ~~shall~~ must receive the filing fee provided for in subdivision 7 and review the transfer of each new or used motor vehicle to determine its genuineness and regularity before issuance of a certificate of title, and ~~shall~~ must receive and retain the filing fee under subdivision 7, paragraph (a), clause (2).

(b) The commissioner must establish reasonable performance, security, technical, and financial standards to approve companies that provide computer software and services to motor vehicle dealers to electronically transmit vehicle title transfer and registration information. An approved company must be offered access to department facilities, staff, and technology on a fair and reasonable basis. An approved company must not have an ownership interest with a deputy registrar or a driver's license agent. An approved company is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** (a) The commissioner may not furnish information about ~~registered owners of~~ passenger ~~automobiles who are~~ automobile lessees under a lease for a term of 180 days or more to any person except:

(1) the owner of the vehicle~~,~~;

(2) the lessee~~,~~;

(3) personnel of law enforcement agencies ~~and~~;

(4) trade associations performing a member service under section 604.15, subdivision 4a~~, and~~;

(5) licensed dealers in connection with a vehicle sale or lease;

(6) federal, state, and local governmental units~~,~~; and~~,~~

(7) at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls.

(b) The commissioner may release information about passenger automobile lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 23. Minnesota Statutes 2022, section 168A.085, is amended by adding a subdivision to read:

Subd. 4. **Foreign passport.** A valid and unexpired passport issued to the applicant by a recognized foreign government is a primary document for purposes of Minnesota Rules, part 7410.0400, and successor rules, when the applicant is an individual who is applying as the owner for a vehicle title or registration.

Sec. 24. Minnesota Statutes 2022, section 168B.035, subdivision 3, is amended to read:

Subd. 3. **Towing prohibited.** (a) A towing authority may not tow a motor vehicle because:

(1) the vehicle ~~has expired~~ displays registration ~~tabs~~ validation stickers that have been expired for less than 90 days; or

(2) the vehicle is at a parking meter on which the time has expired ~~and the vehicle has fewer than five unpaid parking tickets~~.

(b) A towing authority may tow a motor vehicle, notwithstanding paragraph (a), if:

(1) the vehicle is parked in violation of snow emergency regulations;

(2) the vehicle is parked in a rush-hour restricted parking area;

(3) the vehicle is blocking a driveway, alley, or fire hydrant;

(4) the vehicle is parked in a bus lane, or at a bus stop, during hours when parking is prohibited;

(5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

(6) the vehicle is parked in a disability transfer zone or disability parking space without a disability parking certificate or disability license plates;

(7) the vehicle is parked in an area that has been posted for temporary restricted parking (i) at least 12 hours in advance in a home rule charter or statutory city having a population under 50,000, or (ii) at least 24 hours in advance in another political subdivision;

(8) the vehicle is parked within the right-of-way of a controlled-access highway or within the traveled portion of a public street when travel is allowed there;

(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the Metropolitan Airports Commission;

(11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;

(12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;

(13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses;

(14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;

(15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle;

(16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking; or

(17) the vehicle is a junk, abandoned, or unauthorized vehicle, as defined in section 168B.011, and subject to immediate removal under this chapter.

Sec. 25. Minnesota Statutes 2022, section 169.011, subdivision 3a, is amended to read:

Subd. 3a. **Autocycle.** (a) "Autocycle" means a motorcycle that:

(1) has three wheels in contact with the ground;

(2) is designed with seating that does not require operators or any occupants to straddle or sit astride it;

(3) has a steering wheel;

(4) is equipped with antilock brakes; and

(5) is originally manufactured to meet federal motor vehicle safety standards for motorcycles in Code of Federal Regulations, title 49, part 571, and successor requirements.

(b) An autocycle does not include a roadable aircraft as defined in subdivision 67a.

Sec. 26. Minnesota Statutes 2022, section 169.011, subdivision 44, is amended to read:

Subd. 44. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including motor scooters and autocycles. Motorcycle does not include (1) motorized bicycles as defined in subdivision 45, (2) electric-assisted bicycles as defined in subdivision 27, ~~or~~ (3) a tractor, or (4) roadable aircraft.

Sec. 27. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 48a. **Nondivisible load or vehicle.** "Nondivisible load" or "nondivisible vehicle" means any load or vehicle exceeding the applicable length, width, height, or weight limits set forth in this chapter which, if separated into smaller loads or vehicles, would:

(1) compromise the intended use of the load or vehicle;

(2) destroy the value of the load or vehicle; or

(3) require more than eight work hours to dismantle using appropriate equipment.

Sec. 28. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 67a. **Roadable aircraft.** "Roadable aircraft" means any aircraft capable of taking off and landing from a suitable airfield and that is also designed to be operated on a public highway as a motor vehicle.

Sec. 29. Minnesota Statutes 2022, section 169.09, subdivision 5, is amended to read:

Subd. 5. **Notify owner of damaged property.** If the driver of any vehicle involved in a collision knows or has reason to know the collision resulted only in damage to fixtures legally upon or adjacent to a highway, the driver ~~shall~~ must:

(1) take reasonable steps to locate and notify the owner or person in charge of the property of ~~that fact~~ the collision, ~~of~~ the driver's name and address, and ~~of~~ the ~~registration~~ license plate number of the vehicle being driven and ~~shall~~ must, upon request and if available, exhibit the driver's license~~, and make an accident report in every case~~; and

(2) report the information required in clause (1) to a peace officer.

Sec. 30. Minnesota Statutes 2023 Supplement, section 169.09, subdivision 8, is amended to read:

Subd. 8. **Officer to report accident to commissioner.** A peace officer who, in the regular course of duty, investigates an accident that must be reported under this section shall, within ten days after the date of the accident, forward an electronic or written report of the accident as prescribed by the commissioner of public safety. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident using an electronic format as prescribed by the commissioner. Accidents involving the following occurrences must be reported under this subdivision if they occur on a trafficway, a traffic right-of-way, public lands, or trail systems:

(1) a fatality;

(2) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident;

(3) one or more motor vehicles incurs disabling damage as a result of the accident, requiring the motor vehicle to be transported away from the scene of the accident by a tow truck or other motor vehicle;

(4) property damage to state-owned highway infrastructure; or

(5) any accident involving a school bus or commercial motor vehicle that must be reported under sections 169.4511 and 169.783.

Sec. 31. Minnesota Statutes 2022, section 169.09, subdivision 14a, is amended to read:

Subd. 14a. **Suspension of license for failure to report accident.** The commissioner may suspend the license, or any nonresident's operating privilege, of any ~~person~~ driver who willfully fails, refuses, or neglects to make report of a traffic accident as required by the laws of this state. A license suspension under this section is subject to the notice requirements of section 171.18, subdivision 2.

Sec. 32. Minnesota Statutes 2022, section 169.09, subdivision 19, is amended to read:

Subd. 19. **Terminology.** (a) The provisions of this section apply equally whether the term "accident" or "collision" is used. The term "accident" or "collision" does not include:

(1) an occurrence involving only boarding and alighting from a stationary motor vehicle;

(2) an occurrence involving only the loading or unloading of cargo; or

(3) intentional vehicle-to-vehicle contact when initiated by a peace officer:

(i) to stop a perpetrator from fleeing in a motor vehicle, as defined in section 609.487, subdivision 3; or

(ii) as an authorized use of force, as defined in section 609.06, subdivision 1; 609.065; or 609.066.

(b) For purposes of this section, "disabling damage" means damage that prevents a motor vehicle from departing the scene of an accident in its usual manner in daylight after simple repairs. Disabling damage includes damage to a motor vehicle that could be driven from the scene of an accident but would be further damaged if so driven. Disabling damage does not include:

(1) damage that can be remedied temporarily at the scene of an accident without special tools or parts;

(2) tire disablement without other damage, even if no spare tire is available;

(3) headlamp or taillight damage; or

(4) damage that makes the turn signals, horn, or windshield wipers inoperable.

(c) For purposes of this section, motor vehicle includes the various off-road vehicles defined in section 84.771, 84.787, 84.797, 84.81, or 84.92.

Sec. 33. Minnesota Statutes 2022, section 169.19, subdivision 2, is amended to read:

Subd. 2. **U-turn.** ~~No vehicle shall be turned~~ The operator of a vehicle must not turn to proceed in the opposite direction upon any curve, or upon the approach to or near the crest of a grade, where the vehicle cannot be seen by the ~~driver~~ operator of any other vehicle approaching from either direction within 1,000 feet~~, nor shall the driver~~. The operator of a vehicle must not turn the vehicle to proceed in the opposite direction unless the movement can be made safely and without interfering with other traffic. ~~When necessary to accommodate vehicle configuration on~~ The operator of a vehicle is permitted to make a right-hand turn into the farthest lane of a roadway with two or more lanes in the same direction~~, a driver may turn the vehicle into the farthest lane and temporarily use the shoulder to make a U-turn~~ in order to make a U-turn at a reduced-conflict intersection if it is safe to do so.

Sec. 34. Minnesota Statutes 2022, section 169.224, subdivision 3, is amended to read:

Subd. 3. **Operation.** (a) A neighborhood electric vehicle or a medium-speed electric vehicle may not be operated on a street or highway with a speed limit greater than 35 miles per hour, except to make a direct crossing of that street or highway.

(b) A person may operate a three-wheeled neighborhood electric vehicle without a ~~two-wheeled vehicle~~ motorcycle endorsement~~, provided~~ if the person has a valid driver's license issued under chapter 171.

Sec. 35. Minnesota Statutes 2022, section 169.34, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** (a) ~~No person shall~~ A person must not stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

(1) on a sidewalk;

(2) in front of a public or private driveway;

(3) within an intersection;

(4) within ten feet of a fire hydrant;

(5) on a crosswalk;

(6) within 20 feet of a crosswalk at an intersection;

(7) within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;

~~(8) between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;~~

~~(9)~~ (8) within 50 feet of the nearest rail of a railroad crossing;

~~(10)~~ (9) within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;

~~(11)~~ (10) alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;

~~(12)~~ (11) on the roadway side of any vehicle stopped or parked at the edge or curb of a street;

~~(13)~~ (12) upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;

~~(14)~~ (13) within a bicycle lane, except when posted signs permit parking; or

~~(15)~~ (14) at any place where official signs prohibit stopping.

(b) No person shall move a vehicle not owned by such person into any prohibited area or away from a curb such distance as is unlawful.

(c) ~~No person shall~~ A person must not, for camping purposes, leave or park a travel trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a campsite.

(d) ~~No person shall~~ A person must not stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 36. Minnesota Statutes 2022, section 169.444, subdivision 4, is amended to read:

Subd. 4. **Exception for separated roadway.** (a) A person driving a vehicle on a street or highway with separated roadways is not required to stop the vehicle when approaching or meeting a school bus that is on a different roadway.

(b) "Separated roadway" means a road that is separated from a parallel road by a ~~safety isle or safety zone~~ physical barrier, raised median, or depressed median.

Sec. 37. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 3a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Booster seat" means a child passenger restraint system that meets applicable federal motor vehicle safety standards and is designed to provide belt-positioning that elevates a child to be properly seated with a safety belt.

(c) "Child passenger restraint system" means a device that:

(1) meets applicable federal motor vehicle safety standards of the United States Department of Transportation and complies with any other applicable federal regulations;

(2) is designed to restrain, seat, or position children; and

(3) is appropriate to the age of the child being restrained.

Child passenger restraint system includes a booster seat.

(d) "Properly restrained" means restrained or secured according to the instructions of both the motor vehicle manufacturer and the child passenger restraint system manufacturer.

(e) "Secured with a safety belt" means restrained or secured by a seat belt that (1) meets applicable federal motor vehicle safety standards, and (2) is properly adjusted and fastened, including both the shoulder and lap straps when equipped in the vehicle.

Sec. 38. Minnesota Statutes 2022, section 169.685, subdivision 4, is amended to read:

Subd. 4. **Admissibility into evidence.** (a) Except as provided in paragraph (b), proof of the use or failure to use seat belts or a child passenger restraint system as described in subdivision ~~5~~ 4a, or proof of the installation or failure of installation of seat belts or a child passenger restraint system as described in subdivision ~~5 shall not be~~ 4a is not admissible in

evidence in any litigation involving personal injuries or property damage resulting from the use or operation of any motor vehicle.

(b) Paragraph (a) does not affect the right of a person to bring an action for damages arising out of an incident that involves a defectively designed, manufactured, installed, or operating seat belt or child passenger restraint system. Paragraph (a) does not prohibit the introduction of evidence pertaining to the use of a seat belt or child passenger restraint system in an action described in this paragraph.

Sec. 39. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 4a. **Child passenger restraint systems.** (a) Except as provided in paragraph (c), every driver in this state who transports a child or children under the age of 18 years in a motor vehicle that is in motion or a part of traffic and is required under federal motor vehicle safety standards to be equipped with a safety belt or lower anchors and tethers for children in a passenger seating position must have the child or children secured as follows:

(1) a child who is younger than two years of age must be properly restrained in a rear-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(2) a child who is at least two years of age and exceeds the rear-facing weight or height limit of the child passenger restraint system must be properly restrained in a forward-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(3) a child who is at least four years of age and exceeds the weight or height limit of the forward-facing child passenger restraint system must be properly restrained in a booster seat and secured with a safety belt;

(4) a child who is at least nine years of age or exceeds the weight or height limit of the child passenger restraint system or the booster seat must be secured with a safety belt adjusted and fastened around the child's body to fit correctly. The safety belt fits correctly when the child sits all the way back against the vehicle seat, the child's knees bend over the edge of the vehicle seat, the lap strap fits snugly across the child's thighs and lower hips and not the child's abdomen, and the shoulder strap snugly crosses the center of the child's chest and not the child's neck;

(5) a child who is younger than 13 years of age must be transported in the rear seat of a motor vehicle, when available, and must be properly restrained in a child passenger restraint system or booster seat or secured with a safety belt; and

(6) a child who, because of age or weight, can be placed in more than one category under this paragraph must be placed in the more protective category, where clause (1) provides for the most protective and clause (5) provides for the least protective.

(b) The driver of a motor vehicle transporting a child who is younger than six years of age or weighs less than 60 pounds must transport the child in a rear seat if:

(1) the vehicle is equipped with a passenger side air bag supplemental restraint system;

(2) the air bag system is activated; and

(3) a rear seat is available.

(c) When the number of children in the motor vehicle under 13 years of age exceeds the number of age- or size-appropriate child passenger restraint systems and safety belts available in the motor vehicle, the unrestrained children must be seated in a rear seat, if rear seats are available.

(d) The weight and height limits of a child passenger restraint system under this subdivision are as established by the child passenger restraint system manufacturer.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 40. Minnesota Statutes 2022, section 169.685, subdivision 5, is amended to read:

Subd. 5. **Violation; petty misdemeanor.** (a) ~~Every motor vehicle operator, when transporting a child who is both under the age of eight and shorter than four feet nine inches on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.~~

~~(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child who is both under the age of eight and shorter than four feet nine inches in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system.~~ Any motor vehicle operator who violates ~~this~~ subdivision 4a is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than $50. The fine may be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date

of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

~~(c)~~ (b) At the time of issuance of a citation under this subdivision, a peace officer may provide to the violator information on obtaining a free or low-cost child passenger restraint system.

~~(d)~~ (c) The fines collected for violations of this subdivision must be deposited in the ~~state treasury and credited to a special account to be known as the~~ Minnesota child passenger restraint and education account.

~~(e) For the purposes of this section, "child passenger restraint system" means any device that meets the standards of the United States Department of Transportation; is designed to restrain, seat, or position children; and includes a booster seat.~~

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 41. Minnesota Statutes 2022, section 169.79, is amended by adding a subdivision to read:

Subd. 3b. **Roadable aircraft.** Notwithstanding subdivision 1 and section 168.09, subdivision 1, a roadable aircraft is not required to display a license plate.

Sec. 42. Minnesota Statutes 2022, section 169.80, is amended by adding a subdivision to read:

Subd. 4. **Divisible load.** (a) A load that is not a nondivisible load on a vehicle or combination of vehicles must be transported:

(1) with the load reduced or positioned in a manner so that the transportation does not exceed the size and weight limits of vehicles under this chapter; or

(2) under a special permit authorized in this chapter for which the transportation qualifies.

(b) The applicant for a special permit related to a nondivisible load has the burden of proof as to the number of work hours required to dismantle the load.

Sec. 43. Minnesota Statutes 2022, section 169.801, subdivision 7, is amended to read:

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if:

(1) it is for the purpose of avoiding an obstacle on the right side of the road, and:

(i) the implement of husbandry crosses the center line for a brief period of time;

(ii) the implement of husbandry returns back to the right half of the roadway as soon as practicable and when safe to do so;

(iii) no other vehicles are in the immediate vicinity coming from the opposite direction; and

(iv) the operation does not extend into the left half of the roadway more than necessary; or

(2) it is escorted at the front by a vehicle displaying hazard warning lights visible in normal sunlight and the operation does not extend into the left half of the roadway more than is necessary.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 44. Minnesota Statutes 2022, section 169.974, subdivision 2, is amended to read:

Subd. 2. **License endorsement and permit requirements.** (a) ~~No person shall~~ A person must not operate a motorcycle on any street or highway without having a valid driver's license with a ~~two-wheeled vehicle~~ motorcycle endorsement as provided by law. A person may operate an autocycle without a ~~two-wheeled vehicle~~ motorcycle endorsement~~, provided~~ if the person has a valid driver's license issued under section 171.02.

(b) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle~~ motorcycle endorsement only if the applicant (1) has in possession a valid ~~two-wheeled vehicle~~ motorcycle instruction permit as provided in paragraph (c), (2) has passed a written examination and road test administered by the Department of Public Safety for the endorsement, and (3) in the case of applicants under 18 years of age, presents a certificate or other evidence of having successfully completed an approved ~~two-wheeled vehicle~~ motorcycle driver's safety course in this or another state, in accordance with rules adopted by the commissioner of public safety for courses offered by a public, private, or commercial school or institute. The commissioner of public safety may waive the road test for any applicant on determining that the applicant possesses a valid license to operate a ~~two-wheeled~~

~~vehicle~~ motorcycle issued by a jurisdiction that requires a comparable road test for license issuance.

(c) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle~~ motorcycle instruction permit to any person over 16 years of age who (1) is in possession of a valid driver's license, (2) is enrolled in an approved ~~two-wheeled vehicle~~ motorcycle driver's safety course, and (3) has passed a written examination for the permit and paid a fee prescribed by the commissioner of public safety. A ~~two-wheeled vehicle~~ motorcycle instruction permit is effective for one year and may be renewed under rules prescribed by the commissioner of public safety.

(d) ~~No~~ A person who is operating by virtue of a ~~two-wheeled vehicle~~ motorcycle instruction permit ~~shall~~ must not:

(1) carry any passengers on the streets and highways of this state on the motorcycle while the person is operating the motorcycle;

(2) drive the motorcycle at night; or

(3) drive the motorcycle without wearing protective headgear that complies with standards established by the commissioner of public safety.

(e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue a special motorcycle permit, restricted or qualified as the commissioner of public safety deems proper, to any person demonstrating a need for the permit and unable to qualify for a driver's license.

Sec. 45. **[169.975] OPERATION OF ROADABLE AIRCRAFT.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Aircraft" has the meaning given in section 360.013, subdivision 37.

(c) "Airport" has the meaning given in section 360.013, subdivision 39, and includes a personal-use airport as defined in Minnesota Rules, part 8800.0100, subpart 22a.

(d) "Restricted landing area" has the meaning given in section 360.013, subdivision 57.

(e) "Unlicensed landing area" has the meaning given in Minnesota Rules, part 8800.0100, subpart 32a.

Subd. 2. **Operation.** (a) A roadable aircraft is considered a motor vehicle when in operation, including on a public highway, except when the vehicle is (1) at an airport, (2)

on a restricted landing area, (3) on an unlicensed landing area, or (4) in flight. When operating a roadable aircraft as a motor vehicle, an operator must comply with all rules and requirements set forth in this chapter governing the operation and insurance of a motor vehicle.

(b) When in operation at an airport, a restricted landing area, an unlicensed landing area, or in flight, a roadable aircraft is considered an aircraft and the operator must comply with all rules and requirements set forth in chapter 360. An owner of a roadable aircraft registered in Minnesota must comply with all rules and requirements of chapter 360 governing the registration, taxation, and insurance of aircraft.

(c) A roadable aircraft may only take off or land at an airport, unlicensed landing area, or restricted landing area.

Sec. 46. Minnesota Statutes 2022, section 169A.52, subdivision 7, is amended to read:

Subd. 7. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card ~~by clipping the upper corner of the card in such a way that no identifying information including the photo is destroyed, and immediately return the card to the person~~;

(2) issue the person a temporary license effective for only seven days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 47. Minnesota Statutes 2022, section 171.01, subdivision 40, is amended to read:

Subd. 40. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground~~, including~~. Motorcycle includes motor scooters and bicycles with motor attached~~, but excluding~~.

(b) Motorcycle excludes tractors ~~and~~, motorized bicycles, and roadable aircraft, as defined in section 169.011, subdivision 67a.

Sec. 48. Minnesota Statutes 2022, section 171.01, subdivision 41a, is amended to read:

Subd. 41a. **Noncompliant license; noncompliant identification card.** "Noncompliant license," "noncompliant identification card," or "noncompliant license or identification card," means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (b). Unless provided otherwise, noncompliant license includes an appropriate instruction permit, provisional license, limited license, and restricted license.

Sec. 49. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 45c. **REAL ID compliant license; REAL ID compliant identification card.** "REAL ID compliant license," "REAL ID compliant identification card," or "REAL ID compliant license or identification card" means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (a). Unless provided otherwise, REAL ID compliant license includes an appropriate instruction permit, provisional license, limited license, and restricted license.

Sec. 50. Minnesota Statutes 2022, section 171.01, subdivision 47, is amended to read:

Subd. 47. **State.** "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States, including a United States military base located on foreign soil.

Sec. 51. Minnesota Statutes 2022, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. ~~**Two-wheeled vehicle**~~ **Motorcycle endorsement fee.** (a) In addition to the appropriate fee under subdivision 2, the fee for a ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license is:

(1) $26.50 for an initial endorsement or a duplicate license obtained for the purpose of adding the endorsement; and

(2) $17 for each license renewal with the endorsement.

(b) The additional fee must be paid into the state treasury and credited as follows:

(1) $19 of the additional fee under paragraph (a), clause (1), and $11 of the additional fee under paragraph (a), clause (2), to the motorcycle safety fund, which is hereby created; and

(2) the remainder to the general fund.

(c) All application forms prepared by the commissioner for ~~two-wheeled vehicle~~ motorcycle endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle safety fund.

Sec. 52. Minnesota Statutes 2023 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) ~~as may be required by the commissioner,~~ contain a description of the applicant ~~and any other facts pertaining to the applicant~~, including the applicant's height in feet and inches, weight in pounds, eye color, and sex; the applicant's driving privileges~~,~~; and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7;

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c;

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b;

(v) indicate the applicant's race and ethnicity; and

(vi) indicate caretaker information as provided under section 171.12, subdivision 5c; and

(6) meet the requirements under section 201.161, subdivision 3.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for ~~driver's~~ drivers' licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

~~(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.~~

~~(e)~~ (d) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about

an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

(e) A Minnesota driver's license or identification card must be issued only to an individual who has a residence address in the state at the time of the application. Applications for an enhanced driver's license or enhanced identification card must include proof of residency in accordance with section 171.063, subdivision 6. An individual may only have one residence address where the individual is domiciled at any particular time. The residence address of the individual is presumed to continue until the contrary is shown. The applicant must provide the following information about the residence address: residence number, street name, street type, directional, city or town, state, and zip code.

Sec. 53. Minnesota Statutes 2022, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

~~(6)~~ (9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

~~(7)~~ (10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

~~(8)~~ (11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

~~(9)~~ (12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States;

~~(10)~~ (13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x);

~~(11)~~ (14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

~~(12)~~ (15) a certified copy of a court order that specifies the applicant's name change; or

~~(13)~~ (16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 54. Minnesota Statutes 2023 Supplement, section 171.0605, subdivision 5, is amended to read:

Subd. 5. **Evidence; residence in Minnesota.** (a) Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

(1) a home utility services bill issued no more than 12 months before the application;

(2) a home utility services hook-up work order issued no more than 12 months before the application;

(3) United States bank or financial information issued no more than 12 months before the application, with account numbers redacted, including:

(i) a bank account statement;

(ii) a credit card or debit card statement;

(iii) a brokerage account statement;

(iv) a money market account statement;

(v) a Health Savings Account statement; or

(vi) a retirement account statement;

(4) a certified transcript from a United States high school, if issued no more than 180 days before the application;

(5) a certified transcript from a Minnesota college or university, if issued no more than 180 days before the application;

(6) a student summary report from a United States high school signed by a school principal or designated authority and issued no more than 180 days before the application;

(7) an employment pay stub issued no more than 12 months before the application that lists the employer's name and address;

(8) a Minnesota unemployment insurance benefit statement issued no more than 12 months before the application;

(9) a statement from an assisted living facility licensed under chapter 144G, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 12 months before the application;

(10) a current policy or card for health, automobile, homeowner's, or renter's insurance;

(11) a federal or state income tax return for the most recent tax filing year;

(12) a Minnesota property tax statement for the current or prior calendar year or a proposed Minnesota property tax notice for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(13) a Minnesota vehicle certificate of title;

(14) a filed property deed or title for current residence;

(15) a Supplemental Security Income award statement issued no more than 12 months before the application;

(16) mortgage documents for the applicant's principal residence;

(17) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;

(18) an affidavit of residence for an applicant whose principal residence is a group home, communal living arrangement, cooperative, or a religious order issued no more than 90 days before the application;

(19) an assisted living or nursing home statement issued no more than 90 days before the application;

(20) a valid driver's license, including an instruction permit, issued under this chapter;

(21) a valid Minnesota identification card;

(22) an unexpired Minnesota professional license;

(23) an unexpired Selective Service card;

(24) military orders that are still in effect at the time of application;

(25) a cellular phone bill issued no more than 12 months before the application; or

(26) a valid license issued pursuant to the game and fish laws.

(b) In lieu of one of the two documents required by paragraph (a), an applicant under the age of 18 may use a parent or guardian's proof of principal residence as provided in this paragraph. The parent or guardian of the applicant must provide a document listed under paragraph (a) that includes the parent or guardian's name and the same address as the address on the document provided by the applicant. The parent or guardian must also certify that the applicant is the child of the parent or guardian and lives at that address.

(c) A document under paragraph (a) must include the applicant's name and principal residence address in Minnesota.

(d) For purposes of this ~~section~~ subdivision, Internet service and cable service are utilities ~~under this section and Minnesota Rules, part 7410.0410, subpart 4a~~.

Sec. 55. **[171.062] EVIDENCE OF IDENTITY; NONCOMPLIANT CREDENTIALS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Court" includes a foreign court of competent jurisdiction.

(c) "Foreign" means a jurisdiction that is not, and is not within, the United States, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, or a territory of the United States.

Subd. 2. **Evidence of identity.** For a noncompliant license or identification card, an applicant must submit:

(1) a Minnesota driver's license or identification card that is current or has been expired:

(i) for five years or less with a color photograph or electronically produced or digitized image; or

(ii) for one year or less without a color photograph or electronically produced or digitized image; or

(2) if the applicant cannot present a credential under clause (1), either:

(i) one primary document under subdivision 4 and one secondary document under subdivision 5; or

(ii) two primary documents under subdivision 4.

Subd. 3. **General requirements.** (a) A document submitted under this section must include the applicant's name and must be:

(1) issued to or provided for the applicant;

(2) legible and unaltered;

(3) an original or a copy certified by the issuing agency or by a court; and

(4) accompanied by a certified translation or an affidavit of translation into English, if the document is not in English.

(b) If the applicant's current legal name is different from the name on a document submitted under subdivision 4 or 5, the applicant must submit:

(1) a certified copy of a court order that specifies the applicant's name change;

(2) a certified copy of the applicant's certificate of marriage;

(3) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court; or

(4) similar documentation of a lawful change of name, as determined by the commissioner.

(c) A form issued by a federal agency that is specified under this section includes any subsequent form or version.

(d) The commissioner must establish a process to grant a waiver from the requirements under this section.

(e) The same document must not be submitted as both a primary document and a secondary document.

Subd. 4. **Primary documents.** (a) For purposes of a noncompliant driver's license or identification card, a primary document includes:

(1) a copy of the applicant's record of birth, or an original certificate of birth that is in the files of the applicable bureau or board under item (iii) and can be readily viewed by the official accepting the application, certified by the issuing state that:

(i) is not issued by a hospital and is not a baptismal certificate;

(ii) bears the raised or authorized seal of the issuing government jurisdiction or a protective equivalent; and

(iii) is issued by:

(A) a government bureau of vital statistics or community health board;

(B) the United States Department of State as a Record of Birth Abroad, Form FS-545 or Form DS-1350; or

(C) a United States embassy as a Consular Report of Birth Abroad, Form FS-240;

(2) a certified copy of an adoption certificate with the applicant's full name and date of birth from a United States court of competent jurisdiction that bears the raised court seal or other court certification;

(3) an unexpired identification card issued to the applicant by the United States Department of Defense for active duty, reserve, or retired military personnel, Form DD-2 or Common Access Card;

(4) a valid, unexpired passport issued to the applicant by the United States Department of State;

(5) a Canadian birth certificate or Canadian naturalization certificate;

(6) one of the following documents issued by the United States Department of Justice or the United States Department of Homeland Security or any subsequent form or version of the documents:

(i) Certificate of Naturalization, Form N-550, Form N-570, or Form N-578;

(ii) Certificate of Citizenship, Form N-560, Form N-561, or Form N-645;

(iii) United States Citizen Identification card, Form I-179 or Form I-197;

(iv) valid, unexpired Permanent Resident or Resident Alien card, Form I-551 or Form I-151;

(v) Northern Mariana card, Form I-873, with "Northern Mariana" imprinted instead of "Resident Alien";

(vi) American Indian card, Form I-872, with "American Indian" imprinted instead of "Resident Alien";

(vii) unexpired employment authorization document with a photograph, Form I-688, Form I-688A, Form I-688B, or Form I-766; or

(viii) unexpired Re-entry Permit/Refugee Travel Document, Form I-571;

(7) an unexpired passport or a consular identification document that bears a photograph of the applicant;

(8) a certified birth certificate issued by a foreign jurisdiction; and

(9) a certified adoption certificate issued by a foreign jurisdiction that includes the applicant's name and date of birth.

(b) A document submitted under this subdivision must contain security features that make the document as impervious to alteration as is reasonably practicable in its design and quality of material and technology.

(c) Submission of more than one primary document is not required under this subdivision.

Subd. 5. **Secondary documents.** (a) For purposes of a noncompliant driver's license or identification card, a secondary document includes:

(1) a second primary document listed under subdivision 4, paragraph (a);

(2) a driver's license, identification card, or permit, with a photograph or digitized image, issued by a United States state other than Minnesota or a foreign jurisdiction and that is current or has expired no more than five years before the application;

(3) a certified copy of a court order or judgment from a United States or Canadian court of competent jurisdiction containing the applicant's full name and date of birth and bearing the raised court seal or other court certification;

(4) a current United States or Canadian government jurisdiction employee photo identification card;

(5) a certified copy of a record of birth issued by a government jurisdiction other than one in the United States, the District of Columbia, Guam, Puerto Rico, or the United States Virgin Islands;

(6) a current identification card or document issued to the applicant by the United States Department of Defense, described as:

(i) DD Form 1173 series, for dependents of active duty personnel; or

(ii) DD Form 214, Certificate of Release or Discharge from Active Duty;

(7) a copy of a marriage certificate certified by the issuing government jurisdiction or the original certificate only if it is in the files of the issuing jurisdiction and can be readily viewed by the official accepting the application;

(8) an unexpired permit to carry a firearm or concealed weapon bearing a color photo of the applicant issued by a chief of police in an organized, full-time United States police department or by a United States county sheriff;

(9) a current pilot's license issued by the United States Department of Transportation, Federal Aviation Administration;

(10) a copy of a transcript containing the applicant's full legal name and date of birth certified by the issuing secondary or postsecondary school;

(11) a United States nonmetal Social Security card or a Canadian social insurance card;

(12) a current secondary school student identification card with the student's name, a photograph or electronically produced image of the student, and the student's date of birth or unique student identification number;

(13) a notice of action on or proof of submission of a completed Application for Asylum and for Withholding of Removal issued by the United States Department of Homeland Security, Form I-589;

(14) a Certificate of Eligibility for Nonimmigrant Student Status issued by the United States Department of Homeland Security, Form I-20;

(15) a Certificate of Eligibility for Exchange Visitor (J-1) Status issued by the United States Department of State, Form DS-2019;

(16) a Deferred Action for Childhood Arrival approval notice issued by the United States Department of Homeland Security;

(17) an employment authorization document issued by the United States Department of Homeland Security, Form I-688, Form I-688A, Form I-688B, or Form I-766;

(18) a document issued by the Internal Revenue Service with an individual taxpayer identification number;

(19) a Social Security card;

(20) a Supplemental Security Income award statement;

(21) a Selective Service card;

(22) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate;

(23) a Minnesota unemployment insurance benefit statement;

(24) a valid identification card for health benefits or an assistance or social services program;

(25) a Minnesota vehicle certificate of title;

(26) mortgage documents for the applicant's residence;

(27) a filed property deed or title for the applicant's residence;

(28) a Minnesota property tax statement or a proposed Minnesota property tax notice;

(29) a certified copy of a divorce decree or dissolution of marriage issued by a court that specifies the applicant's name or name change;

(30) a valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph; and

(31) any of the following documents issued by a foreign jurisdiction:

(i) a driver's license that is current or has been expired for no more than five years before the application;

(ii) a high school, college, or university student identification card with a certified transcript from the school;

(iii) an official high school, college, or university transcript that includes the applicant's date of birth and a photograph of the applicant at the age the record was issued;

(iv) a federal electoral card that contains the applicant's photograph issued on or after January 1, 1991;

(v) a certified copy of the applicant's certificate of marriage; and

(vi) a certified copy of a court order or judgment from a court of competent jurisdiction that contains the applicant's name and date of birth.

(b) Submission of more than one secondary document is not required under this subdivision.

Subd. 6. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the primary or secondary documents submitted under this section. Verification is required if:

(1) the document provided by the applicant is inconsistent with the department record;

(2) the document provided by the applicant appears to be altered or fraudulent; or

(3) there is reason to believe the applicant is not who the applicant claims to be.

Sec. 56. **[171.063] EVIDENCE OF IDENTITY FOR ENHANCED CREDENTIALS.**

Subdivision 1. **Date of birth.** As satisfactory evidence of date of birth, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570;

(5) Certificate of Citizenship, Form N-560 or Form N-561;

(6) American Indian card, Form I-872, or Minnesota tribal identification card that meets the requirements of section 171.072; or

(7) United States military photo identification card issued to active duty, reserve, or retired military personnel.

Subd. 2. **Full legal name.** As satisfactory evidence of full legal name, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents that was not also presented for proof of photographic identity under subdivision 4:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570;

(5) Certificate of Citizenship, Form N-560 or Form N-561;

(6) American Indian card, Form I-872, or Minnesota tribal identification card that meets the requirements of section 171.072;

(7) United States military photo identification card issued to active duty, reserve, or retired military personnel;

(8) federal or Minnesota income tax form W-2;

(9) federal or Minnesota income tax form SSA-1099;

(10) non-SSA federal or Minnesota income tax form 1099;

(11) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(12) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(13) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(14) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(15) federal or state income tax return or statement for the most recent tax filing year;

(16) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(17) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(18) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(19) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(20) valid Minnesota driver's license, valid Minnesota identification card, or valid permit;

(21) unexpired Minnesota professional license;

(22) unexpired Selective Service card;

(23) military orders that are still in effect at the time of the application;

(24) copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(25) certified copy of a court order specifying a name change; or

(26) certified copy of a divorce decree or dissolution of marriage granted to the applicant that specifies a name change requested from a court of competent jurisdiction.

Subd. 3. **Social Security number.** As satisfactory evidence of Social Security number, an applicant for an enhanced driver's license or an enhanced identification card must present the applicant's original Social Security card or one of the following:

(1) federal or Minnesota income tax form W-2;

(2) federal or Minnesota income tax form SSA-1099;

(3) non-SSA federal or Minnesota income tax form 1099; or

(4) United States employment computer-printed pay stub containing the applicant's name, address, and full Social Security number.

Subd. 4. **Photographic identity.** As satisfactory evidence of photographic identity, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

(1) valid Minnesota driver's license, identification card, or permit;

(2) valid driver's license, identification card, or permit issued by another United States state, including the District of Columbia and any United States territory;

(3) United States military identification card issued to active duty, reserve, or retired military personnel;

(4) United States military dependent identification card;

(5) valid, unexpired United States passport or United States passport card;

(6) American Indian card, Form I-872, or Minnesota tribal identification card that meets the requirements under section 171.072;

(7) valid city, county, state, or federal employee identification card;

(8) United States high school identification card with a certified transcript from the same school, both issued no more than 180 days before the application;

(9) United States college or university identification card with a certified transcript from the same college or university, both issued no more than 180 days before the application; or

(10) veterans universal access identification card.

Subd. 5. **United States citizenship.** As satisfactory evidence of United States citizenship, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570; or

(5) Certificate of Citizenship, Form N-560 or Form N-561.

Subd. 6. **Residency.** (a) As satisfactory evidence of residency, an applicant for an enhanced driver's license or enhanced identification card must present two different forms of the following documents that list the applicant's name and address:

(1) United States home utility services bill that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility bill if two unrelated people are listed on the bill;

(2) United States home utility services hook-up work order that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility services hook-up work order if two unrelated people are listed on the work order;

(3) United States financial information with account numbers redacted that is issued no more than 90 days before the application, including a:

(i) bank account statement;

(ii) canceled check; or

(iii) credit card statement;

(4) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(5) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(6) United States employment pay stub that lists the employer's name, address, and telephone number that is issued no more than 90 days before the application;

(7) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(8) assisted living or nursing home statement that is issued no more than 90 days before the application;

(9) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(10) federal or state income tax return or statement for the most recent tax filing year;

(11) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(12) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(13) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(14) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(15) mortgage documents for the applicant's principal residence;

(16) residential lease agreement for the applicant's principal residence that is issued no more than 12 months before the application;

(17) valid Minnesota driver's license, identification card, or permit;

(18) unexpired Minnesota professional license;

(19) unexpired Selective Service card; or

(20) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate.

(b) For purposes of this subdivision, Internet service and cable service are utilities.

(c) The commissioner must verify with the United States Postal Service the address information provided under this subdivision.

Subd. 7. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the documents submitted under this section. Verification is required if:

(1) the document provided by the applicant is inconsistent with the department record;

(2) the document provided by the applicant appears to be altered or fraudulent; or

(3) there is reason to believe the applicant is not who the applicant claims to be.

Sec. 57. **[171.069] TRANSLATIONS.**

For any document submitted to the commissioner under this chapter in a language other than English:

(1) the document must be accompanied by a translation of that document into the English language;

(2) the translation must be sworn to by the translator as being a true and accurate translation;

(3) the translator must not be related by blood or marriage to the applicant; and

(4) the translator must be:

(i) accredited by the American Translators Association;

(ii) certified by a court of competent jurisdiction;

(iii) approved by an embassy or consulate of the United States or diplomatic or consular official of a foreign country assigned or accredited to the United States;

(iv) affiliated with or approved by the United States Citizenship and Immigration Services or a government jurisdiction within the United States;

(v) an attorney licensed to practice in the United States or affiliated with that attorney;

(vi) a vendor listed to provide translation services for the state of Minnesota; or

(vii) a qualified individual who certifies the individual is competent to translate the document into English.

Sec. 58. Minnesota Statutes 2022, section 171.072, is amended to read:

**171.072 TRIBAL IDENTIFICATION CARD.**

(a) If a Minnesota identification card is deemed an acceptable form of identification in Minnesota Statutes or Rules, a tribal identification card is also an acceptable form of identification. A tribal identification card is a primary document for purposes of ~~Minnesota Rules, part 7410.0400, and successor rules,~~ section 171.062 when an applicant applies for a noncompliant license or identification card.

(b) For purposes of this section, "tribal identification card" means an unexpired identification card issued by a ~~Minnesota~~ tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the legal name, date of birth, signature, and picture of the enrolled tribal member.

(c) The tribal identification card must contain security features that make it as impervious to alteration as is reasonably practicable in its design and quality of material and technology. The security features must use materials that are not readily available to the general public. The tribal identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

(d) The requirements of this section do not apply: (1) except as provided in paragraph (a), to an application for a driver's license or Minnesota identification card under this chapter; or (2) to tribal identification cards used to prove an individual's residence for purposes of section 201.061, subdivision 3.

Sec. 59. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 5c, is amended to read:

Subd. 5c. **Caretaker information.** (a) Upon request by an applicant for a driver's license, instruction permit, or Minnesota identification card under section 171.06, subdivision 3, the commissioner must maintain electronic records of names and contact information for ~~up to three~~ individuals receiving exclusive care from the applicant. The request must be made on a form prescribed by the commissioner. The commissioner must make the form available on the department's website. The form must include a notice as described in section 13.04, subdivision 2.

(b) A person who has provided caretaker information under this subdivision may change, add, or delete the information at any time. Notwithstanding sections 171.06, subdivision 2; and 171.061, the commissioner or a driver's license agent must not charge a fee for a transaction described in this paragraph.

(c) Caretaker data are classified as private data on individuals, as defined in section 13.02, subdivision 12, except that the commissioner may share caretaker information with law enforcement agencies to notify the cared-for individuals regarding an emergency.

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

Sec. 60. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 11, is amended to read:

Subd. 11. **Certain data on noncompliant license or identification card; department and agents.** (a) For purposes of this section, "immigration status data" means data on individuals who have applied for or been issued a noncompliant driver's license or identification card and that indicate or otherwise have the effect of identifying (1) whether the individual has demonstrated United States citizenship, or (2) whether the individual has demonstrated lawful presence in the United States. Immigration status data include but are not limited to any documents specified under section ~~171.06, subdivision 9, 10, or 11~~ 171.062; immigration status data contained in those documents; or the applicant's submission of the documents.

(b) Immigration status data are classified as private data on individuals, as defined in section 13.02, subdivision 12. Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate immigration status data except to or within the division of the department that administers driver licensing and to the secretary

of state for purposes of improving the accuracy of voter registration records under subdivision 7a.

(c) As authorized or required by state or federal law, the commissioner or a driver's license agent may share or disseminate data on individuals who have applied for or been issued a noncompliant driver's license or identification card that are not immigration status data to a government entity, as defined in section 13.02, subdivision 7a, or to a federal government entity that does not enforce immigration law, provided that the receiving entity must not use the data for civil immigration enforcement purposes or further disclose the data to a state or federal government entity that primarily enforces immigration law or to any employee or agent of any such government entity.

(d) Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate any data on individuals who have applied for or been issued a noncompliant driver's license or identification card to any federal government entity that primarily enforces immigration law, except pursuant to a valid search warrant or court order issued by a state or federal judge.

(e) Violation of this subdivision by the commissioner, a driver's license agent, a government entity, or an employee or agent thereof constitutes a violation of the Minnesota Government Data Practices Act and may be subject to penalties and remedies applicable under that chapter.

Sec. 61. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant for a driver's license is 21 years of age or older and possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination to obtain a driver's license, the commissioner must waive the requirements that the applicant pass a knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(b) If the commissioner determines that an applicant for a ~~two-wheeled vehicle~~ motorcycle endorsement is 21 years of age or older and possesses a valid driver's license with a ~~two-wheeled vehicle~~ motorcycle endorsement issued by another state or jurisdiction that requires a comparable examination to obtain an endorsement, the commissioner must waive the requirements with respect to the endorsement that the applicant pass a knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

Sec. 62. Minnesota Statutes 2022, section 171.13, subdivision 6, is amended to read:

Subd. 6. ~~**Two-wheeled vehicle**~~ **Motorcycle endorsement examination fee.** A person applying for an initial ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license ~~shall~~ must pay at the place of examination a $2.50 examination fee, an endorsement fee as prescribed in section 171.06, subdivision 2a, and the appropriate driver's license fee as prescribed in section 171.06, subdivision 2.

Sec. 63. Minnesota Statutes 2022, section 171.13, is amended by adding a subdivision to read:

Subd. 10. **Exam scheduling reporting.** (a) By January 15 and July 15 annually, the commissioner must submit a report on road test examination scheduling to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must:

(1) identify the results of any performance measures and metrics established by the commissioner related to scheduling availability and passage of road tests;

(2) identify the rate at which applicants are able to obtain an appointment for the road test as specified under subdivision 1, paragraph (d); and

(3) describe activities of the commissioner to fully meet the requirements under subdivision 1, paragraph (d).

(b) The commissioner must use existing resources to produce the reports under this subdivision.

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

Sec. 64. Minnesota Statutes 2022, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license ~~shall~~ must not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with either of those sections; or

(2) one year, to a person whose license or privilege has been revoked or suspended for:

(i) committing manslaughter resulting from the operation of a motor vehicle~~, committing criminal vehicular homicide or injury under section 609.2112, subdivision 1, clause (1), (2), item (ii), (5), (6), (7), or (8), committing criminal vehicular homicide under section 609.2112, subdivision 1, clause (2), item (i) or (iii), (3), or (4), or violating a statute or ordinance from another state in conformity with either of those offenses.~~; or

(ii) committing criminal vehicular operation under section:

(A) 609.2113, subdivision 1, 2, or 3; or

(B) 609.2114, subdivision 2.

Sec. 65. Minnesota Statutes 2022, section 171.30, subdivision 5, is amended to read:

Subd. 5. **Exception; criminal vehicular ~~operation~~ homicide.** Notwithstanding subdivision 1, the commissioner may not issue a limited license to a person whose driver's license has been suspended or revoked due to:

(1) a violation ~~of~~ under section:

(i) 609.2112, subdivision 1, ~~clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm~~ paragraph (a);

(ii) 609.2114, subdivision 1, paragraph (a); or

(iii) 169.13, subdivision 1, that contributed to causing death to another; or

(2) a statute or ordinance from another state in conformity with the offenses under clause (1).

Sec. 66. Minnesota Statutes 2023 Supplement, section 171.395, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A licensed or approved driver education program that provides both classroom and behind-the-wheel instruction may offer teleconference driver education as provided in this section. For purposes of this section, the driver education program must offer both classroom and behind-the-wheel instruction. ~~If a program partners or contracts with a second program to provide any portion of classroom or behind-the-wheel~~

~~instruction, the first program is not eligible to offer teleconference driver education instruction.~~

Sec. 67. Minnesota Statutes 2023 Supplement, section 171.396, is amended to read:

**171.396 ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed or approved driver education program may offer online driver education as provided in this section. The online driver education program must satisfy the requirements for classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

(1) include a means for the student to measure performance outcomes;

(2) use a pool of rotating quiz questions;

(3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;

(4) measure the amount of time that the student spends in the course;

(5) provide technical support to customers that is available 24 hours per day, seven days per week;

(6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;

(7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;

(8) incorporate preventive measures in place to protect against the access of private information;

(9) include the ability to update course content uniformly throughout the state; and

(10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.

(b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

Sec. 68. Minnesota Statutes 2022, section 174.03, subdivision 12, is amended to read:

Subd. 12. **Trunk highway performance, resiliency, and sustainability.** (a) The commissioner must implement performance measures and ~~annual~~ targets for the trunk highway system in order to construct resilient infrastructure, enhance the project selection for all transportation modes, improve economic security, and achieve the state transportation goals established in section 174.01.

(b) At a minimum, the transportation planning process must include:

(1) an inventory of transportation assets, including but not limited to bridge, pavement, geotechnical, pedestrian, bicycle, and transit asset categories;

(2) ~~lag (resulting), and where practicable lead (predictive),~~ establishment of statewide performance measures and ~~annual~~ targets, reporting of performance measure results, and where possible, performance forecasts that are:

(i) statewide and, where data allow, district-specific;

(ii) for assets in each asset category specified in clause (1) ~~for a period of up to 60 years~~; and

(iii) identified in collaboration with the public;

(3) gap identification and an explanation of the difference between performance targets and current status; and

(4) life cycle assessment and corridor risk assessment as part of asset management programs in each district of the department.

(c) At a minimum, the ten-year capital highway investment plan in each district of the department must:

(1) be based on expected funding during the plan period and, to the extent feasible, maximize long-term benefits;

(2) estimate the funding necessary to make optimal life cycle investments;

~~(2)~~ (3) identify investments within each of the asset categories specified in paragraph (b), clause (1), that are funded through the trunk highway capital program;

~~(3)~~ (4) ~~recommend~~ identify specific trunk highway segments programmed to be removed from the trunk highway system; and

~~(4)~~ (5) deliver annual progress toward achieving the state transportation goals established in section 174.01.

(d) Annually by December 15, the commissioner must report trunk highway performance measures and ~~annual~~ targets and identify gaps, including information detailing the department's progress on achieving the state transportation goals, to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. The report must be signed by the ~~department's chief engineer~~ commissioner.

Sec. 69. Minnesota Statutes 2023 Supplement, section 174.40, subdivision 4a, is amended to read:

Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, town, or federally recognized Indian Tribe is eligible to receive funding under this section. A statutory or home rule charter city, county, or town is eligible to receive funding for infrastructure projects under this section only if it has adopted subdivision regulations that require safe routes to school infrastructure in developments authorized on or after June 1, 2016.

Sec. 70. **[174.595] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Capital building asset" includes but is not limited to district headquarters buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection stations.

(c) "Commissioner" means the commissioner of transportation.

(d) "Department" means the Department of Transportation.

(e) "Program" means the transportation facilities capital program established in this section.

Subd. 2. **Program established.** The commissioner must establish a transportation facilities capital program in conformance with this section to provide for capital building asset projects related to buildings and other capital facilities of the department.

Subd. 3. **Transportation facilities capital accounts.** (a) A transportation facilities capital account is established in the trunk highway fund. The account consists of money appropriated from the trunk highway fund for the purposes of the program and any other money donated, allotted, transferred, or otherwise provided to the account by law.

(b) A transportation facilities capital subaccount is established in the bond proceeds account in the trunk highway fund. The subaccount consists of trunk highway bond proceeds appropriated to the commissioner for the purposes of the program. Money in the subaccount may only be expended on trunk highway purposes, including the purposes specified in this section.

Subd. 4. **Implementation standards.** The commissioner must establish a process to implement the program that includes allocation of funding based on review of eligible projects as provided under subdivision 5 and prioritization as provided under subdivision 6. The process must be in conformance with trunk highway fund uses for the purposes of constructing, improving, and maintaining the trunk highway system in the state pursuant to Minnesota Constitution, article XIV.

Subd. 5. **Eligible expenditures.** A project is eligible under this section only if the project:

(1) involves the construction, improvement, or maintenance of a capital building asset that is part of the trunk highway system; and

(2) accomplishes at least one of the following:

(i) supports the programmatic mission of the department;

(ii) extends the useful life of existing buildings; or

(iii) renovates or constructs facilities to meet the department's current and future operational needs.

Subd. 6. **Prioritization.** In prioritizing funding allocation among projects under the program, the commissioner must consider:

(1) whether a project ensures the effective and efficient condition and operation of the facility;

(2) the urgency in ensuring the safe use of existing buildings;

(3) the project's total life-cycle cost;

(4) additional criteria for priorities otherwise specified in law that apply to a category listed in the act making an appropriation for the program; and

(5) any other criteria the commissioner deems necessary.

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

Sec. 71. Minnesota Statutes 2022, section 174.632, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The planning, design, development, construction, operation, and maintenance of passenger rail track, facilities, and services are governmental functions, serve a public purpose, and are a matter of public necessity.

(b) The commissioner is responsible for all aspects of planning, designing, developing, constructing, equipping, operating, promoting, and maintaining passenger rail, including system planning, alternatives analysis, environmental studies, preliminary engineering, final design, construction, negotiating with railroads, and developing financial and operating plans.

(c) The commissioner may enter into a memorandum of understanding or agreement with a public or private entity, including Amtrak, a regional railroad authority, a joint powers board, and a railroad, to carry out these activities.

Sec. 72. Minnesota Statutes 2022, section 174.636, subdivision 1, is amended to read:

Subdivision 1. **Powers.** The commissioner has all powers necessary to carry out the duties specified in section 174.632. In the exercise of those powers, the commissioner may:

(1) acquire by purchase, gift, or by eminent domain proceedings as provided by law, all land and property necessary to preserve future passenger rail corridors or to construct, maintain, and improve passenger rail corridors;

(2) conduct and engage in promotional and marketing research, campaigns, outreach, and other activities to increase awareness, education, and ridership of passenger rail in Minnesota;

~~(2)~~ (3) let all necessary contracts as provided by law; and

~~(3)~~ (4) make agreements with and cooperate with any public or private entity, including Amtrak, to carry out statutory duties related to passenger rail.

Sec. 73. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

Subd. 7a. **Locate.** "Locate" means an operator's markings of an underground facility.

Sec. 74. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

Subd. 7b. **Locate period.** "Locate period" means:

(1) the period among the following that ends farthest from now:

(i) the 48-hour period beginning at 12:01 a.m. on the day after a locate request is submitted to the notification center, excluding any Saturday, Sunday, or holiday; or

(ii) the period between the date of submission of a locate request to the notification center and the identified date and time of excavation; or

(2) if applicable, and notwithstanding clause (1), a period of time that is mutually agreed to between the excavator and operator, as specified in written documentation provided to the notification center.

Sec. 75. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

Subd. 8a. **On-site meet.** "On-site meet" means meeting at the site of a proposed excavation requested at the time of notice by the excavator with all affected underground facility operators to further clarify the precise geographic location of excavation, schedule the locating, propose future contacts, and share other information concerning the excavation and facilities.

Sec. 76. Minnesota Statutes 2022, section 216D.01, subdivision 12, is amended to read:

Subd. 12. **Utility quality level.** "Utility quality level" means a professional opinion about the quality and reliability of utility information. There are four levels of utility quality information, ranging from the most precise and reliable, level A, to the least precise and reliable, level D. The utility quality level must be determined in accordance with guidelines established by the Construction Institute of the American Society of Civil Engineers in the document ~~CI/ASCE 38-02~~ entitled "~~Standard Guidelines for the Collection and Depiction of Existing Subsurface Utility Data.~~ Standard Guideline for Investigating and Documenting Existing Utilities," ASCE/UESI/CI 38-22, or in a successor document.

Sec. 77. Minnesota Statutes 2022, section 216D.03, is amended by adding a subdivision to read:

Subd. 5. **Performance reporting.** (a) Each operator must submit a report to the Office of Pipeline Safety on a quarterly basis, using a form or database entry designated by the Office of Pipeline Safety. The report must contain the following information:

(1) the total number of notifications and the number of notifications, itemized by type;

(2) for each notification type, the percentage of notifications marked by the start time on the notice; and

(3) the number of utility damages, itemized by the cause of the damages.

(b) Except for a pipeline operator that is subject to chapter 299F or 299J, an operator with fewer than 5,000 notifications received during the previous calendar year is exempt from the reporting requirement under paragraph (a).

(c) The data collected under this subdivision may not be used to initiate an enforcement action by the Office of Pipeline Safety.

(d) The commissioner must annually publish a report on the data collected under this subdivision and make the report available on the Office of Pipeline Safety website.

Sec. 78. Minnesota Statutes 2022, section 216D.04, is amended to read:

**216D.04 EXCAVATION; LAND SURVEY.**

Subdivision 1. **Notice required; contents.** (a) Except in an emergency, an excavator ~~shall~~ must and a land surveyor may contact the notification center and provide notice at least 48 hours, excluding the day of notification, Saturdays, Sundays, and holidays and not more than 14 calendar days before beginning any excavation or boundary survey. An excavation or boundary survey begins, for purposes of this requirement, the first time excavation or a boundary survey occurs in an area that was not previously identified by the excavator or land surveyor in the notice.

(b) The notice may be oral or written, and must contain the following information:

(1) the name of the individual providing the notice;

(2) the precise location of the proposed area of excavation or survey;

(3) the name, address, and telephone number of the individual or individual's company;

(4) the field telephone number, if one is available;

(5) the type and extent of the activity;

(6) whether or not the discharge of explosives is anticipated;

(7) the date and time when the excavation or survey is to commence; and

(8) the estimated duration of the activity.

Subd. 1a. **Plans for excavation.** (a) Any person, prior to soliciting bids or entering into a contract for excavation, ~~shall~~ must provide a proposed notice to the notification center to

obtain from the affected operators of underground facilities the type, size, and general location of underground facilities. Affected operators ~~shall~~ must provide the information within 15 working days. An operator who provides information to a person who is not a unit of government may indicate any portions of the information which are proprietary and may require the person to provide appropriate confidentiality protection. The information obtained from affected operators must be submitted on the final drawing used for the bid or contract and must depict the utility quality level of that information. This information must be updated not more than 90 days before completion of the final drawing used for the bid or contract.

(b) This subdivision does not apply to bids and contracts for:

(1) routine maintenance of underground facilities or installation, maintenance, or repair of service lines;

(2) excavation for operators of underground facilities performed on a unit of work or similar basis; or

(3) excavation for home construction and projects by home owners.

(c) A person required by this section to show existing underground facilities on its drawings ~~shall~~ must conduct one or more preliminary design meetings during the design phase to communicate the project design and project scope and timeline and to coordinate utility relocation. Affected facility operators ~~shall~~ must attend these meetings ~~or make other arrangements to provide information~~. Project owners must provide project start dates, duration information, and scope of work.

(d) A person required by this section to show existing underground facilities on its drawings ~~shall~~ must conduct one or more preconstruction meetings to communicate the project design and project scope and timeline and to coordinate utility relocation. Affected facility operators and contractors ~~shall~~ must attend these meetings ~~or make other arrangements to provide information~~.

(e) This subdivision does not affect the obligation to provide a notice of excavation as required under subdivision 1.

Subd. 1b. **On-site meet.** (a) An on-site meet may be requested for any excavation at the discretion of the excavator. The meet request must include the entire geographic area of the proposed excavation and the specific location of the meet.

(b) Unless otherwise agreed to between an excavator and operator, an on-site meet is required for:

(1) an excavation notice that involves excavation of one mile or more in length; or

(2) any combination of notices provided for adjacent geographic sections that, when combined, meet or exceed the minimum excavation length under clause (1).

(c) The excavator must provide a precise geographic area of the proposed excavation and use markings as specified under section 216D.05, clause (2).

(d) An affected operator must (1) attend the on-site meet at the proposed date and time, or (2) contact the excavator before the meet and (i) reschedule the meet for a mutually agreed date and time, or (ii) reach an agreement with the excavator that a meet is not required. At the meet, the operator and the excavator must reach an agreement on any subsequent planned meets or further communication.

(e) The on-site meet date and time must occur at least 48 hours after the notice, excluding Saturdays, Sundays, and holidays. The excavation start time must be at least 48 hours after the proposed meet date and time specified on the notice, excluding Saturdays, Sundays, and holidays.

(f) The excavator and the operator must submit documentation of each on-site meet to the notification center, in the manner specified by the notification center. The documentation must include:

(1) the date and time of the meet;

(2) the names, company affiliations, and contact information of the attendees of each meet;

(3) a diagram, sketch, or description of the precise excavation locations, dates, and times; and

(4) the agreed schedule of any future on-site meets or communications.

Subd. 2. **Duties of notification center; regarding notice.** The notification center ~~shall~~ must assign an inquiry identification number to each notice and retain a record of all notices received for at least six years. The center ~~shall~~ must immediately transmit the information contained in a notice to every operator that has an underground facility in the area of the proposed excavation or boundary survey.

Subd. 3. **Locating underground facility; operator.** (a) Prior to the ~~excavation start time on the notice~~ conclusion of the locate period, an operator ~~shall~~ must locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator and provide readily available information regarding the operator's abandoned

and out-of-service underground facilities as shown on maps, drawings, diagrams, or other records used in the operator's normal course of business, without cost to the excavator. The excavator ~~shall~~ must determine the precise location of the underground facility, without damage, before excavating within two feet of the marked location of the underground facility.

(b) Within 96 hours or the time specified in the notice, whichever is later, after receiving a notice for boundary survey from the notification center, excluding Saturdays, Sundays, and holidays, unless otherwise agreed to between the land surveyor and operator, an operator ~~shall~~ must locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator, without cost to the land surveyor.

(c) For the purpose of this section, the approximate horizontal location of the underground facilities is a strip of land two feet on either side of the underground facilities.

(d) Markers used to designate the approximate horizontal location of underground facilities ~~must~~ are subject to the following requirements:

(1) markers must be a combination of paint markings and at least one of the following: (i) a flag or flags, (ii) a stake or stakes, or (iii) a whisker or whiskers;

(2) all markers under clause (1) must follow the current color code standard used by the American Public Works Association;

(3) markers must be located within a plus or minus two-foot tolerance; and

(4) the name of the operator must be indicated on each flag, stake, or whisker.

If the surface being marked is hard, markers without flags, stakes, or whiskers may be used but must comply with the color code standard and tolerance requirement under clauses (2) and (3).

(e) If the operator cannot complete marking of the excavation or boundary survey area before the excavation or boundary survey start time stated in the notice, the operator ~~shall~~ must promptly contact the excavator or land surveyor.

(f) ~~After December 31, 1998,~~ Operators ~~shall~~ must maintain maps, drawings, diagrams, or other records of any underground facility abandoned or out-of-service after December 31, 1998.

(g) An operator or other person providing information pursuant to this subdivision is not responsible to any person, for any costs, claims, or damages for information provided in good faith regarding abandoned, out-of-service, or private or customer-owned underground facilities.

(h) An operator must use geospatial location information or an equivalent technology to develop as-built drawings of newly installed or newly abandoned facilities if exposed in the excavation area. The requirements under this paragraph apply (1) on or after January 1, 2026, or (2) on or after January 1, 2027, for an operator that provided services to fewer than 10,000 customers in calendar year 2025.

Subd. 4. **Locating underground facility; excavator or land surveyor.** (a) The excavator or land surveyor ~~shall~~ must determine the precise location of the underground facility, without damage, before excavating within two feet on either side of the marked location of the underground facility.

(b) Activities in the proposed area of excavation or boundary survey must take place before the expiration date and time on the notification. If the excavator or land surveyor cancels the excavation or boundary survey, the excavator or land surveyor ~~shall~~ must cancel the notice through the notification center.

(c) The notice is valid for 14 calendar days from the start time stated on the notice. If the activity will continue after the expiration time, then the person responsible for the activity ~~shall~~ must serve an additional notice at least 48 hours, excluding Saturdays, Sundays, and holidays, before the expiration time of the original notice, unless the excavator makes arrangements with the operators affected to periodically verify or refresh the marks, in which case the notice is valid for six months from the start time stated on the notice.

(d) The excavator is responsible for reasonably protecting and preserving the marks until no longer required for proper and safe excavation near the underground facility. If the excavator has reason to believe the marks are obliterated, obscured, missing, or incorrect, the excavator ~~shall~~ must notify the facility operator or notification center in order to have an operator verify or refresh the marks.

Sec. 79. Minnesota Statutes 2022, section 216D.05, is amended to read:

**216D.05 PRECAUTIONS TO AVOID DAMAGE.**

(a) An excavator ~~shall~~ must:

(1) plan the excavation to avoid damage to and minimize interference with underground facilities in and near the construction area;

(2) ~~use white markings~~ for proposed excavations ~~except where it can be shown that it is not practical~~, use (i) white markings or black markings in wintery conditions, or (ii) electronic marking as provided in paragraph (b);

(3) maintain a clearance between an underground facility and the cutting edge or point of any mechanized equipment, considering the known limit of control of the cutting edge or point to avoid damage to the facility;

(4) provide support for underground facilities in and near the construction area, including during backfill operations, to protect the facilities; and

(5) conduct the excavation in a careful and prudent manner.

(b) An excavator may use electronic marking under paragraph (a), clause (2), if:

(1) the marking provides at least as much proposed excavation information as equivalent physical markings; and

(2) electronic marking used prior to January 1, 2026, is accompanied by equivalent physical markings as provided under paragraph (a), clause (2).

(c) Following submission of electronic marking, an operator may require the excavator to use physical markings.

Sec. 80. Minnesota Statutes 2022, section 221.033, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** Except as provided in ~~subdivisions 2 to 2d~~ this section, no person may transport or offer or accept for transportation within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 5101 to 5126 and the provisions of Code of Federal Regulations, title 49, parts 171 to 199, which are incorporated by reference. Those provisions apply to transportation in intrastate commerce to the same extent they apply to transportation in interstate commerce.

Sec. 81. Minnesota Statutes 2022, section 221.033, is amended by adding a subdivision to read:

Subd. 2e. **Transportation of specific petroleum products; driver requirements.** (a) This subdivision applies to intrastate commerce.

(b) A driver who operates a motorized tank truck vehicle with a capacity of less than 3,500 gallons that is used to transport petroleum products must have a valid commercial driver's license with endorsements for hazardous materials and tank vehicles and be at least 18 years of age.

(c) A driver who operates a vehicle that is used to transport liquefied petroleum gases in nonbulk or bulk packaging as defined in Code of Federal Regulations, title 49, section

171.8, including the transportation of consumer storage tanks in compliance with Code of Federal Regulations, title 49, section 173.315(j), must have a valid commercial driver's license with a hazardous materials endorsement and be at least 18 years of age.

(d) A driver who operates a vehicle under paragraph (c) must also have a tank vehicle endorsement if the aggregate capacity of the bulk packaging being transported is 1,000 gallons or more.

(e) Nonbulk or bulk packaging transported under paragraph (c) must have an aggregate capacity of less than 3,500 gallons.

Sec. 82. Minnesota Statutes 2022, section 360.013, is amended by adding a subdivision to read:

Subd. 57c. **Roadable aircraft.** "Roadable aircraft" has the meaning given in section 169.011, subdivision 67a.

Sec. 83. Minnesota Statutes 2022, section 360.075, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanor.** Every person who:

(1) operates an aircraft either on or over land or water in this state without the consent of the owner of such aircraft;

(2) operates aircraft while in the possession of any federal license, certificate, or permit or any certificate of registration issued by the Transportation Department of this state, or displays, or causes or permits to be displayed, such federal license, certificate, or permit or such state certificate of registration, knowing either to have been canceled, revoked, suspended, or altered;

(3) lends to, or knowingly permits the use of by, one not entitled thereto of any federal airman's or aircraft license, certificate, or permit, or any state airman's or aircraft certificate of registration issued to that person;

(4) displays or represents as the person's own any federal airman's or aircraft license, certificate, or permit or any state airman's or aircraft certificate of registration not issued to that person;

(5) tampers with, climbs upon or into, makes use of, or navigates any aircraft without the knowledge or consent of the owner or person having control thereof, whether while the same is in motion or at rest, or hurls stones or any other missiles at aircraft, or the occupants

thereof, or otherwise damages or interferes with the same, or places upon any portion of any airport any object, obstruction, or other device tending to injure aircraft or parts thereof;

(6) uses a false or fictitious name, gives a false or fictitious address, knowingly makes any false statement or report, or knowingly conceals a material fact, or otherwise commits a fraud in any application or form required under the provisions of sections 360.011 to 360.076, or by any rules or orders of the commissioner;

(7) operates any aircraft in such a manner as to indicate either a willful or a wanton disregard for the safety of persons or property;

(8) carries on or over land or water in this state in an aircraft other than a public aircraft any explosive substance except as permitted by the Federal Explosives Act, as amended by Public Law 77-775;

(9) discharges a gun, pistol, or other weapon in or from any aircraft in this state except as the hunting of certain wild animals from aircraft may be permitted by other laws of this state, or unless the person is the pilot or officer in command of the aircraft or a peace officer or a member of the military or naval forces of the United States, engaged in the performance of duty;

(10) carries in any aircraft, other than a public aircraft, any shotgun, rifle, pistol, or small arms ammunition except in the manner in which such articles may be lawfully carried in motor vehicles in this state, or is a person excepted from the provisions of clause (9);

(11) engages in acrobatic or stunt flying without being equipped with a parachute and without providing any other occupants of the aircraft with parachutes and requiring that they be worn;

(12) while in flying over a thickly inhabited area or over a public gathering in this state, engages in trick or acrobatic flying or in any acrobatic feat;

(13) except while in landing or taking off, flies at such low levels as to endanger persons on the surface beneath, or engages in advertising through the playing of music or transcribed or oral announcements, or makes any noise with any siren, horn, whistle, or other audible device which is not necessary for the normal operation of the aircraft, except that sound amplifying devices may be used in aircraft when operated by or under the authority of any agency of the state or federal government for the purpose of giving warning or instructions to persons on the ground;

(14) drops any object, except loose water, loose fuel, or loose sand ballast, without the prior written consent of the commissioner of transportation and the prior written consent

of the municipality or property owner where objects may land; drops objects from an aircraft that endanger person or property on the ground, or drops leaflets for any purpose whatsoever; ~~or~~

(15) while in flight in an aircraft, whether as a pilot, passenger, or otherwise, endangers, kills, or attempts to kill any birds or animals or uses any aircraft for the purpose of concentrating, driving, rallying, or stirring up migratory waterfowl; or

(16) while operating an aircraft, takes off or lands the aircraft on a public road without consent of the landowner unless under conditions of an emergency;

except as may be permitted by other laws of this state, shall be guilty of a misdemeanor.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 84. Laws 2021, First Special Session chapter 5, article 2, section 3, is amended to read:

Sec. 3. **BOND SALE EXPENSES** **$** **413,000**

(a) This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

(b) This appropriation is available in the amounts of:

(1) $213,000 in fiscal year 2022;

(2) $100,000 in fiscal year 2024; and

(3) $100,000 in fiscal year 2025.

(c) The appropriation in this section cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as

specified under paragraph (b), and not as the date of enactment of this section.

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

Sec. 85. Laws 2023, chapter 68, article 1, section 2, subdivision 4, is amended to read:

Subd. 4. **Local Roads**

| | | |
|---|---|---|
| (a) **County State-Aid Highways** | 917,782,000 | 991,615,000 |

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081, 174.49, and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

| | | |
|---|---|---|
| (b) **Municipal State-Aid Streets** | 236,360,000 | 251,748,000 |

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) **Other Local Roads**

| | | |
|---|---|---|
| (1) **Local Bridges** | 18,013,000 | -0- |

This appropriation is from the general fund to replace or rehabilitate local deficient bridges under Minnesota Statutes, section 174.50. This is a onetime appropriation and is available until June 30, 2027.

| | | |
|---|---|---|
| (2) **Local Road Improvement** | 18,013,000 | -0- |

This appropriation is from the general fund for construction and reconstruction of local roads under Minnesota Statutes, section 174.52. This is a onetime appropriation and is available until June 30, 2027.

(3) **Local Transportation Disaster Support** 4,300,000 1,000,000

This appropriation is from the general fund to provide:

(i) a cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125.; and

(ii) assistance for roadway damage on the state-aid or federal-aid system associated with state or federally declared disasters ineligible for assistance from existing state and federal disaster programs.

Of the appropriation in fiscal year 2024, $3,300,000 is onetime and is available until June 30, 2027.

(4) **Metropolitan Counties** 20,000,000 -0-

This appropriation is from the general fund for distribution to metropolitan counties as provided under Minnesota Statutes, section 174.49, subdivision 5, for use in conformance with the requirements under Minnesota Statutes, section 174.49, subdivision 6.

Sec. 86. Laws 2023, chapter 68, article 2, section 2, subdivision 3, is amended to read:

Subd. 3. **Transportation Facilities Capital Improvements** 87,440,000

This appropriation is for ~~capital improvements to Department of Transportation facilities. The improvements must: (1) support the~~

~~programmatic mission of the department; (2) extend the useful life of existing buildings; or (3) renovate or construct facilities to meet the department's current and future operational needs~~ the transportation facilities capital program under Minnesota Statutes, section 174.595.

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

Sec. 87. Laws 2023, chapter 68, article 2, section 2, subdivision 4, is amended to read:

Subd. 4. **Trunk Highway 65; Anoka County** 68,750,000

This appropriation is for ~~one or more grants to the city of Blaine, Anoka County, or both for the~~ predesign, right-of-way acquisition, design, engineering, and construction of intersection improvements along Trunk Highway 65 at 99th Avenue Northeast; 105th Avenue Northeast; Anoka County State-Aid Highway 12; 109th Avenue Northeast; 117th Avenue Northeast; and the associated frontage roads and backage roads within the trunk highway system.

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

Sec. 88. Laws 2023, chapter 68, article 2, section 2, subdivision 5, is amended to read:

Subd. 5. **U.S. Highway 10; Coon Rapids** 30,000,000

This appropriation is for ~~a grant to Anoka County for~~ preliminary engineering, environmental analysis, final design, right-of-way acquisition, construction, and construction administration of a third travel lane in each direction of marked U.S. Highway 10 from east of the interchange with Hanson

Boulevard to Round Lake Boulevard in the city of Coon Rapids.

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

Sec. 89. Laws 2023, chapter 68, article 2, section 2, subdivision 7, is amended to read:

Subd. 7. **U.S. Highway 169 Interchange; Scott County** 4,200,000

This appropriation is ~~for a grant to Scott County~~ to design and construct trunk highway improvements associated with an interchange at U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians and for bridge and road construction.

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

Sec. 90. Laws 2023, chapter 68, article 2, section 2, subdivision 9, is amended to read:

Subd. 9. **U.S. Highway 8; Chisago County** 42,000,000

This appropriation is for ~~a grant to Chisago County for~~ predesign, design, engineering, and reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to marked Interstate Highway 35, including pedestrian and bike trails along and crossings of this segment of marked U.S. Highway 8. The reconstruction project may include expanding segments of marked U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of trunk highway bonds. ~~This~~

~~appropriation is not available until the commissioner of management and budget determines that sufficient resources have been committed from nonstate sources to complete the project.~~

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

Sec. 91. Laws 2023, chapter 68, article 2, section 3, is amended to read:

Sec. 3. **BOND SALE EXPENSES** **$** **610,000**

(a) This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

(b) This appropriation is available in the amounts of:

(1) $330,000 in fiscal year 2024;

(2) $140,000 in fiscal year 2025; and

(3) $140,000 in fiscal year 2026.

(c) The appropriation in this section cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (b), and not as the date of enactment of this section.

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

Sec. 92. **TRAFFIC ENGINEERING STUDIES AND INVESTIGATIONS.**

(a) Notwithstanding the requirements of the Minnesota Manual on Uniform Traffic Control Devices established by the commissioner of transportation under Minnesota Statutes,

section 169.06, subdivision 2, by July 1, 2024, the commissioner must implement section 2B.21 of the Manual on Uniform Traffic Control Devices for Streets and Highways, 11th Edition, as incorporated by the United States Department of Transportation, pertaining to traffic engineering studies and investigations for establishing or reevaluating speed limits within speed zones.

(b) This section expires upon adoption of relevant revisions to the Minnesota Manual on Uniform Traffic Control Devices that pertain to traffic engineering studies and investigations for speed zones. The commissioner must notify the revisor of statutes, whether electronically or in writing, of the expiration.

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

Sec. 93. **FULL-SERVICE PROVIDER.**

(a) For purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of public safety; and

(2) "full-service provider" has the meaning given in Minnesota Statutes, section 168.002, subdivision 12a.

(b) A driver's license agent under Minnesota Statutes, section 171.061, who was appointed before January 1, 2024, and is recognized by the commissioner as a limited licensing agent under Minnesota Rules, part 7404.0340, may apply to the commissioner to become a full-service provider at the agent's current office location. A driver's license agent must submit an application on or before June 1, 2025. By June 30, 2025, an applicant under this section must satisfactorily complete any additional staff training required by the commissioner to offer expanded services as a full-service provider.

(c) The commissioner may appoint an applicant who meets the requirements under this section as a full-service provider.

(d) Minnesota Rules, chapter 7404, applies to an appointment under this section, except that this section applies notwithstanding Minnesota Rules, parts 7404.0300, subparts 4, 5, and 6; 7404.0305, subpart 1, item B; 7404.0345, item D; 7404.0350; 7404.0360, subpart 2; and 7404.0400, subpart 4, item B.

Sec. 94. **MINNESOTA STATE FAIR TRANSPORTATION PLANNING.**

(a) By August 1, 2024, the board of managers of the State Agricultural Society, in consultation with the Metropolitan Council, must develop a multimodal Minnesota State

Fair transportation plan for implementation at the 2024 Minnesota State Fair and must submit a copy of the plan to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and transportation policy and finance.

(b) At a minimum, the plan must:

(1) determine methods to reduce motor vehicle traffic, congestion, and parking in the area of the Minnesota State Fairgrounds;

(2) identify improvements to the transportation experience for attendees at the Minnesota State Fair;

(3) expand bicycle access and secure storage, including at park-and-ride locations;

(4) improve support for ride hailing and transportation network companies; and

(5) specify public distribution of information on transportation options and services.

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

Sec. 95. **REPEALER.**

(a) Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 216D.06, subdivision 3; and 221.033, subdivision 2c, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, and 11, are repealed.

(c) Minnesota Rules, part 7411.7600, subpart 3, is repealed.

**EFFECTIVE DATE.** Paragraph (c) is effective July 1, 2024.

## ARTICLE 2
## GREATER MINNESOTA TRANSIT PROGRAM

Section 1. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 1a. **Complementary paratransit service (ADA).** "Complementary paratransit service (ADA)" means public transportation service provided on a regular basis where fixed route public transit service exists and is designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 2. Minnesota Statutes 2022, section 174.22, subdivision 2b, is amended to read:

Subd. 2b. **Elderly and disabled service.** "Elderly and disabled service" means transportation service provided on a regular basis in small urbanized or large urbanized areas and designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 3. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 3a. **Large urbanized area service.** "Large urbanized area service" means a public transportation service operated in areas located outside the metropolitan area with a population greater than 200,000 that is designated by the United States Census Bureau. Large urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 4. Minnesota Statutes 2022, section 174.22, subdivision 7, is amended to read:

Subd. 7. **Public ~~transit or transit~~ transportation.** ~~"Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit.~~ "Public transportation" means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income. Public transportation does not include:

(1) intercity passenger rail transportation provided by the entity described in United States Code, title 49, section 243, or a successor entity;

(2) intercity bus service;

(3) charter bus service;

(4) school bus service;

(5) sightseeing service;

(6) courtesy shuttle service for patrons of one or more specific establishments; or

(7) intraterminal or intrafacility shuttle services.

Sec. 5. Minnesota Statutes 2022, section 174.22, subdivision 12, is amended to read:

Subd. 12. **Rural area service.** "Rural area service" means a public transportation service ~~primarily~~ operated in ~~an area having population centers of less than 2,500 persons~~ rural

areas that have not been designated in the most recent decennial census as an urbanized area by the United States Census Bureau.

Sec. 6. Minnesota Statutes 2022, section 174.22, subdivision 14, is amended to read:

Subd. 14. **Small ~~urban~~ urbanized area service.** "Small ~~urban~~ urbanized area service" means a public transportation service ~~operating in an area with a population between 2,500 and 50,000~~ operated in areas located outside the metropolitan area with a population of at least 50,000 but less than 200,000 that is designated by the United States Census Bureau. Small urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 7. Minnesota Statutes 2022, section 174.23, subdivision 2, is amended to read:

Subd. 2. **Financial assistance; application, approval.** (a) The commissioner ~~shall~~ must seek out and select eligible recipients of financial assistance under sections 174.21 to 174.27.

(b) The commissioner ~~shall~~ must establish ~~by rule the~~ procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 174.21 to 174.27. Any applicant ~~shall~~ must provide to the commissioner any financial or other information required by the commissioner to carry out the commissioner's duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance.

~~(c) Before the commissioner approves any grant, the application for the grant may be reviewed by the appropriate regional development commission only for consistency with regional transportation plans and development guides. If an applicant proposes a project within the jurisdiction of a transit authority or commission or a transit system assisted or operated by a city or county, the application shall also be reviewed by that commission, authority, or political subdivision for consistency with its transit programs, policies, and plans.~~

Sec. 8. Minnesota Statutes 2022, section 174.24, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit investment plan.** (a) The commissioner ~~shall~~ must develop a greater Minnesota transit investment plan that contains a goal of meeting at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025.

(b) The plan must include, but is not limited to, the following:

(1) an analysis of ridership and total transit service needs throughout greater Minnesota;

(2) a calculation of the level and type of service required to meet total transit service needs, for the transit system classifications as provided under subdivision 3b, paragraph (c), of large urbanized area, small ~~urban~~ urbanized area, rural area, ~~and~~ elderly and disabled service, and complementary paratransit service (ADA);

(3) an analysis of costs and revenue options;

(4) a plan to reduce total transit service needs as specified in this subdivision; and

(5) identification of the operating and capital costs necessary to meet 100 percent of the greater Minnesota transit targeted and projected bus service hours, as identified in the greater Minnesota transit plan, for 2010, 2015, 2020, 2025, and 2030.

(c) The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide fixed route public transit service without charge for disabled veterans in accordance with subdivision 7.

Sec. 9. Minnesota Statutes 2022, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. **Operating assistance; recipient classifications.** ~~(a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.~~

~~(b)~~ (a) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner ~~shall~~ must place all recipients into one of the following classifications: large urbanized area service, small ~~urban~~ urbanized area service, rural area service, ~~and~~ elderly and disabled service, and complementary paratransit service (ADA).

~~(c)~~ (b) The commissioner ~~shall~~ must distribute ~~funds~~ the operating assistance amount under this section so that the percentage ~~of total contracted operating cost~~ from local sources paid by any recipient ~~from local sources~~ will not exceed the following percentage for that recipient's classification, except as provided in this subdivision~~. The percentages must be~~:

(1) for urbanized area service and small urban area service, 20 percent;

(2) for rural area service, 15 percent; and

(3) for elderly and disabled service and complementary paratransit service (ADA), 15 percent.

~~Except as provided in a United States Department of Transportation program allowing or requiring a lower percentage to be paid from local sources, the remainder of the recipient's total contracted operating cost will be paid from state sources of funds less any assistance received by the recipient from the United States Department of Transportation.~~

~~(d)~~ (c) For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds~~, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost~~.

~~(e)~~ (d) If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of ~~total operating cost~~ the operating assistance amount from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of ~~total operating cost~~ the operating assistance amount as provided in this paragraph, the commissioner ~~shall~~ must reduce the state share in each classification to the extent necessary.

Sec. 10. Minnesota Statutes 2022, section 174.24, subdivision 3c, is amended to read:

Subd. 3c. **Nonoperating assistance.** The commissioner ~~shall~~ must determine the total cost of any planning and engineering design, capital assistance, other capital expenditures, and other assistance for public transit services that furthers the purposes of section 174.21 for any public transit system receiving or applying for the assistance in accordance with generally accepted accounting principles. The percentage of local sources paid by any recipient must not exceed 20 percent of the awarded amount. To be eligible for non-operating-cost financial assistance, an applicant or recipient ~~shall~~ must provide to the commissioner all financial records and other information and ~~shall~~ must permit any inspection

reasonably necessary to determine total cost and the amount of assistance that may be paid to the applicant or recipient. When more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner ~~shall~~ must identify one as a lead agency for the purpose of receiving money under this section. The commissioner has the sole discretion to determine the amount of state funds distributed to any recipient for non-operating-cost assistance.

Sec. 11. Minnesota Statutes 2022, section 174.247, is amended to read:

**174.247 ANNUAL TRANSIT REPORT.**

(a) By February 15 annually, the commissioner ~~shall~~ must submit a report to the legislature on transit services outside the metropolitan area. ~~The Metropolitan Council and~~ Any public transit system receiving assistance under section 174.24 ~~shall~~ must provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies for each public transit system and for each transit system classification under section 174.24, subdivision 3b:

(i) the operating and capital costs;

(ii) each of the funding sources used to provide financial assistance; and

(iii) for federal funds, the amount from each specific federal program under which funding is provided;

(6) a summary of the differences in program implementation requirements and aid recipient eligibility between federal aid and state sources of funds; and

(7) ~~in each odd-numbered year,~~ an analysis of public transit system needs and operating expenditures on an annual basis, which must include a methodology for identifying monetary needs, and calculations of:

(i) the total monetary needs for all public transit systems, for the year of the report and the ensuing five years;

(ii) the total expenditures from local sources for each transit system classification;

(iii) the comprehensive transit assistance percentage for each transit system classification, which equals (A) the expenditures identified under item (ii), for a transit system classification, divided by (B) the amounts identified under subitem (A), plus the sum of state sources of funds plus federal funds provided to all transit systems in that classification; and

(iv) the amount of surplus or insufficient funds available for paying capital and operating costs to fully implement the greater Minnesota transit investment plan under section 174.24, subdivision 1a.

Sec. 12. **REPEALER.**

(a) Minnesota Statutes 2022, sections 174.22, subdivisions 5 and 15; and 174.23, subdivision 7, are repealed.

(b) Minnesota Rules, parts 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, and 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, and 4; and 8835.0350, subparts 1, 3, 4, and 5, are repealed.

## ARTICLE 3
## CONFORMING CHANGES

Section 1. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(e) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(g) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (l), clauses (4), (5), (6), and (7).

(h) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

(i) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

(j) Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(k) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(l) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(m) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (l) according to paragraphs (p) and (q) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(n) The commissioner shall:

(1) verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(o) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care,

local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(p) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (k), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $12.10 for the base rate and $1.43 per mile when provided by a nonemergency medical transportation provider;

(4) $14.30 for the base rate and $1.43 per mile for assisted transport;

(5) $19.80 for the base rate and $1.70 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

(q) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (p), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (p), clauses (1) to (7).

(r) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (p) and (q), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(s) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (p) and (q), shall exempt all modes of transportation listed under paragraph (l) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(t) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (p) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

Sec. 2. Minnesota Statutes 2022, section 473.121, subdivision 19, is amended to read:

Subd. 19. **Public transit or transit.** "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

Sec. 3. Minnesota Statutes 2023 Supplement, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit representative under this section.

Sec. 4. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 174.22, in alphabetical order and correct any cross-reference changes that result.

(b) The revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes, sections 174.21 to 174.27.

(c) Except as otherwise provided in this article, the revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes in conjunction with a specific reference to Minnesota Statutes, section 174.22, subdivision 7.

**169.011 DEFINITIONS.**

Subd. 70. **Safety zone.** "Safety zone" means the area or space officially set apart within a roadway for the exclusive use of pedestrians and which is protected or is so marked or indicated by adequate signs as to be plainly visible at all times set apart as a safety zone.

**169.25 SAFETY ZONE.**

No vehicle shall at any time be driven through a safety zone.

**171.06 APPLICATION FOR LICENSE, PERMIT, IDENTIFICATION CARD; FEES.**

Subd. 9. **Noncompliant license or identification card; general requirements.** (a) A document submitted under this subdivision or subdivision 10 or 11 must include the applicant's name and must be:

(1) issued to or provided for the applicant;

(2) legible and unaltered;

(3) an original or a copy certified by the issuing agency or by a court; and

(4) accompanied by a certified translation or an affidavit of translation into English, if the document is not in English.

(b) If the applicant's current legal name is different from the name on a document submitted under subdivision 10 or 11, the applicant must submit:

(1) a certified copy of a court order that specifies the applicant's name change;

(2) a certified copy of the applicant's certificate of marriage;

(3) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court; or

(4) similar documentation of a lawful change of name, as determined by the commissioner.

(c) A form issued by a federal agency that is specified under subdivisions 10 and 11 includes any subsequent form or version.

(d) The commissioner must establish a process to grant a waiver from the requirements under this subdivision and subdivisions 10 and 11.

(e) The same document must not be submitted as both a primary document under subdivision 10 and a secondary document under subdivision 11.

(f) For purposes of this subdivision and subdivisions 10 and 11:

(1) "court" includes a foreign court of competent jurisdiction; and

(2) "foreign" means a jurisdiction that is not, and is not within, the United States, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, or a territory of the United States.

Subd. 10. **Noncompliant license or identification card; primary documents.** (a) For purposes of a noncompliant driver's license or identification card, a primary document under Minnesota Rules, part 7410.0400, subpart 2, or successor rules, includes:

(1) an unexpired foreign passport or a foreign consular identification document that bears a photograph of the applicant;

(2) a certified birth certificate issued by a foreign jurisdiction; and

(3) a certified adoption certificate issued by a foreign jurisdiction that includes the applicant's name and date of birth.

(b) A document submitted under this subdivision must contain security features that make the document as impervious to alteration as is reasonably practicable in its design and quality of material and technology.

(c) Submission of more than one primary document is not required under this subdivision.

Subd. 11. **Noncompliant license or identification card; secondary documents.** (a) For purposes of a noncompliant driver's license or identification card, a secondary document under Minnesota Rules, part 7410.0400, subpart 3, or successor rules, includes:

(1) a second primary document listed under subdivision 10, paragraph (a);

(2) a notice of action on or proof of submission of a completed Application for Asylum and for Withholding of Removal issued by the United States Department of Homeland Security, Form I-589;

(3) a Certificate of Eligibility for Nonimmigrant Student Status issued by the United States Department of Homeland Security, Form I-20;

(4) a Certificate of Eligibility for Exchange Visitor Status issued by the United States Department of State, Form DS-2019;

(5) a Deferred Action for Childhood Arrival approval notice issued by the United States Department of Homeland Security;

(6) an employment authorization document issued by the United States Department of Homeland Security, Form I-688, Form I-688A, Form I-688B, or Form I-766;

(7) a document issued by the Internal Revenue Service with an individual taxpayer identification number;

(8) a Social Security card;

(9) a Supplemental Security Income award statement issued no more than 12 months before the application;

(10) an unexpired Selective Service card;

(11) military orders that are still in effect at the time of application;

(12) a Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(13) a valid identification card for health benefits or an assistance or social services program;

(14) a Minnesota vehicle certificate of title issued no more than 12 months before the application;

(15) mortgage documents for the applicant's residence;

(16) a filed property deed or title for the applicant's residence;

(17) a Minnesota property tax statement for the current or prior calendar year, or a proposed Minnesota property tax notice for the current year, that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(18) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name or name change, issued by a court; and

(19) any of the following documents issued by a foreign jurisdiction:

(i) a driver's license that is current or has been expired for five years or less;

(ii) a high school, college, or university student identification card with a certified transcript from the school;

(iii) an official high school, college, or university transcript that includes the applicant's date of birth and a photograph of the applicant at the age the record was issued;

(iv) a federal electoral card issued on or after January 1, 1991, that contains the applicant's photograph;

(v) a certified copy of the applicant's certificate of marriage; and

(vi) a certified copy of a court order or judgment from a court of competent jurisdiction that contains the applicant's name and date of birth.

(b) Submission of more than one secondary document is not required under this subdivision.

**171.0605 EVIDENCE OF IDENTITY AND LAWFUL PRESENCE.**

Subd. 4. **Evidence; Social Security number.** The following is satisfactory evidence of an applicant's Social Security number or related documentation under section 171.06, subdivision 3, paragraph (b):

(1) a Social Security card;

(2) if a Social Security card is not available:

(i) a federal Form W-2;

(ii) a federal Form SSA-1099 or other federal Form 1099 having the applicant's Social Security number; or

(iii) a computer-printed United States employment pay stub with the applicant's name, address, and Social Security number; or

(3) for an applicant who provides a passport under subdivision 2, paragraph (a), clause (9), documentation demonstrating nonwork authorized status.

**174.22 DEFINITIONS.**

Subd. 5. **Operating deficit.** "Operating deficit" means the amount by which the total prudent operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived from the system.

Subd. 15. **Urbanized area service.** "Urbanized area service" means a transportation service operating in an urban area of more than 50,000 persons but does not include elderly and disabled service, as defined in subdivision 2b.

**174.23 GENERAL POWERS AND DUTIES.**

Subd. 7. **Rulemaking; total operating cost.** The commissioner shall by rule define "total operating cost" as the term is used in carrying out the purposes of section 174.24. "Total operating cost" may include provisions for a fee for service. The commissioner shall consult with eligible recipients to the maximum extent feasible in formulating these rules and develop necessary and reasonable changes in cost and fee allowability provisions and financial examination procedures where possible. The rules are subject to the provisions in the Administrative Procedure Act of sections 14.001 to 14.69.

**216D.06 DAMAGE TO FACILITY.**

Subd. 3. **Prima facie evidence of negligence.** It is prima facie evidence of the excavator's negligence in a civil court action if damage to the underground facilities of an operator resulted from excavation, and the excavator failed to give an excavation notice under section 216D.04 or provide support as required by section 216D.05.

**221.033 REGULATION OF HAZARDOUS MATERIALS.**

Subd. 2c. **Age of petroleum tank truck driver.** A driver of a motorized tank truck vehicle having a capacity of less than 3,500 gallons, who is engaged in the intrastate transportation of petroleum products, must be at least 18 years of age.

**7411.7600 REQUIREMENTS FOR APPROVAL AND OPERATION.**

Subp. 3. **Course length restrictions.** The course of study may not be less than a total of eight hours, with no more than four hours of instruction required in a 24-hour period.

**8835.0110 DEFINITIONS.**

Subpart 1. **Scope.** The terms used in this chapter have the meanings given them in this part.

Subp. 1a. **Applicant.** "Applicant" means an entity that is eligible under Minnesota Statutes, section 174.24, subdivision 2, for financial assistance for a new or existing public transit system.

Subp. 6. **Cost reimbursement contract.** "Cost reimbursement contract" means a contract providing for payment to the contractor of allowable costs incurred in the performance of the contract, to the extent prescribed in the contract.

Subp. 7. **Department.** "Department" means the Department of Transportation.

Subp. 10. **Financial assistance.** "Financial assistance" means state funds paid to a recipient in accordance with the public transit participation program established under Minnesota Statutes, section 174.24.

Subp. 11a. **Greater Minnesota.** "Greater Minnesota" has the meaning given in Minnesota Statutes, section 116O.02, subdivision 5.

Subp. 12a. **Local share.** "Local share" means the percentage of total operating costs paid by a recipient according to the distribution classifications in Minnesota Statutes, section 174.24, subdivision 3b, and the percentage of capital costs paid by a recipient according to part 8835.0320.

Subp. 12b. **Local source.** "Local source" has the meaning given it in Minnesota Statutes, section 174.24, subdivision 3b.

Subp. 13a. **Management plan.** "Management plan" means a description of all the elements of a proposed public transit system, as required by part 8835.0260.

Subp. 14a. **Passenger trip.** "Passenger trip" means a one-way movement of a person between two points. Each time a passenger boards a transit vehicle counts as one passenger trip.

Subp. 15. **Public transit or transit.** "Public transit" or "transit" has the meaning given it in Minnesota Statutes, section 174.22, subdivision 7.

Subp. 15a. **Public transit participation program.** "Public transit participation program" means the department's program for providing financial assistance for public transit services in greater Minnesota under Minnesota Statutes, section 174.24.

Subp. 16. **Reasonable cost.** "Reasonable cost" means a price for a commodity or service which, in its nature or amount, does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business.

Subp. 17. **Regional Development Commission.** "Regional Development Commission" has the meaning given it in Minnesota Statutes, section 462.384, subdivision 4.

Subp. 18. **Revenue.** "Revenue" means sources of income.

Subp. 19. **Total operating cost.** "Total operating cost" means the categories of allowable expenses provided in part 8835.0280.

**8835.0210 STATUTORY AUTHORITY.**

This chapter is adopted pursuant to Minnesota Statutes, section 174.23, subdivisions 2 and 7.

**8835.0220 PURPOSE.**

The purpose of this chapter is to establish the procedures and standards for review and approval of applications for financial assistance under the public transit participation program in Minnesota Statutes, section 174.24, and to define "total operating cost" as the term is used in carrying out the public transit participation program.

**8835.0230 SCOPE.**

This chapter applies to applicants for financial assistance under the public transit participation program established by Minnesota Statutes, section 174.24.

**8835.0240 ADMINISTRATION OF PUBLIC TRANSIT PARTICIPATION PROGRAM.**

The Office of Transit shall administer the public transit participation program as provided by Minnesota Statutes, section 174.23, subdivision 8. The Office of Transit shall allocate:

A. operating assistance to public transit systems according to the distribution classifications in Minnesota Statutes, section 174.24, subdivision 3b; and

B. nonoperating or capital assistance to public transit systems according to the discretion provided to the commissioner by Minnesota Statutes, section 174.24, subdivision 3c, and according to part 8835.0320.

The Office of Transit shall make payments of financial assistance by a contract between the department and a recipient as required by Minnesota Statutes, section 174.24, subdivision 3.

**8835.0250 APPLICATION FOR FINANCIAL ASSISTANCE.**

Subpart 1. **Who may apply.** An applicant may apply for financial assistance under the public transit participation program to provide public transit in greater Minnesota.

Subp. 2. **Public transit.** Public transit includes a single service or a combination of services, such as route deviations, fixed route, flexible fixed route, demand-response/dial-a-ride, rideshare, subscription, volunteer driver services, and other services that meet the needs of individual transit systems to the extent they are consistent with Minnesota Statutes, section 174.21. A public transit system must be available and accessible to the general public.

Subp. 3. **Submission; deadline.** An applicant shall request financial assistance using an application prescribed by the department. The department shall establish a deadline for submission of applications for financial assistance and shall provide adequate notice of the deadline to applicants. A complete application contains a management plan, a resolution from the applicant's governing body, and other forms and certifications required by federal or state law or regulation.

Subp. 4. **Additional review.** In addition to submitting an application to the department, an applicant shall submit an application for review and approval as provided in Minnesota Statutes, section 174.23, subdivision 2.

Subp. 5. **Resolution.** An applicant shall submit with the application a resolution by the governing body that:

A. resolves to provide public transit;

B. indicates the person or persons authorized by title to execute a contract with the department and all amendments to the contract; and

C. authorizes funds for the local share of financial assistance, if applicable.

**8835.0260 MANAGEMENT PLAN.**

Subpart 1. **Submission in application.** An applicant shall submit a management plan as part of its application for financial assistance.

Subp. 2. **Contents.** The management plan must include the following information:

A. a service plan that describes the levels of service to be provided during the contract period, including a discussion of service area and general population, type or types of service, vehicle descriptions, days and hours of service, service schedules, contract services, and route maps;

B. a description of unmet service needs;

C. a financial plan, including:

(1) a general narrative that supports and explains the budget;

(2) a detailed narrative for each line item in the budget, including increases;

(3) actual statistics on operating expenses and operating revenues for the most recent calendar years;

(4) anticipated statistics on operating expenses and operating revenues for the new contract period;

(5) actual statistics on miles and hours of service and passenger trips for the most recent calendar year; and

(6) anticipated statistics on miles and hours of service and passenger trips for the new contract period;

D. a coordination and marketing plan, including costs and benefits of major elements;

E. a capital plan that describes the major capital assets of the transit system with an outline of how they will be maintained, improved, or replaced;

F. a description of revenue-producing contracts relating to the transit services provided by or for the applicant;

G. a description of expense contracts for services and goods procured by the transit system;

H. a description of the participating public transit system's vehicle maintenance program for the period of financial assistance;

I. a description of the organizational structure established to direct, control, review, and implement the management plan;

J. a description of measurable goals and objectives for the transit system, illustrating the benefits expected to be realized by the investment of state financial assistance;

K. a description of the fare structure of the public transit system;

L. a listing of transit and paratransit systems and their union affiliations currently operating in the applicant's area, and a description of existing or potential coordination with these systems;

M. a description of the transit system's safety and training policies, including its driver selection process;

N. a description of the proposed insurance carrier and the limits of coverage;

O. a description of the internal controls policy for the collection and deposit of fares;

P. a copy of the transit system's most recent drug and alcohol policy as approved by the local recipient's governing body;

Q. all third party contracts relating to transit operations; and

R. a copy of the governing body's third-party contract procurement policy.

Subp. 3. **Incorporation into contract.** The department shall incorporate an approved management plan into the financial assistance contract between the department and the recipient, as provided in part 8835.0330. The department shall approve a management plan after it determines the financial assistance according to part 8835.0270.

**8835.0265 THIRD-PARTY CONTRACT FOR OPERATING SERVICES.**

A recipient shall include a copy of the third-party contract procurement policy of its governing body in the management plan required in part 8835.0260. A third-party contract for operating services must contain all relevant terms contained in the financial assistance contract between the recipient and the department. The recipient is responsible for third-party contractor compliance with local, state, and federal laws, rules, and regulations. A third-party contract must be available for audit according to part 8835.0350, subpart 3. Before a recipient awards a third-party contract for operating services, the department shall review the third-party contract for compliance with the terms of the financial assistance contract between the department and the recipient.

**8835.0270 FINANCIAL ASSISTANCE.**

Subpart 1. **Allocation priorities.** The department shall allocate financial assistance to recipients for purposes of the public transit participation program according to the following order of priority:

A. first priority: operating costs for existing public transit systems;

B. second priority: capital costs for existing public transit systems; and

C. third priority: operating and capital costs for the provision of public transit services in a community or area not currently served by public transit.

Subp. 2. **Determination of financial assistance.** To determine financial assistance, the department shall review an applicant's management plan and evaluate the proposed public transit system by considering:

A. the degree to which the proposed system meets the objectives of the public transit participation program;

B. the accessibility of the proposed system to the general public, including persons with disabilities;

C. the amount of local government and community support for the proposed system;

D. the plan for continuation of the proposed system after the first year; and

E. the plan for coordination of transit services in the geographical area.

The department shall evaluate the budget, service delivery and design, and administration of a public transit system. The department shall compare the past performance of a transit system to its current performance and to the performance of other similar transit systems. To measure the performance of a public transit system, the department shall consider cost efficiency, cost-effectiveness, service effectiveness, and quality.

Subp. 3. **Approval of management plan.** The department shall approve a management plan for incorporation into a financial assistance contract after determining the reasonable costs of the proposed public transit system.

**8835.0275 DETERMINING FINANCIAL ASSISTANCE; EXPENSE CATEGORIES.**

In determining the total operating costs of a public transit system, upon which financial assistance is based, part 8835.0290 and the definitions of expense categories in part 8835.0280 apply and have the meanings given them.

**8835.0280 TOTAL OPERATING COST.**

Subpart 1. **Definition.** "Total operating cost" means the categories of allowable expenses provided in subparts 2 to 7. The total operating cost is subject to the audit provisions of part 8835.0350, subpart 3.

Subp. 2. **Personnel services expense.** The "personnel services" expense category includes:

A. administrative, management, and supervisory services, which are the amount paid to transit system employees classified as managers, supervisors, coordinators, or administrators and for which the amounts claimed by employees must be supported by daily time distribution records or a cost allocation plan that is supported by the applicant and approved by the department as part of the management plan;

B. operators' wages, which are the total amount paid to transit system employees classified as vehicle operators and for which the amounts claimed by employees must be supported by daily time distribution records;

C. maintenance and repair wages, which are the labor charges incurred in the performance of maintenance and repair of vehicles and other property required for the operation of the transit system, including only wages of maintenance personnel employed by the transit system, and for which the amounts claimed by employees must be supported by daily time distribution records;

D. other direct wages, which are the amount paid to transit system employees not classified as operators, maintenance, or administrative personnel, such as dispatchers, bookkeepers, clerical personnel, janitors, and security personnel, and for which the amounts claimed by employees must be supported by daily time distribution records;

E. indirect labor charges, which are the amount to be allocated to the transit contract for labor that is not traceable to a specific transit activity but which benefits the transit operation and which must be based on a cost allocation plan approved by the department; and

F. fringe benefits, which are the cost of providing fringe benefits for active and retired transit system employees, including pension benefits, vacation and sick leave benefits, social security taxes, workers' compensation insurance, unemployment insurance, life insurance, and first party medical coverage, and which may be allocated indirectly based on a cost allocation plan approved by the department.

Subp. 3. **Administrative charges expense.** The "administrative charges" expense category includes:

A. management fees, which are the amount paid for professional services provided by a management service company engaged contractually to provide operating management to the transit system;

B. tariffs and traffic expenses, which are any necessary tariff filing fees and costs for the procurement of tickets, tokens, and transfers;

C. advertising, marketing, and promotional charges, including the necessary cost of advertising and promoting the transit system;

D. legal, auditing, and other professional fees rendered by individuals or firms, other than transit system employees, for the purpose of maintaining continuing operations of the transit system, including:

(1) attorney fees and expenses, court costs, witness fees, and fees for accounting and auditing services, such as accident claims, defending workers' compensation claims, or other items directly related to the management plan and approved by the department; and

(2) fees paid for planning, engineering, or other consultant services that are directly related to the management plan approved by the department;

E. security costs, which are the costs necessary to provide armored car services, patrol services, and electronic surveillance for vehicles, stations, yards, and buildings to detect and prevent criminal activity, fires, and unsafe conditions, when the patrolling is performed by an outside security agency and not by transit system employees;

F. office supplies expense, which is the cost of office supplies and materials and printing and photocopying charges solely attributable to and necessary for the operation of the transit system;

G. lease and rental costs of administrative facilities used for performing the general administrative functions of the transit system, including leases and rentals of such items as land, buildings, office equipment, and furnishings;

H. utilities expense, which is the cost of utilities such as gas, electricity, water, telephone and other communications services, and trash collection;

I. other direct administrative charges, including administrative charges necessary for the continuing operation of the transit system, such as mileage reimbursement for transit support vehicles, approved conference fees, employee travel expenses, employee development, driver's training, approved membership fees for transit associations if the cost of membership is reasonably related to the value of the services or benefits received, and subscriptions to transit publications; and

J. indirect administrative charges, which are the amount allocated to the transit contract for administrative services not traceable to a specific transit activity but which benefit the transit operation and which must be based on a cost allocation plan approved by the department.

For purposes of item I, mileage reimbursement must be based on a rate approved by the local governing body, as long as the rate is reasonable and consistent with similar rates approved by the local governing body.

Subp. 4. **Vehicle charges expense.** The "vehicle charges" expense category applies to vehicles owned or leased by the public transit system and includes:

A. fuel and lubricants expense, including net costs of gasoline, diesel, and alternative fuels and costs of antifreeze, propane, lubricating oil, transmission fluid, and grease used by revenue and service vehicles;

B. maintenance and repair material expense, including costs of parts, materials, and supplies used in the maintenance and repair of revenue and service equipment;

C. contract service maintenance labor expense, which is the cost of labor for maintenance and repair service provided by persons other than transit system employees;

D. tire expense, which is the cost of tires and tubes used on revenue and service equipment including the cost of recapping or regrooving and the rental costs for tires and tubes; and

E. other vehicle charges, including the costs of:

(1) first aid equipment, fire extinguishers, and other emergency equipment required for vehicles; and

(2) noncapitalized vehicle improvements that do not remake a vehicle or appreciably extend its useful life and that have received approval from the department.

Subp. 5. **Operations charges expense.** The "operations charges" expense category includes:

A. purchase of service, which is the cost of having a subcontractor operate the project service, with cost established:

(1) through competitive bidding procedures, except for those recipients covered under Minnesota Statutes, chapter 221;

(2) through a negotiated contract with the prime contractor in bid situations when only one bid is received; or

(3) through a negotiated subcontract in a nonbid situation;

B. depreciation, which is the amount of depreciation or use allowance on depreciable items such as structures, revenue equipment, service vehicles and equipment, and office furniture and equipment and is the amount allowed based on a company's existing depreciation schedule or, if a schedule does not already exist, a depreciation schedule submitted to and approved by the department, but which may not be charged for items purchased, totally or in part, with state or federal funds;

C. mileage reimbursement for passenger service, including the cost of volunteer driver reimbursement for projects incorporating this type of service, as well as mileage reimbursement for transit personnel using private vehicles for emergency replacement passenger transport in the event of mechanical breakdown of transit vehicles;

D. repair and maintenance of other property, including material costs associated with the upkeep and repair of buildings and stations, grounds, nonrevenue equipment owned or leased by the transit company, and miscellaneous expenses such as small tool replacement, and supplies used for cleaning and for general shop and garage purposes;

E. leases and rentals of facilities or equipment used in the operation of the transit system, including leases and rentals of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, and computers, with allowability based on the reasonableness of rates and the presence of evidence that the lease will not give rise to material equity in the property; and

F. other operations charges, including the cost of such things as the purchase or rental and cleaning of uniforms, tools and equipment, sanding and snowplow operations, passenger amenities, and station agents and which may be allocated indirectly based on a cost allocation plan approved by the department.

For purposes of item C, mileage reimbursement must be based on a rate approved by the local governing body, as long as the rate is reasonable and consistent with similar rates approved by the local governing body.

Subp. 6. **Insurance charges expense.** The "insurance charges" expense category includes:

A. public liability and property damage insurance expense on vehicles, including premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts that cause damage to the person or property of others; and

B. public liability and property damage insurance charges other than on vehicles, including excess liability insurance, baggage and express insurance, and fire and theft insurance.

Subp. 7. **Taxes and fees expense.** The "taxes and fees" expense category includes:

A. vehicle registration and permit fees on vehicles; and

B. other taxes and fees, including applicable real estate, property, and sales taxes.

**8835.0290 UNALLOWABLE EXPENSES.**

Subpart 1. **Scope.** In determining the total operating costs of a public transit system, upon which financial assistance is based, the definitions of unallowable expenses in subparts 2 to 8 apply and have the meanings given them.

Subp. 2. **General purpose equipment.** Expenditures for general purpose equipment are unallowable as operating costs. "General purpose equipment" means equipment that is used for other than transit contract purposes, such as communications equipment, office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, and computers and related equipment.

Subp. 3. **Interest and other financial costs.** Interest on borrowing (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection with these costs are unallowable.

Subp. 4. **Fines and penalties.** Costs resulting from violations of, or failure to comply with federal, state, or local laws and regulations are unallowable.

Subp. 5. **Contingencies.** Contributions to a contingency reserve or any similar provision for unseen events are unallowable.

Subp. 6. **Bad debts.** Any losses arising from uncollectible accounts, other claims, and related costs are unallowable.

Subp. 7. **Donations and entertainment expense.** Contributions and donations are unallowable as are any entertainment expenses.

Subp. 8. **Unrelated costs.** Costs that are not directly related to the provision of public transit are unallowable.

**8835.0310 REVENUE CATEGORIES.**

Subpart 1. **Operating revenue categories; local sources.** In determining the local sources of funds that may comprise the fixed percentage of total operating costs to be paid by a recipient in accordance with the distribution classifications in Minnesota Statutes, sections 174.24, subdivision 3b, the definitions of revenue categories in subparts 2 to 7 apply and have the meanings given them.

Subp. 2. **Passenger fare.** "Passenger fare" means revenue earned from transporting passengers on the public transit system, including a cash fare, a donation received instead of a set fare, and an advance fare received from the sale of a coupon, token, or pass.

Subp. 3. **Contract revenue.** "Contract revenue" means revenue received from a contract with a beneficiary of a specific transit service. Contract revenue includes:

A. an amount paid by an organization for a special route guarantee; and

B. revenue earned for a ride given in regular transit service but paid for by an organization, including a state or local social service agency or a private social service organization, for the benefit of the rider.

Subp. 4. **School revenue.** "School revenue" means revenue earned from service provided under a contract with a school district, including an amount paid for transporting school children on regularly scheduled service, and an amount paid by a college or university for operating a transit vehicle on or between campuses.

Subp. 5. **Charter revenue.** "Charter revenue" includes reimbursement for charter service received in association with publicly funded transit service, providing that charter service rates are developed so that cost recovery equals or exceeds the full cost of providing the charter service.

Subp. 6. **Auxiliary revenue.** "Auxiliary revenue" means revenue earned from an activity closely associated with the transit operation, including revenue received from an advertising service, delivery, a lease, and station and vehicle concessions.

Subp. 7. **Other financial assistance.** "Other financial assistance" includes revenue earned from an activity not associated with the provision of the recipient's transit service but which is applied to help cover the system's costs, including tax levies, a federal cash grant, senior citizen fare assistance, investment income, and any general donation.

**8835.0320 CAPITAL ASSISTANCE.**

Subpart 1. **Budget.** An applicant seeking financial assistance for capital costs shall include in its budget a description of the vehicle, facility, or equipment desired, its cost and the reason for the request.

Subp. 2. **Criteria.** The department shall use the following criteria to evaluate requests for capital assistance:

A. the extent to which the request maintains public transit services, promotes safety, and promotes efficient operations;

B. the extent to which accessibility is enhanced; and

C. the availability of local share money.

Subp. 3. **Allocation formula.** The department shall determine the amount of capital assistance for the public transit participation program according to the discretion provided to the commissioner in Minnesota Statutes, section 174.24, subdivision 3c. Except as provided in subparts 4 and 5, the department shall fund 80 percent of the capital costs approved by the department under the public transit participation program. The recipient shall provide the remaining 20 percent of the approved capital costs from local sources.

Subp. 4. **Program deviation from allocation formula.** Under the discretion provided to the commissioner in Minnesota Statutes, section 174.24, subdivision 3c, the department may establish a capital assistance allocation formula that deviates from the formula established in subpart 3. In setting this formula, the department must consider all relevant conditions relating to funding the public transit participation program.

Subp. 5. **Individual exception to allocation formula.** The department may deviate from the capital assistance allocation formula for an exceptional circumstance. A recipient that seeks capital assistance from the public transit participation program in an amount greater than the allocation formula, established under subpart 3 or 4, must make a written request to the department that includes:

A. a detailed description of the exceptional circumstance that is the basis of the written request; and

B. a resolution from the governing body that the request is due to an exceptional circumstance.

The department shall consider a request for an individual exception to the allocation formula after assessing the nature of the exceptional circumstance, balancing the request against other requests from recipients for capital assistance, and considering the assurance provided by the governing body that the circumstance that gave rise to the request is exceptional.

Subp. 6. **Vehicle replacement or disposition.** The department shall determine financial assistance to a public transit system to replace, refurbish, or dispose of a vehicle based on the condition of the vehicle and the availability of funds.

Subp. 7. **Contract.** The financial assistance contract between the department and the recipient must specify the maximum amount of capital assistance to be allocated to the

recipient and the terms and conditions of assistance. The department shall determine the actual amount of capital assistance based on the availability of funds.

**8835.0330 CONTRACT FOR FINANCIAL ASSISTANCE.**

Subpart 1. **Content.** The financial assistance contract is a cost reimbursement contract that is based on the total operating cost in part 8835.0280. The contract must specify the maximum amount of financial assistance to be awarded to the recipient by the department and state the terms and conditions of assistance. The management plan must be incorporated into the contract as a legal part of the contract document. A resolution by the governing body, as provided in part 8835.0250, subpart 5, must be included with the contract.

Subp. 3. **Penalties.** If a recipient fails to comply with the terms and conditions of the contract, the department may withhold payment at any time or may terminate the financial assistance contract upon 30 days' written notice.

Subp. 4. **Amendments.** A recipient or the department may initiate an amendment to the contract. Before implementation, an amendment must be fully executed by the parties to the original contract, or their successors.

**8835.0350 FINANCIAL RECORDS.**

Subpart 1. **Records.** A recipient and any third party contractor shall maintain their financial records in accordance with generally accepted accounting principles. The records must permit audit verification of transit cost allocations claimed during the contract period. The recipient and any third party contractor also shall keep records on miles and hours of service and passenger trips. Records must be kept available for a period of six years from the date of final payment or the expiration date of the contract, whichever occurs first.

Subp. 3. **Audits.** The financial records of the recipient must be audited. They may be audited by the department or the department may accept all or part of the audit of an independent auditor instead of a departmental audit if the audit meets department standards. In addition to chapter 8835, department audits must be based on the contract cost principles and procedures in Code of Federal Regulations, title 48, chapter 1, part 31, and Office of Management and Budget Circular, Number A-87 and Number A-122, as amended. The financial records of a subcontractor may be audited at the department's discretion. The department shall submit year-end financial statements to the department auditor by April 15 of the year following the period covered by the financial assistance contract. Audits at the end of a contract period must establish approved total operating costs. New recipients are subject to a preaward audit before contract execution and fund encumbrance. As provided by Minnesota Statutes, section 16C.05, subdivision 5, the records, books, documents, and accounting practices of the recipient and of any third party contractor relating to the contract are subject to audit and examination by the department and the legislative auditor during working hours. If the department determines it has overpaid a recipient on a previous contract, the department may reduce payments under the current contract by the amount of overpayment.

Subp. 4. **Project monitoring.** The department shall use the management plan required under part 8835.0260 as a basis for monitoring and evaluating the performance of the public transit system during the contract period. Public transit policy decisions made by the recipient and actions taken during the contract period must conform with the management plan. A proposed deviation from the management plan must be reported to the department and approval secured in writing before implementation. Approval will be granted if it is clearly documented that the proposed deviation will not increase overall project costs. Failure to secure approval jeopardizes continued financial assistance.

Subp. 5. **Reserve account.** If a public transit system generates operating revenue in excess of the recipient's local share amount, the recipient shall deposit the excess into a reserve account to be used for approved operating expenses that are not covered by the contract or for part of the local share of capital expenses of the transit system. The recipient

shall report this revenue and expenses charged against it to the department on reporting forms provided by the department.

A bill for an act

relating to transportation; amending various provisions relating to the Department of Transportation, Department of Public Safety, and the Division of Driver and Vehicle Services; modifying various policies including but not limited to legislative routes, the Advisory Council on Traffic Safety, driving rules, small business contract preferences, nondivisible loads, motorcycle ground lighting, sewage septic tank pumping trucks, the promotion of passenger rail services by the commissioner of transportation, highway designations, clearance exemptions for certain carriers operating near rail yards and terminals, hours of service exemptions for transporting heating fuel in a nationally declared emergency, accident prevention courses for persons over the age of 55, the transport of certain propane products by persons between the ages of 18 and 21, veterans' designations on drivers' licenses and identification cards, limited drivers' licenses, noncompliant drivers' licenses and identification cards, recreational vehicles, driver education programs, implements of husbandry operation rules, commercial motor vehicle postsecondary instruction, child passenger restraint requirements, supplemental school bus warning systems, and towing authority; establishing working groups; making technical corrections; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.14, by adding subdivisions; 161.321, subdivisions 2, 2b; 168.002, subdivisions 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.4503, subdivision 31; 169.56, by adding a subdivision; 169.685, subdivisions 4, 5, by adding subdivisions; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.829, by adding a subdivision; 169.87, subdivision 6; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivisions 2, 6; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 219.46, subdivision 1; 221.033, subdivision 1, by adding a subdivision; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 168.1235, subdivision 1; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.07, subdivision 15; 171.12, subdivisions 7b, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 221.0269, subdivision 4; 256B.0625, subdivision 17; 609.855, subdivision 7;

proposing coding for new law in Minnesota Statutes, chapters 169; 171; 219; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7410.6180; 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## DEPARTMENT OF TRANSPORTATION

Section 1. Minnesota Statutes 2022, section 161.115, subdivision 116, is amended to read:

Subd. 116. **Route No. 185.** Beginning at a point on Route No. 1 ~~at Sandstone~~ and Route No. 390, thence extending in a northeasterly direction to a point on Route No. 103 as herein established in Duluth.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Pine County to transfer jurisdiction of a portion of Legislative Route No. 185 and notifies the revisor of statutes electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 2. Minnesota Statutes 2022, section 161.115, subdivision 117, is amended to read:

Subd. 117. **Route No. 186.** Beginning at a point on Route No. 110 as herein established, thence extending in an easterly direction to a point on Route No. ~~185 as herein established at or near Askov~~ 1 and Route No. 390; affording Isle~~,~~ and Finlayson~~, and Askov,~~ a reasonable means of communication each with the other and other places within the state.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 3. Minnesota Statutes 2022, section 161.115, is amended by adding a subdivision to read:

Subd. 272. **Route No. 341.** Beginning at a point on Route No. 1 at Sandstone, thence extending in a generally easterly direction to a point at or near the east bank of the Kettle River.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 4. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 104. **Senator David J. Tomassoni Memorial Cross Range Expressway.** That segment of marked U.S. Highway 169 from Itasca County State-Aid Highway 69 in the city of Marble to Saint Louis County State-Aid Highway 7 in the city of Mountain Iron is designated as "Senator David J. Tomassoni Memorial Cross Range Expressway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

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

Sec. 5. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 105. **Mayor Dave Smiglewski Memorial Bridge.** The bridge on marked U.S. Highway 212 over the Minnesota River in the city of Granite Falls is designated as "Mayor Dave Smiglewski Memorial Bridge." Subject to section 161.139, the commissioner must adopt a suitable design to mark the bridge and erect appropriate signs.

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

Sec. 6. Minnesota Statutes 2022, section 161.321, subdivision 2, is amended to read:

Subd. 2. **Small targeted group business, small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to small targeted group businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid.

(c) The commissioner may award up to a four percent preference in the amount bid for specified construction work to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Sec. 7. Minnesota Statutes 2022, section 161.321, subdivision 2b, is amended to read:

Subd. 2b. **Veteran-owned small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to veteran-owned small businesses, except when prohibited by the federal government as a condition of receiving federal funds. When a bid preference is provided under this section, the percentage of preference in bid amount under this subdivision may not be less than the percentage of bid preference provided to any small targeted group business under subdivision 2.

(b) When a bid preference is provided under this subdivision, the commissioner must be as inclusive as possible in specifying contracts for construction work, as well as for construction-related professional and technical services, available under this bid preference program for veteran-owned small businesses. The term "construction" must be given broad meaning for purposes of specifying and letting contracts for veteran-owned small businesses and must include, but is not limited to, preplanning, planning, and all other construction-related professional and technical services.

(c) When a bid preference is provided under this subdivision, the commissioner must strive to ensure that contracts will be awarded on a proportional basis with contracts awarded under subdivision 2.

(d) The commissioner may designate a contract for construction work for award only to veteran-owned small businesses, if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

Sec. 8. Minnesota Statutes 2022, section 169.19, subdivision 2, is amended to read:

Subd. 2. **U-turn.** ~~No vehicle shall be turned~~ The operator of a vehicle must not turn to proceed in the opposite direction upon any curve, or upon the approach to or near the crest of a grade, where the vehicle cannot be seen by the ~~driver~~ operator of any other vehicle approaching from either direction within 1,000 feet~~, nor shall the driver~~. The operator of a vehicle must not turn the vehicle to proceed in the opposite direction unless the movement can be made safely and without interfering with other traffic. ~~When necessary to accommodate vehicle configuration on~~ The operator of a vehicle is permitted to make a right-hand turn into the farthest lane of a roadway with two or more lanes in the same direction~~, a driver may turn the vehicle into the farthest lane and temporarily use the shoulder to make a U-turn~~ in order to make a U-turn at a reduced-conflict intersection if it is safe to do so.

Sec. 9. Minnesota Statutes 2022, section 169.34, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** (a) ~~No person shall~~ A person must not stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

(1) on a sidewalk;

(2) in front of a public or private driveway;

(3) within an intersection;

(4) within ten feet of a fire hydrant;

(5) on a crosswalk;

(6) within 20 feet of a crosswalk at an intersection;

(7) within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;

~~(8) between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;~~

~~(9)~~ (8) within 50 feet of the nearest rail of a railroad crossing;

~~(10)~~ (9) within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;

~~(11)~~ (10) alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;

~~(12)~~ (11) on the roadway side of any vehicle stopped or parked at the edge or curb of a street;

~~(13)~~ (12) upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;

~~(14)~~ (13) within a bicycle lane, except when posted signs permit parking; or

~~(15)~~ (14) at any place where official signs prohibit stopping.

(b) ~~No person shall~~ A person must not move a vehicle not owned by ~~such~~ the person into any prohibited area or away from a curb such distance as is unlawful.

(c) ~~No person shall~~ A person must not, for camping purposes, leave or park a travel trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a campsite.

(d) ~~No person shall~~ A person must not stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 10. Minnesota Statutes 2022, section 169.444, subdivision 4, is amended to read:

Subd. 4. **Exception for separated roadway.** (a) A person driving a vehicle on a street or highway with separated roadways is not required to stop the vehicle when approaching or meeting a school bus that is on a different roadway.

(b) "Separated roadway" means a road that is separated from a parallel road by a barrier, safety isle, or ~~safety zone~~ median.

Sec. 11. Minnesota Statutes 2022, section 169.56, is amended by adding a subdivision to read:

Subd. 6. **Motorcycle ground light.** Notwithstanding section 169.64, subdivision 4a, a motorcycle may be equipped with white ground lights mounted under the motorcycle if:

(1) the bulbs or strips are not visible to operators of other vehicles; and

(2) the lights are aimed as to project a steady, nonflashing beam not more than six feet in radius directly onto the roadway and illuminate an area around the motorcycle.

Sec. 12. Minnesota Statutes 2022, section 169.80, is amended by adding a subdivision to read:

Subd. 4. **Nondivisible load or vehicle.** (a) "Nondivisible load" or "nondivisible vehicle" means any load or vehicle exceeding the applicable length, width, height, or weight limits set forth in this chapter, which, if separated into smaller loads or vehicles would:

(1) compromise the intended use of the load or vehicle;

(2) destroy the value of the load or vehicle; or

(3) require more than eight work hours to dismantle using appropriate equipment. The applicant for a nondivisible load permit has the burden of proof as to the number of work hours required to dismantle the load.

(b) A vehicle transporting a divisible load may simultaneously transport multiple items unless doing so would require an additional permit because the vehicle, when loaded with multiple items, would exceed the limits set forth in this chapter.

Sec. 13. Minnesota Statutes 2022, section 169.829, is amended by adding a subdivision to read:

Subd. 5. **Sewage septic tank trucks.** (a) For the purposes of this subdivision, "emergency pumping services" means a sewage septic tank truck's response to:

(1) uncontrolled and unintended seepage of the contents of a septic system into the ground, around a structure, or into a body of surface water;

(2) damage or malfunction to a septic system that requires removal of the contents of the septic system for repair or maintenance; or

(3) a condition that creates an immediate hazard to the health, welfare, or safety of a person.

(b) When a sewage septic tank truck used exclusively to transport sewage from septic or holding tanks is performing emergency pumping services, sections 169.823 and 169.826 to 169.828 do not apply, and the weight limitations under section 169.824 are increased by ten percent when transporting sewage from a single point of service to the point of unloading.

(c) Notwithstanding section 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or any other law to the contrary, a permit is not required to operate a vehicle under this subdivision.

(d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this subdivision.

(e) A vehicle operated under this subdivision is subject to bridge load limits posted under section 169.84.

(f) A vehicle operated under this subdivision must not be operated with a load that exceeds the tire manufacturer's recommended load, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7.

(g) The exceptions under this subdivision do not apply to a sewage septic tank truck's operation on an interstate highway.

**EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 14. **[169.8655] SPECIAL SUGAR BEET HAULING VEHICLE PERMIT.**

Subdivision 1. **122,000-pound vehicles; East Grand Forks.** A road authority may issue a permit for a vehicle or combination of vehicles that transports sugar beets and meets the following requirements:

(1) does not exceed a maximum gross vehicle weight of 122,000 pounds;

(2) does not use a semitrailer in a combination of vehicles that has an overall length in excess of 28-1/2 feet; and

(3) is only for operation on the following roads in East Grand Forks:

(i) U.S. Highway 2 between the North Dakota border and Fifth Avenue Northeast;

(ii) Fifth Avenue Northeast between U.S. Highway 2 and Business Highway 2; and

(iii) Business Highway 2 from Fifth Avenue Northeast to the sugar beet processing facility on Business Highway 2.

Subd. 2. **Requirements; restrictions.** (a) A vehicle or combination of vehicles issued a permit under subdivision 1:

(1) is subject to axle weight limitations under section 169.824, subdivision 1;

(2) is subject to seasonal load restrictions under section 169.87;

(3) is subject to bridge load limits posted under section 169.84;

(4) may not be operated with a load that exceeds the tire manufacturer's recommended load limit under section 169.823, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7; and

(5) may not be operated on the interstate highway system.

(b) The seasonal weight increases authorized under section 169.826 do not apply to a vehicle or combination of vehicles operating under this section.

Subd. 3. **Permit fee.** A permit issued under this section must be an annual permit. A permit issued under this section may only be issued before July 1, 2027. The fee for permits issued under this section is $300 and must be deposited in the trunk highway fund.

Sec. 15. Minnesota Statutes 2022, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling ~~and~~, garbage, and waste collection vehicles.** (a) ~~Except as provided in paragraph (b)~~ While a vehicle is engaged in the type of collection the vehicle was designed to perform, weight restrictions imposed under subdivisions 1 and 2 do not apply to:

(1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while ~~engaged in recycling~~ operating in a political subdivision that mandates curbside recycling pickup~~.~~;

~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1)~~ (2) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling ~~as described in paragraph (a)~~;

~~(2)~~ (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21~~, while engaged in such collection~~; ~~or~~

~~(3)~~ (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets~~, while engaged in such collection~~; or

(5) a sewage septic tank truck while performing emergency pumping services as defined in section 169.829, subdivision 5, that does not exceed 20,000 pounds per single axle and is designed and used exclusively to haul sewage from septic or holding tanks.

~~(c)~~ (b) Notwithstanding section 169.80, subdivision 1, ~~a violation of~~ the owner or operator of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 ~~by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection,~~ is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871 if the vehicle meets the requirements under paragraph (a) and is engaged in the type of collection the vehicle was designed to perform.

**EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 174.03, subdivision 12, is amended to read:

Subd. 12. **Trunk highway performance, resiliency, and sustainability.** (a) The commissioner must implement performance measures and ~~annual~~ targets for the trunk highway system in order to construct resilient infrastructure, enhance the project selection for all transportation modes, improve economic security, and achieve the state transportation goals established in section 174.01.

(b) At a minimum, the transportation planning process must include:

(1) an inventory of transportation assets, including but not limited to bridge, pavement, geotechnical, pedestrian, bicycle, and transit asset categories;

(2) ~~lag (resulting), and where practicable lead (predictive),~~ establishment of statewide performance measures and ~~annual~~ targets, reporting of performance measure results, and where possible, performance forecasts that are:

(i) statewide and, where data allow, district-specific;

(ii) for assets in each asset category specified in clause (1) ~~for a period of up to 60 years~~; and

(iii) identified in collaboration with the public;

(3) gap identification and an explanation of the difference between performance targets and current status; and

(4) life cycle assessment and corridor risk assessment as part of asset management programs in each district of the department.

(c) At a minimum, the ten-year capital highway investment plan in each district of the department must:

(1) be based on expected funding during the plan period and, to the extent feasible, maximize long-term benefits;

(2) estimate the funding necessary to make optimal life cycle investments;

~~(2)~~ (3) identify investments within each of the asset categories specified in paragraph (b), clause (1), that are funded through the trunk highway capital program;

~~(3)~~ (4) ~~recommend~~ identify specific trunk highway segments programmed to be removed from the trunk highway system; and

~~(4)~~ (5) deliver annual progress toward achieving the state transportation goals established in section 174.01.

(d) Annually by December 15, the commissioner must report trunk highway performance measures and ~~annual~~ targets and identify gaps, including information detailing the department's progress on achieving the state transportation goals, to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. The report must be signed by the ~~department's chief engineer~~ commissioner.

Sec. 17. Minnesota Statutes 2023 Supplement, section 174.40, subdivision 4a, is amended to read:

Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, town, or federally recognized Indian Tribe is eligible to receive funding under this section. A statutory or home rule charter city, county, or town is eligible to receive funding for infrastructure projects under this section only if it has adopted subdivision regulations that require safe routes to school infrastructure in developments authorized on or after June 1, 2016.

Sec. 18. Minnesota Statutes 2022, section 174.632, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The planning, design, development, construction, operation, and maintenance of passenger rail track, facilities, and services are governmental functions, serve a public purpose, and are a matter of public necessity.

(b) The commissioner is responsible for all aspects of planning, designing, developing, constructing, equipping, operating, promoting, and maintaining passenger rail, including system planning, alternatives analysis, environmental studies, preliminary engineering, final design, construction, negotiating with railroads, and developing financial and operating plans.

(c) The commissioner may enter into a memorandum of understanding or agreement with a public or private entity, including Amtrak, a regional railroad authority, a joint powers board, and a railroad, to carry out these activities.

Sec. 19. Minnesota Statutes 2022, section 174.636, subdivision 1, is amended to read:

Subdivision 1. **Powers.** The commissioner has all powers necessary to carry out the duties specified in section 174.632. In the exercise of those powers, the commissioner may:

(1) acquire by purchase, gift, or by eminent domain proceedings as provided by law, all land and property necessary to preserve future passenger rail corridors or to construct, maintain, and improve passenger rail corridors;

(2) conduct and engage in promotional and marketing research, campaigns, outreach, and other activities to increase awareness, education, and ridership of passenger rail in Minnesota;

~~(2)~~ (3) let all necessary contracts as provided by law; and

~~(3)~~ (4) make agreements with and cooperate with any public or private entity, including Amtrak, to carry out statutory duties related to passenger rail.

Sec. 20. **[219.455] DEFINITIONS.**

(a) For purposes of sections 219.45 to 219.53, the following terms have the meanings given.

(b) "Depot company" means a company formed to construct and operate a passenger station on behalf of a railroad or rail carrier.

(c) "Passenger service" means both intercity rail passenger service and commuter rail passenger service.

(d) "Railway company" means a company incorporated or licensed to operate a railroad track or train, and includes a company that loads, unloads, or transloads products.

(e) "Terminal" means a facility or station where:

(1) trains stop to load, unload, or transfer passengers, freight, or both;

(2) formation, dispatch, reception and temporary stabling, and marshalling of rolling stock occurs; or

(3) trains are serviced, maintained, or repaired.

(f) "Yard" means a system of tracks within defined limits provided for making up trains, storing cars, and other purposes.

(g) "Yard track" means a system of tracks within defined limits used for:

(1) the making up or breaking up of trains;

(2) the storing of cars; and

(3) other related purposes over which movements not authorized by timetable or by train order may be made subject to prescribed signals, rules, or other special instructions.

Sidings used exclusively as passing track and main line track within yard limits do not constitute yard track.

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

Sec. 21. Minnesota Statutes 2022, section 219.46, subdivision 1, is amended to read:

Subdivision 1. **Structure.** (a) On and after April 16, 1913, it is unlawful for a common carrier or any other person, on a standard gauge road on its line or a standard gauge sidetrack, for use in any traffic mentioned in section 219.45:

(1) to erect or reconstruct and maintain an adjoining warehouse, coal chute, stock pen, pole, mail crane, standpipe, hog drencher, or any permanent or fixed structure or obstruction within eight feet of the centerline of the track or sidetrack;

(2) in excavating, to allow an adjoining embankment of earth or natural rock to remain within eight feet of the centerline of the track or sidetrack; or

(3) to erect or reconstruct overhead wires, bridges, viaducts or other obstructions passing over or above its tracks at a height less than 21 feet, measured from the top of the track rail.

(b) If after May 1, 1943, overhead structures or platforms or structures designed only to be used in the loading or unloading of cars are rebuilt or remodeled, then these overhead structures must be built with an overhead clearance of not less than 22 feet from the top of the rail. These structures or platforms must be built with a side clearance of not less than 8-1/2 feet from the centerline of the track unless by order the commissioner may provide otherwise.

(c) Sections 219.45 to 219.53 do not apply to yards and terminals of: (1) depot companies, or (2) railway companies used only for passenger service. If personal injury is sustained by an employee of a depot company or railway company used only for passenger service, by reason of noncompliance with sections 219.45 to 219.53, that employee, or in case of the employee's death, the personal representative, has the rights, privileges, and immunities enumerated in section 219.53.

(d) On and after May 1, 1943, it is unlawful for a common carrier or any other person, on a standard gauge road on its line or a standard gauge sidetrack or spur, for use in any traffic mentioned in section 219.45:

(1) to erect or construct and maintain an adjoining warehouse, coal chute, stock pen, pole, mail crane, standpipe, hog drencher, or any permanent or fixed structure or obstruction within 8-1/2 feet of the centerline of the track;

(2) in excavating, to allow an adjoining embankment of earth or natural rock to remain within 8-1/2 feet of the centerline of the track or sidetrack; or

(3) to erect or construct overhead wires, bridges, viaducts, or other obstructions passing over or above its tracks at a height less than 22 feet, measured from the top of the track rail.

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 221.0269, subdivision 4, is amended to read:

Subd. 4. **Intrastate transportation; ~~heating~~ fuel products.** (a) If a regional emergency has been declared by the President of the United States or by the Federal Motor Carrier Safety Administration pursuant to United States Code, title 49, section 390.23(a), ~~and the declaration includes heating fuel as a covered commodity,~~ the federal regulations incorporated into section 221.0314, subdivision 9, for hours of service do not apply to drivers engaged in intrastate transportation of ~~heating~~ fuel products when the driver is:

(1) driving a vehicle designed and exclusively used to transport fuel products; and

(2) carrying only fuel products as defined in section 296A.01.

(b) The relief provided by paragraph (a) only applies when the fuel product being transported is included in the emergency declaration as a covered commodity.

(c) Notwithstanding the relief provided in paragraph (a), a driver may not exceed a total of 14 hours combined on-duty and driving time after coming on duty following at least ten consecutive hours off-duty.

~~(c)~~ (d) If a driver is operating under the relief provided by paragraph (a), and the declaration is in effect for more than 30 calendar days, the driver must take a 34-hour restart before the driver has been on duty for 30 consecutive days.

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

Sec. 23. Minnesota Statutes 2022, section 221.033, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** Except as provided in ~~subdivisions 2 to 2d~~ this section, no person may transport or offer or accept for transportation within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 5101 to 5126 and the provisions of Code of Federal Regulations, title 49, parts 171 to 199, which are incorporated by reference. Those provisions apply to transportation in intrastate commerce to the same extent they apply to transportation in interstate commerce.

Sec. 24. Minnesota Statutes 2022, section 221.033, is amended by adding a subdivision to read:

Subd. 2e. **Transportation of specific petroleum products; driver requirements.** (a) This subdivision applies to intrastate commerce.

(b) A driver who operates a motorized tank truck vehicle with a capacity of less than 3,500 gallons that is used to transport petroleum products must have a valid commercial driver's license with endorsements for hazardous materials and tank vehicles and be at least 18 years of age.

(c) A driver who operates a vehicle that is used to transport liquefied petroleum gases in nonbulk or bulk packaging as defined in Code of Federal Regulations, title 49, section 171.8, including the transportation of consumer storage tanks in compliance with Code of Federal Regulations, title 49, section 173.315(j), must have a valid commercial driver's license with a hazardous materials endorsement and be at least 18 years of age.

(d) A driver who operates a vehicle under paragraph (c) must also have a tank vehicle endorsement if the aggregate capacity of the bulk packaging being transported is 1,000 gallons or more.

(e) Nonbulk or bulk packaging transported under paragraph (c) must have an aggregate capacity of less than 3,500 gallons.

Sec. 25. **REPORT REQUIRED; DYNAMIC TRANSPORTATION OPTIONS.**

(a) The commissioner of transportation must convene a dynamic transportation options workgroup to develop recommendations related to improving dynamic transportation options for residents of nonmetropolitan counties and report the recommendations to the legislative committees with jurisdiction over transportation finance and policy by February 1, 2025. The workgroup must examine options that improve access to nonfixed route transportation services; allow for flexibility in scheduling rides; and leverage existing programs, resources, or private sector businesses in the county.

(b) For the purposes of this section, "nonmetropolitan county" is defined as any Minnesota county other than those under Minnesota Statutes, section 473.121, subdivision 4.

**EFFECTIVE DATE.** This section is effective the day following final enactment, contingent upon determination by the commissioner of transportation that the requirements of this section will have no cost to the Department of Transportation.

Sec. 26. **REPORT REQUIRED; METRO MOBILITY ENHANCEMENTS.**

The chair of the Metropolitan Council must convene a Metro Mobility enhancements workgroup to develop recommendations related to improving the efficiency, effectiveness, reliability, and rider experience of the special transportation service under Minnesota Statutes, section 473.386, and report the recommendations to the legislative committees with jurisdiction over transportation finance and policy by February 1, 2025.

**EFFECTIVE DATE.** This section is effective the day following final enactment, contingent upon determination by the chair of the Metropolitan Council that the requirements of this section will have no cost to the council.

Sec. 27. **REPEALER.**

Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; and 221.033, subdivision 2c, are repealed.

## ARTICLE 2
## DEPARTMENT OF PUBLIC SAFETY

Section 1. Minnesota Statutes 2023 Supplement, section 4.076, subdivision 3, is amended to read:

Subd. 3. **Membership; chair.** (a) The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by a designee from:

(i) the Office of Traffic Safety in the Department of Public Safety;

(ii) the Office of Traffic Engineering in the Department of Transportation; and

(iii) the Injury and Violence Prevention Section in the Department of Health;

(2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);

(3) the statewide Toward Zero Deaths communications coordinator;

(4) the statewide Toward Zero Deaths program and operations coordinator;

~~(4)~~ (5) a regional coordinator from the Toward Zero Deaths program;

~~(5)~~ (6) the chief of the State Patrol or a designee;

~~(6)~~ (7) the state traffic safety engineer in the Department of Transportation or a designee;

~~(7)~~ (8) a law enforcement liaison from the Department of Public Safety;

~~(8)~~ (9) a representative from the Department of Human Services;

~~(9)~~ (10) a representative from the Department of Education;

~~(10)~~ (11) a representative from the Council on Disability;

~~(11)~~ (12) a representative for Tribal governments;

~~(12)~~ (13) a representative from the Center for Transportation Studies at the University of Minnesota;

~~(13)~~ (14) a representative from the Minnesota Chiefs of Police Association;

~~(14)~~ (15) a representative from the Minnesota Sheriffs' Association;

~~(15)~~ (16) a representative from the Minnesota Safety Council;

~~(16)~~ (17) a representative from AAA Minnesota;

~~(17)~~ (18) a representative from the Minnesota Trucking Association;

~~(18)~~ (19) a representative from the Insurance Federation of Minnesota;

~~(19)~~ (20) a representative from the Association of Minnesota Counties;

~~(20)~~ (21) a representative from the League of Minnesota Cities;

~~(21)~~ (22) the American Bar Association State Judicial Outreach Liaison;

~~(22)~~ (23) a representative from the City Engineers Association of Minnesota;

~~(23)~~ (24) a representative from the Minnesota County Engineers Association;

~~(24)~~ (25) a representative from the Bicycle Alliance of Minnesota;

~~(25)~~ (26) two individuals representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance;

~~(26)~~ (27) a representative from Minnesota Operation Lifesaver;

~~(27)~~ (28) a representative from the Minnesota Driver and Traffic Safety Education Association;

~~(28)~~ (29) a representative from the Minnesota Association for Pupil Transportation;

~~(29)~~ (30) a representative from the State Trauma Advisory Council;

~~(30)~~ (31) a person representing metropolitan planning organizations; ~~and~~

~~(31)~~ (32) a person representing contractors engaged in construction and maintenance of highways and other infrastructure;

(33) the director of the Minnesota Emergency Medical Services Regulatory Board or successor organization; and

(34) a person representing a victims advocacy organization.

(b) The commissioners of public safety and transportation must jointly appoint the advisory council members under paragraph (a), clauses ~~(11)~~ (12), ~~(25)~~ (26), ~~(30)~~ (31), ~~and~~ ~~(31)~~ (32), and (34).

Sec. 2. Minnesota Statutes 2022, section 43A.17, is amended by adding a subdivision to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; Department of Corrections Fugitive Apprehension Unit members; and Commerce Fraud Bureau agents in the Department of Commerce.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

Sec. 3. Minnesota Statutes 2022, section 65B.28, subdivision 2, is amended to read:

Subd. 2. **Accident prevention course; rules.** (a) The commissioner of public safety ~~shall~~ must adopt rules establishing and regulating a motor vehicle accident prevention course for persons 55 years old and older.

(b) The rules must, at a minimum, include provisions:

(1) establishing curriculum requirements; and

~~(2) establishing the number of hours required for successful completion of the course;~~ ~~and~~

~~(3)~~ (2) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course.

(c) The accident prevention course must be a total of four hours.

Sec. 4. Minnesota Statutes 2023 Supplement, section 115E.042, subdivision 4, is amended to read:

Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain and recover discharged oil or other hazardous substances, (2) protect the environment, and (3) assist local public safety officials. Within 15 minutes of a rail incident involving a confirmed discharge or release of oil or other hazardous substances, a railroad must contact the applicable emergency manager and applicable fire ~~chief~~ department, through the local public safety answering point, having jurisdiction along the route where the incident occurred. After learning of the rail incident involving oil or other hazardous substances, the applicable emergency manager and applicable fire ~~chief~~ department must, as soon as practicable, identify and provide contact information of the responsible incident commander to the reporting railroad.

(b) Within 15 minutes of local emergency responder arrival on the scene of a rail incident involving oil or other hazardous substances, a railroad must assist the incident commander to determine the nature of any hazardous substance known to have been released and hazardous substance cargo transported on the train. Assistance must include providing information that identifies the chemical content of the hazardous substance, contact information for the shipper, and instructions for dealing with the release of the material. A railroad may provide information on the hazardous substances transported on the train through the train orders on board the train or by facsimile or electronic transmission.

(c) Within one hour of confirmation of a discharge, a railroad must provide a qualified company representative to advise the incident commander, assist in assessing the situation, initiate railroad response actions as needed, and provide advice and recommendations to the incident commander regarding the response. The representative may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad.

(d) Within three hours of confirmation of a discharge, a railroad must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

(e) Within three hours of confirmation of a discharge, a railroad must provide (1) qualified personnel at a discharge site to assess the discharge and to advise the incident commander, and (2) resources to assist the incident commander with ongoing public safety and scene stabilization.

(f) A railroad must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or other hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

(1) training and caching equipment with local jurisdictions;

(2) training and caching equipment with a fire mutual-aid group;

(3) means of an industry cooperative or mutual-aid group;

(4) deployment of a contractor;

(5) deployment of a response organization under state contract; or

(6) other dependable means acceptable to the Pollution Control Agency.

(g) Each arrangement under paragraph (f) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

(h) Within eight hours of confirmation of a discharge, a railroad must be capable of delivering and deploying containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

(1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and

(2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

(i) Within 60 hours of confirmation of a discharge, a railroad must be capable of delivering and deploying additional containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst case discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

Sec. 5. Minnesota Statutes 2022, section 168.002, subdivision 26, is amended to read:

Subd. 26. **Pickup truck.** "Pickup truck" means any truck with a manufacturer's nominal rated carrying capacity of three-fourths ton or less and commonly known as a pickup truck. If the manufacturer's nominal rated carrying capacity is not provided or cannot be determined, then the value specified by the manufacturer as the gross vehicle weight as indicated on the manufacturer's certification label must be ~~less than~~ 10,000 pounds or less.

Sec. 6. Minnesota Statutes 2022, section 168.002, subdivision 27, is amended to read:

Subd. 27. **Recreational vehicle.** (a) "Recreational vehicle" means travel trailers including those that telescope or fold down, chassis-mounted campers, motor homes, tent trailers, teardrop trailers, and converted buses that provide temporary human living quarters.

(b) "Recreational vehicle" is a vehicle that:

(1) is not used as the residence of the owner or occupant;

(2) is used while engaged in recreational or vacation activities; and

(3) is either self-propelled or towed on the highways incidental to the recreational or vacation activities.

Sec. 7. Minnesota Statutes 2022, section 168.013, subdivision 1d, is amended to read:

Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than 3,000 pounds, the annual tax is based on total gross weight and is 30 percent of the Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent of the Minnesota base rate prescribed by subdivision 1e. A trailer registered at a gross vehicle weight greater than 3,000 pounds but no greater than 7,200 pounds may be taxed either: (1) annually as provided in this paragraph; or (2) once every three years on the basis of total gross weight and is 90 percent of the Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the commissioner allocated proportionally in the same manner as provided in section 168.33, subdivision 7, paragraph (e).

(b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.

(c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight of 3,000 pounds or less, excluding recreational vehicles, must display a distinctive plate. The registration on the license plate is valid for the life of the trailer only if it remains registered at the same gross vehicle weight. The onetime registration tax for trailers registered for the first time in Minnesota is $55. For trailers registered in Minnesota before July 1, 2001, and for which:

(1) registration is desired for the remaining life of the trailer, the registration tax is $25; or

(2) permanent registration is not desired, the biennial registration tax is $10 for the first renewal if registration is renewed between and including July 1, 2001, and June 30, 2003. These trailers must be issued permanent registration at the first renewal on or after July 1, 2003, and the registration tax is $20.

For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001, but not renewed until on or after July 1, 2003, the registration tax is $20 and permanent registration must be issued.

Sec. 8. Minnesota Statutes 2022, section 168.0135, is amended by adding a subdivision to read:

Subd. 2a. **Limitations.** (a) A vendor must not have an ownership interest with a deputy registrar or a driver's license agent.

(b) A vendor is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

(c) An entity that owns, leases, or otherwise provides a location where a self-service kiosk is placed is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent. This paragraph does not apply to a deputy registrar or a driver's license agent appointed prior to placement of a self-service kiosk within the office of the deputy registrar or driver's license agent.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) The commissioner ~~shall~~ must issue a special plate emblem for each plate to an applicant who:

(1) is a member of a congressionally chartered veterans service organization and is a registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle, or is a congressionally chartered veterans service organization that is the registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle;

(2) pays the registration tax required by law;

(3) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of two plates, and any other fees required by this chapter; and

(4) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

(b) The additional fee is payable at the time of initial application for the special plate emblem and when the plates must be replaced or renewed. ~~An applicant must not be issued more than two sets of special plate emblems for motor vehicles listed in paragraph (a) and registered to the applicant.~~

(c) The applicant must present a valid card indicating membership in the American Legion, Veterans of Foreign Wars, or Disabled American Veterans.

Sec. 10. Minnesota Statutes 2022, section 168.33, subdivision 8a, is amended to read:

Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic transmission of a motor vehicle transfer and registration by a new or used motor vehicle dealer, a deputy registrar who is equipped with electronic transmission technology and trained in its use ~~shall~~ must receive the filing fee provided for in subdivision 7 and review the transfer of each new or used motor vehicle to determine its genuineness and regularity before issuance of a certificate of title, and ~~shall~~ must receive and retain the filing fee under subdivision 7, paragraph (a), clause (2).

(b) The commissioner must establish reasonable performance, security, technical, and financial standards to approve companies that provide computer software and services to motor vehicle dealers to electronically transmit vehicle title transfer and registration information. An approved company must be offered access to department facilities, staff, and technology on a fair and reasonable basis. An approved company must not have an ownership interest with a deputy registrar or a driver's license agent. An approved company is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

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

Sec. 11. Minnesota Statutes 2022, section 168A.085, is amended by adding a subdivision to read:

Subd. 4. **Foreign passport.** A valid and unexpired passport issued to the applicant by a recognized foreign government is a primary document for purposes of Minnesota Rules, part 7410.0400, and successor rules, when the applicant is an individual who is applying as the owner for a vehicle title or registration.

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

Sec. 12. Minnesota Statutes 2022, section 168B.035, subdivision 3, is amended to read:

Subd. 3. **Towing prohibited.** (a) A towing authority may not tow a motor vehicle because:

(1) the vehicle ~~has expired~~ displays registration ~~tabs~~ validation stickers that have been expired for less than 90 days; or

(2) the vehicle is at a parking meter on which the time has expired ~~and the vehicle has fewer than five unpaid parking tickets~~.

(b) A towing authority may tow a motor vehicle, notwithstanding paragraph (a), if:

(1) the vehicle is parked in violation of snow emergency regulations;

(2) the vehicle is parked in a rush-hour restricted parking area;

(3) the vehicle is blocking a driveway, alley, or fire hydrant;

(4) the vehicle is parked in a bus lane, or at a bus stop, during hours when parking is prohibited;

(5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

(6) the vehicle is parked in a disability transfer zone or disability parking space without a disability parking certificate or disability license plates;

(7) the vehicle is parked in an area that has been posted for temporary restricted parking (i) at least 12 hours in advance in a home rule charter or statutory city having a population under 50,000, or (ii) at least 24 hours in advance in another political subdivision;

(8) the vehicle is parked within the right-of-way of a controlled-access highway or within the traveled portion of a public street when travel is allowed there;

(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the Metropolitan Airports Commission;

(11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;

(12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;

(13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses;

(14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;

(15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle;

(16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking; or

(17) the vehicle is a junk, abandoned, or unauthorized vehicle, as defined in section 168B.011, and subject to immediate removal under this chapter.

Sec. 13. Minnesota Statutes 2022, section 169.09, subdivision 5, is amended to read:

Subd. 5. **Notify owner of damaged property.** If the driver of any vehicle involved in a collision knows or has reason to know the collision resulted only in damage to fixtures legally upon or adjacent to a street or highway, the driver ~~shall~~ must:

(1) take reasonable steps to locate and notify the owner or person in charge of the property of ~~that fact~~ the collision, ~~of~~ the driver's name and address, and ~~of~~ the ~~registration~~ license plate number of the vehicle being driven and ~~shall~~ must, upon request and if available, exhibit the driver's license~~, and make an accident report in every case~~; and

(2) report the information required in clause (1) to a peace officer.

Sec. 14. Minnesota Statutes 2023 Supplement, section 169.09, subdivision 8, is amended to read:

Subd. 8. **Officer to report accident to commissioner.** ~~A peace officer who, in the regular course of duty, investigates an accident that must be reported under this section shall, within ten days after the date of the accident, forward an electronic or written report~~

~~of the accident as prescribed by the commissioner of public safety. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident using an electronic format as prescribed by the commissioner~~ (a) A peace officer who investigates in the regular course of duty an accident that is required to be reported under this section must submit an electronic or written report of the accident to the commissioner of public safety within ten days after the date of the accident. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident. A report or notification under this subdivision must be in the format as prescribed in subdivision 9.

(b) Accidents on streets, highways, roadways, sidewalks, shoulders, shared use paths, or any other portion of a road's public right-of-way must be reported under the requirements of this section if the accident results in:

(1) a fatality;

(2) bodily injury to a person who, because of the injury, immediately receives medical treatment away from or at the scene of the accident;

(3) one or more of the motor vehicles incurring disabling damage that requires a vehicle to be transported away from the scene of the accident by tow truck or other vehicle; or

(4) damage to fixtures, infrastructure, or any other property alongside or on a public highway.

(c) An accident involving a school bus, as defined in section 169.011, subdivision 71, must be reported under the requirements of this section and section 169.4511.

(d) An accident involving a commercial motor vehicle, as defined in section 169.781, subdivision 1, paragraph (a), must be reported under the requirements of this section and section 169.783.

(e) Accidents occurring on public lands or trail systems that result in the circumstances specified in paragraph (b) must be reported under the requirements of this section.

Sec. 15. Minnesota Statutes 2022, section 169.09, subdivision 14a, is amended to read:

Subd. 14a. **Suspension of license for failure to report accident.** The commissioner may suspend the license, or any nonresident's operating privilege, of any ~~person~~ driver who willfully fails, refuses, or neglects to make report of a traffic accident as required ~~by the~~

~~laws of this state~~ under this section. A license suspension under this section is subject to the notice requirements of section 171.18, subdivision 2.

Sec. 16. Minnesota Statutes 2022, section 169.09, subdivision 19, is amended to read:

Subd. 19. **Terminology.** (a) The provisions of this section apply equally whether the term "accident" or "collision" is used. The term "accident" or "collision" does not include:

(1) an occurrence involving only boarding and alighting from a stationary motor vehicle;

(2) an occurrence involving only the loading or unloading of cargo; or

(3) intentional vehicle-to-vehicle contact when initiated by a peace officer:

(i) to stop a perpetrator from fleeing in a motor vehicle, as defined in section 609.487, subdivision 3; or

(ii) as an authorized use of force, as defined in section 609.06, subdivision 1; 609.065; or 609.066.

(b) For purposes of this section, "disabling damage" means damage that prevents a motor vehicle from departing the scene of the accident in its usual manner in daylight after simple repairs. Disabling damage includes damage to a motor vehicle that could be driven from the scene of the accident but would be further damaged if so driven. Disabling damage does not include:

(1) damage that can be remedied temporarily at the scene of the accident without special tools or parts;

(2) tire disablement without other damage, even if no spare tire is available;

(3) headlamp or taillight damage; or

(4) damage that makes the turn signals, horn, or windshield wipers inoperable.

(c) For purposes of this section, motor vehicle includes off-highway vehicles, as defined in section 84.771, and snowmobiles, as defined in section 84.81.

Sec. 17. Minnesota Statutes 2022, section 169.224, subdivision 3, is amended to read:

Subd. 3. **Operation.** (a) A neighborhood electric vehicle or a medium-speed electric vehicle may not be operated on a street or highway with a speed limit greater than 35 miles per hour, except to make a direct crossing of that street or highway.

(b) A person may operate a three-wheeled neighborhood electric vehicle without a ~~two-wheeled vehicle~~ motorcycle endorsement, provided the person has a valid driver's license issued under chapter 171.

Sec. 18. Minnesota Statutes 2022, section 169.4503, subdivision 31, is amended to read:

Subd. 31. **Supplemental warning system; ~~temporary authority.~~** ~~(a) Prior to August 1, 2022, the commissioner may approve a~~ Type A, B, C, or D school ~~bus to~~ buses may be equipped with a supplemental warning system. ~~On and after that date, a school bus may continue to be equipped with a previously approved supplemental warning system.~~

~~(b) To determine approval of a supplemental warning system, the commissioner must consider~~ A supplemental warning system must:

(1) use amber and red signal colors~~, which are limited to one or more of the colors white, amber, and red~~;

(2) ~~flashing patterns~~ use supplemental amber warning lights activated only in conjunction with activated overhead amber warning lights and supplemental red warning lights activated only in conjunction with activated overhead red flashing lights;

~~(3) vehicle mounting and placement;~~

~~(4) supplemental warning system activation~~ (3) be wired so the supplemental warning system is automatically activated in conjunction with activation of prewarning flashing amber signals, stop-signal arm, and flashing red signals;

~~(5) light intensity~~ (4) be programmed to flash at a rate of 60 to 120 flashes per minute by either:

(i) using a randomized flash pattern; or

(ii) alternating with the corresponding overhead light; and

~~(6) permissible text, signage, and graphics, if any~~ (5) use lights installed in pairs and mounted on the same level and placed as wide as practicable on the body above the bumper level.

~~(c) The commissioner must review relevant research findings and experience in other jurisdictions, and must consult with interested stakeholders, including but not limited to representatives from school district pupil transportation directors, private school bus operators, and pupil transportation and traffic safety associations.~~

Sec. 19. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 3a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Booster seat" means a child passenger restraint system that meets applicable federal motor vehicle safety standards and is designed to provide belt-positioning that elevates a child to be properly seated with a safety belt.

(c) "Child passenger restraint system" means a device that:

(1) meets applicable federal motor vehicle safety standards of the United States Department of Transportation and complies with any other applicable federal regulations;

(2) is designed to restrain, seat, or position children; and

(3) is appropriate to the age of the child being restrained.

Child passenger restraint system includes a booster seat.

(d) "Properly restrained" means restrained or secured according to the instructions of both the motor vehicle manufacturer and the child passenger restraint system manufacturer.

(e) "Secured with a safety belt" means restrained or secured by a seat belt that (1) meets applicable federal motor vehicle safety standards, and (2) is properly adjusted and fastened, including both the shoulder and lap straps when equipped in the vehicle.

Sec. 20. Minnesota Statutes 2022, section 169.685, subdivision 4, is amended to read:

Subd. 4. **Admissibility into evidence.** (a) Except as provided in paragraph (b), proof of the use or failure to use seat belts or a child passenger restraint system as described in subdivision ~~5~~ 4a, or proof of the installation or failure of installation of seat belts or a child passenger restraint system as described in subdivision ~~5 shall not be~~ 4a is not admissible in evidence in any litigation involving personal injuries or property damage resulting from the use or operation of any motor vehicle.

(b) Paragraph (a) does not affect the right of a person to bring an action for damages arising out of an incident that involves a defectively designed, manufactured, installed, or operating seat belt or child passenger restraint system. Paragraph (a) does not prohibit the introduction of evidence pertaining to the use of a seat belt or child passenger restraint system in an action described in this paragraph.

Sec. 21. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 4a. **Child passenger restraint systems.** (a) Except as provided in paragraph (c), every driver in this state who transports a child or children under the age of 18 years in a motor vehicle that is in motion or a part of traffic and is required under federal motor vehicle safety standards to be equipped with a safety belt or lower anchors and tethers for children in a passenger seating position must have the child or children secured as follows:

(1) a child who is younger than two years of age must be properly restrained in a rear-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(2) a child who is at least two years of age and exceeds the rear-facing weight or height limit of the child passenger restraint system must be properly restrained in a forward-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(3) a child who is at least four years of age and exceeds the weight or height limit of the forward-facing child passenger restraint system must be properly restrained in a booster seat and secured with a safety belt;

(4) a child who is at least nine years of age or exceeds the weight or height limit of the child passenger restraint system or the booster seat must be secured with a safety belt adjusted and fastened around the child's body to fit correctly. The safety belt fits correctly when the child sits all the way back against the vehicle seat, the child's knees bend over the edge of the vehicle seat, the lap strap fits snugly across the child's thighs and lower hips and not the child's abdomen, and the shoulder strap snugly crosses the center of the child's chest and not the child's neck;

(5) a child who is younger than 13 years of age must be transported in the rear seat of a motor vehicle, when available, and must be properly restrained in a child passenger restraint system or booster seat or secured with a safety belt; and

(6) a child who, because of age or weight, can be placed in more than one category under this paragraph must be placed in the more protective category, where clause (1) provides for the most protective and clause (5) provides for the least protective.

(b) The driver of a motor vehicle transporting a child who is younger than six years of age or weighs less than 60 pounds must transport the child in a rear seat if:

(1) the vehicle is equipped with a passenger side air bag supplemental restraint system;

(2) the air bag system is activated; and

(3) a rear seat is available.

(c) When the number of children in the motor vehicle under 13 years of age exceeds the number of age- or size-appropriate child passenger restraint systems and safety belts available in the motor vehicle, the unrestrained children must be seated in a rear seat, if rear seats are available.

(d) The weight and height limits of a child passenger restraint system under this subdivision are as established by the child passenger restraint system manufacturer.

Sec. 22. Minnesota Statutes 2022, section 169.685, subdivision 5, is amended to read:

Subd. 5. **Violation; petty misdemeanor.** (a) ~~Every motor vehicle operator, when transporting a child who is both under the age of eight and shorter than four feet nine inches on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.~~

~~(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child who is both under the age of eight and shorter than four feet nine inches in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system.~~ Any motor vehicle operator who violates ~~this~~ subdivision 4a is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than $50. The fine may be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

~~(c)~~ (b) At the time of issuance of a citation under this subdivision, a peace officer may provide to the violator information on obtaining a free or low-cost child passenger restraint system.

~~(d)~~ (c) The fines collected for violations of this subdivision must be deposited in the ~~state treasury and credited to a special account to be known as the~~ Minnesota child passenger restraint and education account.

~~(e) For the purposes of this section, "child passenger restraint system" means any device that meets the standards of the United States Department of Transportation; is designed to restrain, seat, or position children; and includes a booster seat.~~

Sec. 23. Minnesota Statutes 2022, section 169.801, subdivision 7, is amended to read:

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if:

(1) it is for the purpose of avoiding an obstacle on the right-hand side of the road and:

(i) crosses the center line for as brief a period of time as necessary to avoid the obstacle;

(ii) returns back to the right half of the roadway immediately after passing the obstacle and when safe to do so;

(iii) no other vehicles are approaching from the opposite direction such that the approaching vehicle would be within the immediate vicinity of the implement before the implement returns to the right-hand side of the road; and

(iv) the operation does not extend into the left half of the roadway more than necessary; or

(2) it is escorted at the front by a vehicle displaying hazard warning lights visible in normal sunlight and the operation does not extend into the left half of the roadway more than is necessary.

(c) An implement of husbandry, when operating in compliance with the requirements of this section and under paragraph (b), is not subject to the escort requirements in section 169.812, subdivision 2.

Sec. 24. Minnesota Statutes 2022, section 169.974, subdivision 2, is amended to read:

Subd. 2. **License endorsement and permit requirements.** (a) ~~No person shall~~ A person must not operate a motorcycle on any street or highway without having a valid driver's license with a ~~two-wheeled vehicle~~ motorcycle endorsement as provided by law. A person may operate an autocycle without a ~~two-wheeled vehicle~~ motorcycle endorsement, provided the person has a valid driver's license issued under section 171.02.

(b) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle~~ motorcycle endorsement only if the applicant (1) has in possession a valid ~~two-wheeled vehicle~~ motorcycle instruction permit as provided in paragraph (c), (2) has passed a written examination and road test administered by the Department of Public Safety for the endorsement, and (3) in the case of applicants under 18 years of age, presents a certificate or other evidence of having successfully completed an approved ~~two-wheeled vehicle~~

motorcycle driver's safety course in this or another state, in accordance with rules adopted by the commissioner of public safety for courses offered by a public, private, or commercial school or institute. The commissioner of public safety may waive the road test for any applicant on determining that the applicant possesses a valid license to operate a ~~two-wheeled vehicle~~ motorcycle issued by a jurisdiction that requires a comparable road test for license issuance.

(c) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle~~ motorcycle instruction permit to any person over 16 years of age who (1) is in possession of a valid driver's license, (2) is enrolled in an approved ~~two-wheeled vehicle~~ motorcycle driver's safety course, and (3) has passed a written examination for the permit and paid a fee prescribed by the commissioner of public safety. A ~~two-wheeled vehicle~~ motorcycle instruction permit is effective for one year and may be renewed under rules prescribed by the commissioner of public safety.

(d) ~~No~~ A person who is operating by virtue of a ~~two-wheeled vehicle~~ motorcycle instruction permit ~~shall~~ must not:

(1) carry any passengers on the streets and highways of this state on the motorcycle while the person is operating the motorcycle;

(2) drive the motorcycle at night; or

(3) drive the motorcycle without wearing protective headgear that complies with standards established by the commissioner of public safety.

(e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue a special motorcycle permit, restricted or qualified as the commissioner of public safety deems proper, to any person demonstrating a need for the permit and unable to qualify for a driver's license.

Sec. 25. Minnesota Statutes 2022, section 169A.52, subdivision 7, is amended to read:

Subd. 7. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of

disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card ~~by clipping the upper corner of the card in such a way that no identifying information including the photo is destroyed, and immediately return the card to the person~~;

(2) issue the person a temporary license effective for only seven days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 26. Minnesota Statutes 2022, section 171.01, subdivision 41a, is amended to read:

Subd. 41a. **Noncompliant license; noncompliant identification card.** "Noncompliant license," "noncompliant identification card," or "noncompliant license or identification card," means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (b). Unless provided otherwise, noncompliant license includes an appropriate instruction permit, provisional license, and restricted license.

Sec. 27. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 45c. **REAL ID compliant license; REAL ID compliant identification card.** "REAL ID compliant license," "REAL ID compliant identification card," or "REAL ID compliant license or identification card," means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (a). Unless provided otherwise, REAL ID compliant license includes an appropriate instruction permit, provisional license, and restricted license.

Sec. 28. Minnesota Statutes 2022, section 171.01, subdivision 47, is amended to read:

Subd. 47. **State.** "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States, including a United States military base located on foreign soil.

Sec. 29. Minnesota Statutes 2022, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. ~~**Two-wheeled vehicle**~~ **Motorcycle endorsement fee.** (a) In addition to the appropriate fee under subdivision 2, the fee for a ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license is:

(1) $26.50 for an initial endorsement or a duplicate license obtained for the purpose of adding the endorsement; and

(2) $17 for each license renewal with the endorsement.

(b) The additional fee must be paid into the state treasury and credited as follows:

(1) $19 of the additional fee under paragraph (a), clause (1), and $11 of the additional fee under paragraph (a), clause (2), to the motorcycle safety fund, which is hereby created; and

(2) the remainder to the general fund.

(c) All application forms prepared by the commissioner for ~~two-wheeled vehicle~~ motorcycle endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle safety fund.

Sec. 30. Minnesota Statutes 2023 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) ~~as may be required by the commissioner,~~ contain a description of the applicant ~~and any other facts pertaining to the applicant~~, including the applicant's height in feet and inches, weight in pounds, eye color, and sex; the applicant's driving privileges~~,~~; and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7;

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c;

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b;

(v) indicate the applicant's race and ethnicity; and

(vi) indicate caretaker information as provided under section 171.12, subdivision 5c; and

(6) meet the requirements under section 201.161, subdivision 3.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for ~~driver's~~ drivers' licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

~~(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.~~

~~(c)~~ (d) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

(e) A Minnesota driver's license, permit, or identification card must be issued only to an individual who has a residence address in the state at the time of the application. Applications for an enhanced driver's license or enhanced identification card must include proof of residency in accordance with section 171.063, subdivision 6. An individual may only have one residence address where the individual is domiciled at any particular time. The residence address of the individual is presumed to continue until the contrary is shown. The applicant must provide the following information about the residence address: residence number, street name, street type, directional, city or town, state, and zip code.

Sec. 31. Minnesota Statutes 2022, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United

States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

~~(6)~~ (9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

~~(7)~~ (10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

~~(8)~~ (11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

~~(9)~~ (12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States;

~~(10)~~ (13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x);

~~(11)~~ (14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

~~(12)~~ (15) a certified copy of a court order that specifies the applicant's name change; or

~~(13)~~ (16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 32. Minnesota Statutes 2023 Supplement, section 171.0605, subdivision 5, is amended to read:

Subd. 5. **Evidence; residence in Minnesota.** (a) Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

(1) a home utility services bill issued no more than 12 months before the application;

(2) a home utility services hook-up work order issued no more than 12 months before the application;

(3) United States bank or financial information issued no more than 12 months before the application, with account numbers redacted, including:

(i) a bank account statement;

(ii) a credit card or debit card statement;

(iii) a brokerage account statement;

(iv) a money market account statement;

(v) a Health Savings Account statement; or

(vi) a retirement account statement;

(4) a certified transcript from a United States high school, if issued no more than 180 days before the application;

(5) a certified transcript from a Minnesota college or university, if issued no more than 180 days before the application;

(6) a student summary report from a United States high school signed by a school principal or designated authority and issued no more than 180 days before the application;

(7) an employment pay stub issued no more than 12 months before the application that lists the employer's name and address;

(8) a Minnesota unemployment insurance benefit statement issued no more than 12 months before the application;

(9) a statement from an assisted living facility licensed under chapter 144G, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 12 months before the application;

(10) a current policy or card for health, automobile, homeowner's, or renter's insurance;

(11) a federal or state income tax return for the most recent tax filing year;

(12) a Minnesota property tax statement for the current or prior calendar year or a proposed Minnesota property tax notice for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(13) a Minnesota vehicle certificate of title;

(14) a filed property deed or title for current residence;

(15) a Supplemental Security Income award statement issued no more than 12 months before the application;

(16) mortgage documents for the applicant's principal residence;

(17) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;

(18) an affidavit of residence for an applicant whose principal residence is a group home, communal living arrangement, cooperative, or a religious order issued no more than 90 days before the application;

(19) an assisted living or nursing home statement issued no more than 90 days before the application;

(20) a valid driver's license, including an instruction permit, issued under this chapter;

(21) a valid Minnesota identification card;

(22) an unexpired Minnesota professional license;

(23) an unexpired Selective Service card;

(24) military orders that are still in effect at the time of application;

(25) a cellular phone bill issued no more than 12 months before the application; or

(26) a valid license issued pursuant to the game and fish laws.

(b) In lieu of one of the two documents required by paragraph (a), an applicant under the age of 18 may use a parent or guardian's proof of principal residence as provided in this paragraph. The parent or guardian of the applicant must provide a document listed under paragraph (a) that includes the parent or guardian's name and the same address as the address on the document provided by the applicant. The parent or guardian must also certify that the applicant is the child of the parent or guardian and lives at that address.

(c) A document under paragraph (a) must include the applicant's name and principal residence address in Minnesota.

(d) For purposes of this ~~section~~ subdivision, Internet service and cable service are utilities ~~under this section and Minnesota Rules, part 7410.0410, subpart 4a~~.

Sec. 33. Minnesota Statutes 2022, section 171.0605, subdivision 6, is amended to read:

Subd. 6. **Exceptions process.** (a) The commissioner may grant a variance from the requirements of this section as provided under Minnesota Rules, part 7410.0600, or successor rules, for evidence of:

(1) identity or date of birth under subdivision 2;

(2) lawful status under subdivision 3, only for demonstration of United States citizenship; and

(3) ~~Social Security number under subdivision 4; and~~

~~(4)~~ residence in Minnesota under subdivision 5.

(b) The commissioner must not grant a variance for an applicant having a lawful temporary admission period.

Sec. 34. **[171.062] EVIDENCE OF IDENTITY; NONCOMPLIANT CREDENTIALS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Court" includes a foreign court of competent jurisdiction.

(c) "Foreign" means a jurisdiction that is not, and is not within, the United States, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, or a territory of the United States.

Subd. 2. **Evidence of identity.** For a noncompliant license or identification card, an applicant must submit:

(1) a Minnesota driver's license or identification card that is current or has been expired:

(i) for five years or less with a color photograph or electronically produced or digitized image; or

(ii) for one year or less without a color photograph or electronically produced or digitized image; or

(2) if the applicant cannot present a credential under clause (1), either:

(i) one primary document under subdivision 4 and one secondary document under subdivision 5; or

(ii) two primary documents under subdivision 4.

Subd. 3. **General requirements.** (a) A document submitted under this section must include the applicant's name and must be:

(1) issued to or provided for the applicant;

(2) legible and unaltered;

(3) an original or a copy certified by the issuing agency or by a court; and

(4) accompanied by a certified translation or an affidavit of translation into English, if the document is not in English.

(b) If the applicant's current legal name is different from the name on a document submitted under subdivision 4 or 5, the applicant must submit:

(1) a certified copy of a court order that specifies the applicant's name change;

(2) a certified copy of the applicant's certificate of marriage;

(3) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court; or

(4) similar documentation of a lawful change of name, as determined by the commissioner.

(c) A form issued by a federal agency that is specified under this section includes any subsequent form or version.

(d) The commissioner must establish a process to grant a waiver from the requirements under this section.

(e) The same document must not be submitted as both a primary document and a secondary document.

Subd. 4. **Primary documents.** (a) For purposes of a noncompliant driver's license or identification card, a primary document includes:

(1) a copy of the applicant's record of birth, or an original certificate of birth that is in the files of the applicable bureau or board under item (iii) and can be readily viewed by the official accepting the application, certified by the issuing state that:

(i) is not issued by a hospital and is not a baptismal certificate;

(ii) bears the raised or authorized seal of the issuing government jurisdiction or a protective equivalent; and

(iii) is issued by:

(A) a government bureau of vital statistics or community health board;

(B) the United States Department of State as a Record of Birth Abroad, Form FS-545 or Form DS-1350; or

(C) a United States embassy as a Consular Report of Birth Abroad, Form FS-240;

(2) a certified copy of an adoption certificate with the applicant's full name and date of birth from a United States court of competent jurisdiction that bears the raised court seal or other court certification;

(3) an unexpired identification card issued to the applicant by the United States Department of Defense for active duty, reserve, or retired military personnel, Form DD-2 or Common Access Card;

(4) a valid, unexpired passport issued to the applicant by the United States Department of State;

(5) a Canadian birth certificate or Canadian naturalization certificate;

(6) one of the following documents issued by the United States Department of Justice or the United States Department of Homeland Security or any subsequent form or version of the documents:

(i) Certificate of Naturalization, Form N-550, Form N-570, or Form N-578;

(ii) Certificate of Citizenship, Form N-560, Form N-561, or Form N-645;

(iii) United States Citizen Identification card, Form I-179 or Form I-197;

(iv) valid, unexpired Permanent Resident or Resident Alien card, Form I-551 or Form I-151;

(v) Northern Mariana card, Form I-873, with "Northern Mariana" imprinted instead of "Resident Alien";

(vi) American Indian card, Form I-872, with "American Indian" imprinted instead of "Resident Alien";

(vii) unexpired employment authorization document with a photograph, Form I-688, Form I-688A, Form I-688B, or Form I-766; or

(viii) unexpired Re-entry Permit/Refugee Travel Document, Form I-571;

(7) an unexpired passport or a consular identification document that bears a photograph of the applicant;

(8) a certified birth certificate issued by a foreign jurisdiction; and

(9) a certified adoption certificate issued by a foreign jurisdiction that includes the applicant's name and date of birth.

(b) A document submitted under this subdivision must contain security features that make the document as impervious to alteration as is reasonably practicable in its design and quality of material and technology.

(c) Submission of more than one primary document is not required under this subdivision.

Subd. 5. **Secondary documents.** (a) For purposes of a noncompliant driver's license or identification card, a secondary document includes:

(1) a second primary document listed under subdivision 4, paragraph (a);

(2) a driver's license, identification card, or permit, with a photograph or digitized image, issued by a United States state other than Minnesota or a foreign jurisdiction and that is current or has expired no more than five years before the application;

(3) a certified copy of a court order or judgment from a United States or Canadian court of competent jurisdiction containing the applicant's full name and date of birth and bearing the raised court seal or other court certification;

(4) a current United States or Canadian government jurisdiction employee photo identification card;

(5) a certified copy of a record of birth issued by a government jurisdiction other than one in the United States, the District of Columbia, Guam, Puerto Rico, or the United States Virgin Islands;

(6) a current identification card or document issued to the applicant by the United States Department of Defense, described as:

(i) DD Form 1173 series, for dependents of active duty personnel; or

(ii) DD Form 214, Certificate of Release or Discharge from Active Duty;

(7) a copy of a marriage certificate certified by the issuing government jurisdiction or the original certificate only if it is in the files of the issuing jurisdiction and can be readily viewed by the official accepting the application;

(8) an unexpired permit to carry a firearm or concealed weapon bearing a color photo of the applicant issued by a chief of police in an organized, full-time United States police department or by a United States county sheriff;

(9) a current pilot's license issued by the United States Department of Transportation, Federal Aviation Administration;

(10) a copy of a transcript containing the applicant's full legal name and date of birth certified by the issuing secondary or postsecondary school;

(11) a United States nonmetal Social Security card or a Canadian social insurance card;

(12) a current secondary school student identification card with the student's name, a photograph or electronically produced image of the student, and the student's date of birth or unique student identification number;

(13) a notice of action on or proof of submission of a completed Application for Asylum and for Withholding of Removal issued by the United States Department of Homeland Security, Form I-589;

(14) a Certificate of Eligibility for Nonimmigrant Student Status issued by the United States Department of Homeland Security, Form I-20;

(15) a Certificate of Eligibility for Exchange Visitor (J-1) Status issued by the United States Department of State, Form DS-2019;

(16) a Deferred Action for Childhood Arrival approval notice issued by the United States Department of Homeland Security;

(17) an employment authorization document issued by the United States Department of Homeland Security, Form I-688, Form I-688A, Form I-688B, or Form I-766;

(18) a document issued by the Internal Revenue Service with an individual taxpayer identification number;

(19) a Social Security card;

(20) a Supplemental Security Income award statement;

(21) a Selective Service card;

(22) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate;

(23) a Minnesota unemployment insurance benefit statement;

(24) a valid identification card for health benefits or an assistance or social services program;

(25) a Minnesota vehicle certificate of title;

(26) mortgage documents for the applicant's residence;

(27) a filed property deed or title for the applicant's residence;

(28) a Minnesota property tax statement or a proposed Minnesota property tax notice;

(29) a certified copy of a divorce decree or dissolution of marriage issued by a court that specifies the applicant's name or name change;

(30) a valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph; and

(31) any of the following documents issued by a foreign jurisdiction:

(i) a driver's license that is current or has been expired for no more than five years before the application;

(ii) a high school, college, or university student identification card with a certified transcript from the school;

(iii) an official high school, college, or university transcript that includes the applicant's date of birth and a photograph of the applicant at the age the record was issued;

(iv) a federal electoral card that contains the applicant's photograph issued on or after January 1, 1991;

(v) a certified copy of the applicant's certificate of marriage; and

(vi) a certified copy of a court order or judgment from a court of competent jurisdiction that contains the applicant's name and date of birth.

(b) Submission of more than one secondary document is not required under this subdivision.

Subd. 6. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the primary or secondary documents submitted under this section. Verification is required if:

(1) the document provided by the applicant is inconsistent with the department record;

(2) the document provided by the applicant appears to be altered or fraudulent; or

(3) there is reason to believe the applicant is not who the applicant claims to be.

Sec. 35. **[171.063] EVIDENCE OF IDENTITY FOR ENHANCED CREDENTIALS.**

Subdivision 1. **Date of birth.** As proof satisfactory of date of birth, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570;

(5) Certificate of Citizenship, Form N-560 or Form N-561;

(6) American Indian card, Form I-872, or Minnesota Tribal identification card that meets the requirements of section 171.072; or

(7) United States military photo identification card issued to active duty, reserve, or retired military personnel.

Subd. 2. **Full legal name.** As proof satisfactory of full legal name, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents that was not also presented for proof of photographic identity under subdivision 4:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570;

(5) Certificate of Citizenship, Form N-560 or Form N-561;

(6) American Indian card, Form I-872, or Minnesota Tribal identification card that meets the requirements of section 171.072;

(7) United States military photo identification card issued to active duty, reserve, or retired military personnel;

(8) federal or Minnesota income tax form W-2;

(9) federal or Minnesota income tax form SSA-1099;

(10) non-SSA federal or Minnesota income tax form 1099;

(11) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(12) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(13) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(14) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(15) federal or state income tax return or statement for the most recent tax filing year;

(16) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(17) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(18) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(19) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(20) valid Minnesota driver's license, valid Minnesota identification card, or valid permit;

(21) unexpired Minnesota professional license;

(22) unexpired Selective Service card;

(23) military orders that are still in effect at the time of the application;

(24) copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(25) certified copy of a court order specifying a name change; or

(26) certified copy of a divorce decree or dissolution of marriage granted to the applicant that specifies a name change requested from a court of competent jurisdiction.

Subd. 3. **Social Security number.** As proof satisfactory of Social Security number, an applicant for an enhanced driver's license or an enhanced identification card must present the applicant's original Social Security card or one of the following:

(1) federal or Minnesota income tax form W-2;

(2) federal or Minnesota income tax form SSA-1099;

(3) non-SSA federal or Minnesota income tax form 1099; or

(4) United States employment computer-printed pay stub containing the applicant's name, address, and full Social Security number.

Subd. 4. **Photographic identity.** As proof satisfactory of photographic identity, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

(1) valid Minnesota driver's license, identification card, or permit;

(2) valid driver's license, identification card, or permit issued by another United States state, including the District of Columbia and any United States territory;

(3) United States military identification card issued to active duty, reserve, or retired military personnel;

(4) United States military dependent identification card;

(5) valid, unexpired United States passport or United States passport card;

(6) American Indian card, Form I-872, or Minnesota Tribal identification card that meets the requirements under section 171.072;

(7) valid city, county, state, or federal employee identification card;

(8) United States high school identification card with a certified transcript from the same school, both issued no more than 180 days before the application;

(9) United States college or university identification card with a certified transcript from the same college or university, both issued no more than 180 days before the application; or

(10) veterans universal access identification card.

Subd. 5. **United States citizenship.** As proof satisfactory of United States citizenship, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570; or

(5) Certificate of Citizenship, Form N-560 or Form N-561.

Subd. 6. **Residency.** (a) As proof satisfactory of residency, an applicant for an enhanced driver's license or enhanced identification card must present two different forms of the following documents that list the applicant's name and address:

(1) United States home utility services bill that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility bill if two unrelated people are listed on the bill;

(2) United States home utility services hook-up work order that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility services hook-up work order if two unrelated people are listed on the work order;

(3) United States financial information with account numbers redacted that is issued no more than 90 days before the application, including a:

(i) bank account statement;

(ii) canceled check; or

(iii) credit card statement;

(4) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(5) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(6) United States employment pay stub that lists the employer's name, address, and telephone number that is issued no more than 90 days before the application;

(7) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(8) assisted living or nursing home statement that is issued no more than 90 days before the application;

(9) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(10) federal or state income tax return or statement for the most recent tax filing year;

(11) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(12) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(13) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(14) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(15) mortgage documents for the applicant's principal residence;

(16) residential lease agreement for the applicant's principal residence that is issued no more than 12 months before the application;

(17) valid Minnesota driver's license, identification card, or permit;

(18) unexpired Minnesota professional license;

(19) unexpired Selective Service card; or

(20) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate.

(b) For purposes of this subdivision, Internet service and cable service are utilities.

(c) The commissioner must verify with the United States Postal Service the address information provided under this subdivision.

Subd. 7. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the documents submitted under this section. Verification is required if:

(1) the document provided by the applicant is inconsistent with the department record;

(2) the document provided by the applicant appears to be altered or fraudulent; or

(3) there is reason to believe the applicant is not who the applicant claims to be.

Sec. 36. **[171.069] TRANSLATIONS.**

For any document submitted to the department under this chapter in a language other than English:

(1) the document must be accompanied by a translation of that document into the English language;

(2) the translation must be sworn to by the translator as being a true and accurate translation;

(3) the translator must not be related by blood or marriage to the applicant; and

(4) the translator must be:

(i) accredited by the American Translators Association;

(ii) certified by a court of competent jurisdiction;

(iii) approved by an embassy or consulate of the United States or diplomatic or consular official of a foreign country assigned or accredited to the United States;

(iv) affiliated with or approved by the United States Citizenship and Immigration Services or a government jurisdiction within the United States;

(v) an attorney licensed to practice in the United States or affiliated with that attorney;

(vi) a vendor listed to provide translation services for the state of Minnesota; or

(vii) a qualified individual who certifies the individual is competent to translate the document into English.

Sec. 37. Minnesota Statutes 2023 Supplement, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department ~~shall~~ must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; or

(2) Veteran 100% T&P.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; or

(ii) a retired or honorably discharged member of the National Guard or a reserve component of the United States armed forces;

(2) provide a certified copy of the applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status, or a military retiree identification card, veteran identification card, or veteran health identification card; and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

Sec. 38. Minnesota Statutes 2022, section 171.072, is amended to read:

**171.072 TRIBAL IDENTIFICATION CARD.**

(a) If a Minnesota identification card is deemed an acceptable form of identification in Minnesota Statutes or Rules, a tribal identification card is also an acceptable form of identification. A tribal identification card is a primary document for purposes of ~~Minnesota Rules, part 7410.0400, and successor rules,~~ section 171.062 when an applicant applies for a noncompliant license or identification card.

(b) For purposes of this section, "tribal identification card" means an unexpired identification card issued by a ~~Minnesota~~ tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the legal name, date of birth, signature, and picture of the enrolled tribal member.

(c) The tribal identification card must contain security features that make it as impervious to alteration as is reasonably practicable in its design and quality of material and technology. The security features must use materials that are not readily available to the general public. The tribal identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

(d) The requirements of this section do not apply: (1) except as provided in paragraph (a), to an application for a driver's license or Minnesota identification card under this chapter; or (2) to tribal identification cards used to prove an individual's residence for purposes of section 201.061, subdivision 3.

Sec. 39. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 7b, is amended to read:

Subd. 7b. **Data privacy; noncompliant license or identification card.** (a) With respect to noncompliant licenses or identification cards, the commissioner is prohibited from:

(1) electronically disseminating outside the state data that is not disseminated as of May 19, 2017; or

(2) utilizing any electronic validation or verification system accessible from or maintained outside the state that is not in use as of May 19, 2017.

(b) The limitations in paragraph (a) do not apply to the extent necessary to:

(1) maintain compliance with the driver's license compact under section 171.50 and applicable federal law governing commercial driver's licenses; ~~and~~

(2) perform identity verification as part of an application for a replacement Social Security card issued by the Social Security Administration; and

(3) perform identity verification for a program participant in the Transportation Security Administration's Registered Traveler program who has voluntarily provided their Minnesota driver's license or identification card to confirm their identity to a private entity operating under the Registered Traveler program.

(c) For purposes of paragraph (b), clause (3), the information provided for identity verification is limited to name, date of birth, the license or identification card's identification number, issuance date, expiration date, and credential security features which does not include facial recognition.

~~(c)~~ (d) For purposes of this subdivision, "outside the state" includes federal agencies, states other than Minnesota, organizations operating under agreement among the states, and private entities.

~~(d)~~ (e) Prior to disclosing to a data requester, other than the data subject, any data on individuals relating to a noncompliant driver's license or identification card, the commissioner or a driver's license agent must require the data requester to certify that the data requester must not use the data for civil immigration enforcement purposes or disclose the data to a state or federal government entity that primarily enforces immigration law or to any employee or agent of any such government entity. A data requester who violates the certification required in this paragraph may be liable in a civil action brought under section 13.08, may be subject to criminal penalties under section 13.09, may have subsequent requests for noncompliant driver's license or identification card data be denied by the commissioner, and may lose access to the driver records subscription service under section 168.327. A certification form used by the commissioner or a driver's license agent under this paragraph must include information about penalties that apply for violations.

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

Sec. 40. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 11, is amended to read:

Subd. 11. **Certain data on noncompliant license or identification card; department and agents.** (a) For purposes of this section, "immigration status data" means data on individuals who have applied for or been issued a noncompliant driver's license or identification card and that indicate or otherwise have the effect of identifying (1) whether the individual has demonstrated United States citizenship, or (2) whether the individual has demonstrated lawful presence in the United States. Immigration status data include but are not limited to any documents specified under section ~~171.06, subdivision 9, 10, or 11~~ 171.062; immigration status data contained in those documents; or the applicant's submission of the documents.

(b) Immigration status data are classified as private data on individuals, as defined in section 13.02, subdivision 12. Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate immigration status data except to or within the division of the department that administers driver licensing and to the secretary of state for purposes of improving the accuracy of voter registration records under subdivision 7a.

(c) As authorized or required by state or federal law, the commissioner or a driver's license agent may share or disseminate data on individuals who have applied for or been issued a noncompliant driver's license or identification card that are not immigration status data to a government entity, as defined in section 13.02, subdivision 7a, or to a federal government entity that does not enforce immigration law, provided that the receiving entity must not use the data for civil immigration enforcement purposes or further disclose the data to a state or federal government entity that primarily enforces immigration law or to any employee or agent of any such government entity.

(d) Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate any data on individuals who have applied for or been issued a noncompliant driver's license or identification card to any federal government entity that primarily enforces immigration law, except pursuant to a valid search warrant or court order issued by a state or federal judge.

(e) Violation of this subdivision by the commissioner, a driver's license agent, a government entity, or an employee or agent thereof constitutes a violation of the Minnesota Government Data Practices Act and may be subject to penalties and remedies applicable under that chapter.

Sec. 41. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant for a driver's license is 21 years of age or older and possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination to obtain a driver's license, the commissioner must waive the requirements that the applicant pass a knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(b) If the commissioner determines that an applicant for a ~~two-wheeled vehicle~~ motorcycle endorsement is 21 years of age or older and possesses a valid driver's license with a ~~two-wheeled vehicle~~ motorcycle endorsement issued by another state or jurisdiction that requires a comparable examination to obtain an endorsement, the commissioner must waive the requirements with respect to the endorsement that the applicant pass a knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces,

and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

Sec. 42. Minnesota Statutes 2022, section 171.13, subdivision 6, is amended to read:

Subd. 6. ~~**Two-wheeled vehicle**~~ **Motorcycle endorsement examination fee.** A person applying for an initial ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license ~~shall~~ must pay at the place of examination a $2.50 examination fee, an endorsement fee as prescribed in section 171.06, subdivision 2a, and the appropriate driver's license fee as prescribed in section 171.06, subdivision 2.

Sec. 43. Minnesota Statutes 2022, section 171.13, is amended by adding a subdivision to read:

Subd. 10. **Exam scheduling reporting.** By January 15 of each year, the commissioner must submit a report on road test examination scheduling to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must:

(1) provide the number of administered road tests for Class D and commercial drivers' licenses per month for the previous five years;

(2) identify the number of or the rate at which applicants for a road test were delayed or unable to obtain an appointment for the road test as specified under subdivision 1, paragraph (d);

(3) include the commissioner's analysis and predicted testing rate for Class D or commercial driver's license road tests, including an analysis on delays or anticipated backlogs, for the next five years;

(4) describe the commissioner's strategy and plan for increasing road test appointment availability and minimizing delays for applicants seeking a road test as provided under subdivision 1, paragraph (d);

(5) identify the rate at which an applicant was administered a road test for Class D or commercial drivers' licenses at the exam station closest to the applicant's residence;

(6) identify the rate at which an applicant was administered a road test for either a Class D or commercial driver's license at an exam station at a distance of more than 50, 100, or 200 miles from the applicant's residence;

(7) conduct the analysis required in clauses (5) and (6) for retakes of Class D or commercial driver's license road tests;

(8) develop and identify the commissioner's strategy, activities, and recommended legislation necessary to decrease the road test backlog and improve scheduling availability and passage of road tests for Class D or commercial drivers' licenses, including the commissioner's performance measures and metrics;

(9) describe the commissioner's needs and the necessary activities to fully meet the requirements of subdivision 1, paragraph (d); and

(10) identify the rate at which department staff is utilizing overtime for driver's license testing, and whether the commissioner anticipates additional overtime costs for the next year.

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

Sec. 44. Minnesota Statutes 2022, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license ~~shall~~ must not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with either of those sections; or

(2) one year, to a person whose license or privilege has been revoked or suspended for:

(i) committing manslaughter resulting from the operation of a motor vehicle~~,~~;

(ii) committing criminal vehicular homicide or injury under ~~section~~ sections:

(A) 609.2112, subdivision 1, paragraph (a), clause (1)~~,~~; (2), item (ii)~~,~~; (5)~~,~~; (6)~~,~~; (7)~~,~~; or (8)~~,~~;

(B) 609.2113, subdivision 1, clause (1); (2), item (ii); (5); (6); (7); or (8); or

(C) 609.2114, subdivision 1, paragraph (a), clause (1); (2), item (ii); (5); (6); (7); or (8); or subdivision 2, clause (1); (2), item (ii); (5); (6); (7); or (8);

(iii) committing criminal vehicular homicide under ~~section~~ sections:

(A) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iii)~~,~~; (3)~~,~~; or (4)~~,~~; or

(B) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iii); (3); or (4); or

(iv) violating a statute or ordinance from another state in conformity with either of those offenses.

Sec. 45. Minnesota Statutes 2022, section 171.30, subdivision 5, is amended to read:

Subd. 5. **Exception; criminal vehicular operation.** Notwithstanding subdivision 1, the commissioner may not issue a limited license to a person whose driver's license has been suspended or revoked due to a violation of ~~section 609.2112, subdivision 1~~:

(1) section 609.2113, subdivision 1, clause (2), item (i) or (iii)~~,~~; (3)~~,~~; or (4)~~, resulting in bodily harm, substantial bodily harm, or great bodily harm.~~; subdivision 2, clause (2), item (i) or (iii); (3); or (4); or subdivision 3, clause (2), item (i) or (iii); (3); or (4);

(2) section 609.2114, subdivision 2, clause (2), item (i) or (iii); (3); or (4); or

(3) a statute or ordinance from another state in conformity with the offenses under clauses (1) and (2) resulting in injury.

Sec. 46. Minnesota Statutes 2023 Supplement, section 171.395, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A licensed or approved driver education program that provides both classroom and behind-the-wheel instruction may offer teleconference driver education as provided in this section. For purposes of this section, the driver education program must offer both classroom and behind-the-wheel instruction. ~~If a program partners or contracts with a second program to provide any portion of classroom or behind-the-wheel instruction, the first program is not eligible to offer teleconference driver education instruction.~~

Sec. 47. Minnesota Statutes 2023 Supplement, section 171.396, is amended to read:

**171.396 ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed or approved driver education program may offer online driver education as provided in this section. The online driver education program must satisfy the requirements for classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

(1) include a means for the student to measure performance outcomes;

(2) use a pool of rotating quiz questions;

(3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;

(4) measure the amount of time that the student spends in the course;

(5) provide technical support to customers that is available 24 hours per day, seven days per week;

(6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;

(7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;

(8) incorporate preventive measures in place to protect against the access of private information;

(9) include the ability to update course content uniformly throughout the state; and

(10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.

(b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

Sec. 48. **FULL-SERVICE PROVIDER.**

(a) For purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of public safety; and

(2) "full-service provider" has the meaning given in Minnesota Statutes, section 168.002, subdivision 12a.

(b) A driver's license agent appointed before January 1, 2024, under Minnesota Statutes, section 171.061, and is recognized by the commissioner as a limited licensing agent under Minnesota Rules, part 7404.0340, may apply to the commissioner to become a full-service provider at the agent's current office location. A driver's license agent must submit an application on or before June 1, 2025. By June 30, 2025, an applicant under this section must satisfactorily complete any additional staff training required by the commissioner to offer expanded services as a full-service provider.

(c) The commissioner may appoint an applicant who meets the requirements under this section as a full-service provider.

(d) Minnesota Rules, chapter 7404, applies to an appointment under this section, except that this section applies notwithstanding Minnesota Rules, parts 7404.0300, subparts 4, 5, and 6; 7404.0305, subpart 1, item B; 7404.0345, item D; 7404.0350; 7404.0360, subpart 2; and 7404.0400, subpart 4, item B.

Sec. 49. **REPEALER.**

(a) Minnesota Statutes 2022, section 171.0605, subdivision 4, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, and 11, are repealed.

(c) Minnesota Rules, parts 7410.6180; and 7411.7600, subpart 3, are repealed.

## ARTICLE 3
## GREATER MINNESOTA TRANSIT

Section 1. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 1a. **Complementary paratransit service (ADA).** "Complementary paratransit service (ADA)" means public transportation service provided on a regular basis where fixed route public transit service exists and is designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 2. Minnesota Statutes 2022, section 174.22, subdivision 2b, is amended to read:

Subd. 2b. **Elderly and disabled service.** "Elderly and disabled service" means transportation service provided on a regular basis in small urbanized or large urbanized areas and designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 3. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 3a. **Large urbanized area service.** "Large urbanized area service" means a public transportation service operated in areas located outside the metropolitan area with a population greater than 200,000 that is designated by the United States Census Bureau.

Large urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 4. Minnesota Statutes 2022, section 174.22, subdivision 7, is amended to read:

Subd. 7. **Public ~~transit or transit~~ transportation.** ~~"Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit.~~ "Public transportation" means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income. Public transportation does not include:

(1) intercity passenger rail transportation provided by the entity described in United States Code, title 49, section 243, or a successor entity;

(2) intercity bus service;

(3) charter bus service;

(4) school bus service;

(5) sightseeing service;

(6) courtesy shuttle service for patrons of one or more specific establishments; or

(7) intraterminal or intrafacility shuttle services.

Sec. 5. Minnesota Statutes 2022, section 174.22, subdivision 12, is amended to read:

Subd. 12. **Rural area service.** "Rural area service" means a public transportation service ~~primarily~~ operated in ~~an area having population centers of less than 2,500 persons~~ rural areas that have not been designated in the most recent decennial census as an urbanized area by the United States Census Bureau.

Sec. 6. Minnesota Statutes 2022, section 174.22, subdivision 14, is amended to read:

Subd. 14. **Small ~~urban~~ urbanized area service.** "Small ~~urban~~ urbanized area service" means a public transportation service ~~operating in an area with a population between 2,500 and 50,000~~ operated in areas located outside the metropolitan area with a population of at least 50,000 but less than 200,000 that is designated by the United States Census Bureau. Small urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 7. Minnesota Statutes 2022, section 174.23, subdivision 2, is amended to read:

Subd. 2. **Financial assistance; application, approval.** (a) The commissioner ~~shall~~ must seek out and select eligible recipients of financial assistance under sections 174.21 to 174.27.

(b) The commissioner ~~shall~~ must establish ~~by rule the~~ procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 174.21 to 174.27. Any applicant ~~shall~~ must provide to the commissioner any financial or other information required by the commissioner to carry out the commissioner's duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance.

~~(c) Before the commissioner approves any grant, the application for the grant may be reviewed by the appropriate regional development commission only for consistency with regional transportation plans and development guides. If an applicant proposes a project within the jurisdiction of a transit authority or commission or a transit system assisted or operated by a city or county, the application shall also be reviewed by that commission, authority, or political subdivision for consistency with its transit programs, policies, and plans.~~

Sec. 8. Minnesota Statutes 2022, section 174.24, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit investment plan.** (a) The commissioner ~~shall~~ must develop a greater Minnesota transit investment plan that contains a goal of meeting at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025.

(b) The plan must include, but is not limited to, the following:

(1) an analysis of ridership and total transit service needs throughout greater Minnesota;

(2) a calculation of the level and type of service required to meet total transit service needs, for the transit system classifications as provided under subdivision 3b, paragraph (c), of large urbanized area, small ~~urban~~ urbanized area, rural area, ~~and~~ elderly and disabled service, and complementary paratransit service (ADA);

(3) an analysis of costs and revenue options;

(4) a plan to reduce total transit service needs as specified in this subdivision; and

(5) identification of the operating and capital costs necessary to meet 100 percent of the greater Minnesota transit targeted and projected bus service hours, as identified in the greater Minnesota transit plan, for 2010, 2015, 2020, 2025, and 2030.

(c) The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide fixed route public transit service without charge for disabled veterans in accordance with subdivision 7.

Sec. 9. Minnesota Statutes 2022, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. **Operating assistance; recipient classifications.** ~~(a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.~~

~~(b)~~ (a) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner ~~shall~~ must place all recipients into one of the following classifications: large urbanized area service, small ~~urban~~ urbanized area service, rural area service, ~~and~~ elderly and disabled service, and complementary paratransit service (ADA).

~~(c)~~ (b) The commissioner ~~shall~~ must distribute ~~funds~~ the operating assistance amount under this section so that the percentage ~~of total contracted operating cost~~ from local sources paid by any recipient ~~from local sources~~ will not exceed the following percentage for that recipient's classification, except as provided in this subdivision~~. The percentages must be~~:

(1) for urbanized area service and small urban area service, 20 percent;

(2) for rural area service, 15 percent; and

(3) for elderly and disabled service and complementary paratransit service (ADA), 15 percent.

~~Except as provided in a United States Department of Transportation program allowing or requiring a lower percentage to be paid from local sources, the remainder of the recipient's total contracted operating cost will be paid from state sources of funds less any assistance received by the recipient from the United States Department of Transportation.~~

~~(d)~~ (c) For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds~~, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost~~.

~~(e)~~ (d) If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of ~~total operating cost~~ the operating assistance amount from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of ~~total operating cost~~ the operating assistance amount as provided in this paragraph, the commissioner ~~shall~~ must reduce the state share in each classification to the extent necessary.

Sec. 10. Minnesota Statutes 2022, section 174.24, subdivision 3c, is amended to read:

Subd. 3c. **Nonoperating assistance.** The commissioner ~~shall~~ must determine the total cost of any planning and engineering design, capital assistance, other capital expenditures, and other assistance for public transit services that furthers the purposes of section 174.21 for any public transit system receiving or applying for the assistance in accordance with generally accepted accounting principles. The percentage of local sources paid by any recipient must not exceed 20 percent of the awarded amount. To be eligible for non-operating-cost financial assistance, an applicant or recipient ~~shall~~ must provide to the commissioner all financial records and other information and ~~shall~~ must permit any inspection reasonably necessary to determine total cost and the amount of assistance that may be paid to the applicant or recipient. When more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner ~~shall~~ must identify one as a lead agency for the purpose of receiving money under this section. The commissioner has the sole discretion to determine the amount of state funds distributed to any recipient for non-operating-cost assistance.

Sec. 11. Minnesota Statutes 2022, section 174.247, is amended to read:

**174.247 ANNUAL TRANSIT REPORT.**

(a) By February 15 annually, the commissioner ~~shall~~ must submit a report to the legislature on transit services outside the metropolitan area. ~~The Metropolitan Council and~~ Any public transit system receiving assistance under section 174.24 ~~shall~~ must provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies for each public transit system and for each transit system classification under section 174.24, subdivision 3b:

(i) the operating and capital costs;

(ii) each of the funding sources used to provide financial assistance; and

(iii) for federal funds, the amount from each specific federal program under which funding is provided;

(6) a summary of the differences in program implementation requirements and aid recipient eligibility between federal aid and state sources of funds; and

(7) ~~in each odd-numbered year,~~ an analysis of public transit system needs and operating expenditures on an annual basis, which must include a methodology for identifying monetary needs, and calculations of:

(i) the total monetary needs for all public transit systems, for the year of the report and the ensuing five years;

(ii) the total expenditures from local sources for each transit system classification;

(iii) the comprehensive transit assistance percentage for each transit system classification, which equals (A) the expenditures identified under item (ii), for a transit system classification, divided by (B) the amounts identified under subitem (A), plus the sum of state sources of funds plus federal funds provided to all transit systems in that classification; and

(iv) the amount of surplus or insufficient funds available for paying capital and operating costs to fully implement the greater Minnesota transit investment plan under section 174.24, subdivision 1a.

Sec. 12. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical

transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(e) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(g) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (l), clauses (4), (5), (6), and (7).

(h) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance

of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

(i) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

(j) Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(k) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(l) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires

a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(m) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (l) according to paragraphs (p) and (q) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(n) The commissioner shall:

(1) verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(o) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(p) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (k), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $12.10 for the base rate and $1.43 per mile when provided by a nonemergency medical transportation provider;

(4) $14.30 for the base rate and $1.43 per mile for assisted transport;

(5) $19.80 for the base rate and $1.70 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

(q) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (p), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (p), clauses (1) to (7).

(r) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (p) and (q), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(s) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (p) and (q), shall exempt all modes of transportation listed under paragraph (l) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(t) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (p) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

Sec. 13. Minnesota Statutes 2022, section 473.121, subdivision 19, is amended to read:

Subd. 19. **Public transit or transit.** "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

Sec. 14. Minnesota Statutes 2023 Supplement, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit representative under this section.

Sec. 15. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 174.22, in alphabetical order by their headnotes and correct any cross-reference changes that result.

(b) In Minnesota Statutes, the revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes, sections 174.21 to 174.27.

(c) Except as otherwise provided in this article, in Minnesota Statutes, the revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in statutes in conjunction with a specific reference to Minnesota Statutes, section 174.22, subdivision 7.

Sec. 16. **REPEALER.**

(a) Minnesota Statutes 2022, sections 174.22, subdivisions 5 and 15; and 174.23, subdivision 7, are repealed.

(b) Minnesota Rules, parts 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, and 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, and 4; and 8835.0350, subparts 1, 3, 4, and 5, are repealed.

**169.011 DEFINITIONS.**

Subd. 70. **Safety zone.** "Safety zone" means the area or space officially set apart within a roadway for the exclusive use of pedestrians and which is protected or is so marked or indicated by adequate signs as to be plainly visible at all times set apart as a safety zone.

**169.25 SAFETY ZONE.**

No vehicle shall at any time be driven through a safety zone.

**171.06 APPLICATION FOR LICENSE, PERMIT, IDENTIFICATION CARD; FEES.**

Subd. 9. **Noncompliant license or identification card; general requirements.** (a) A document submitted under this subdivision or subdivision 10 or 11 must include the applicant's name and must be:

(1) issued to or provided for the applicant;

(2) legible and unaltered;

(3) an original or a copy certified by the issuing agency or by a court; and

(4) accompanied by a certified translation or an affidavit of translation into English, if the document is not in English.

(b) If the applicant's current legal name is different from the name on a document submitted under subdivision 10 or 11, the applicant must submit:

(1) a certified copy of a court order that specifies the applicant's name change;

(2) a certified copy of the applicant's certificate of marriage;

(3) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court; or

(4) similar documentation of a lawful change of name, as determined by the commissioner.

(c) A form issued by a federal agency that is specified under subdivisions 10 and 11 includes any subsequent form or version.

(d) The commissioner must establish a process to grant a waiver from the requirements under this subdivision and subdivisions 10 and 11.

(e) The same document must not be submitted as both a primary document under subdivision 10 and a secondary document under subdivision 11.

(f) For purposes of this subdivision and subdivisions 10 and 11:

(1) "court" includes a foreign court of competent jurisdiction; and

(2) "foreign" means a jurisdiction that is not, and is not within, the United States, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, or a territory of the United States.

Subd. 10. **Noncompliant license or identification card; primary documents.** (a) For purposes of a noncompliant driver's license or identification card, a primary document under Minnesota Rules, part 7410.0400, subpart 2, or successor rules, includes:

(1) an unexpired foreign passport or a foreign consular identification document that bears a photograph of the applicant;

(2) a certified birth certificate issued by a foreign jurisdiction; and

(3) a certified adoption certificate issued by a foreign jurisdiction that includes the applicant's name and date of birth.

(b) A document submitted under this subdivision must contain security features that make the document as impervious to alteration as is reasonably practicable in its design and quality of material and technology.

(c) Submission of more than one primary document is not required under this subdivision.

Subd. 11. **Noncompliant license or identification card; secondary documents.** (a) For purposes of a noncompliant driver's license or identification card, a secondary document under Minnesota Rules, part 7410.0400, subpart 3, or successor rules, includes:

(1) a second primary document listed under subdivision 10, paragraph (a);

(2) a notice of action on or proof of submission of a completed Application for Asylum and for Withholding of Removal issued by the United States Department of Homeland Security, Form I-589;

(3) a Certificate of Eligibility for Nonimmigrant Student Status issued by the United States Department of Homeland Security, Form I-20;

(4) a Certificate of Eligibility for Exchange Visitor Status issued by the United States Department of State, Form DS-2019;

(5) a Deferred Action for Childhood Arrival approval notice issued by the United States Department of Homeland Security;

(6) an employment authorization document issued by the United States Department of Homeland Security, Form I-688, Form I-688A, Form I-688B, or Form I-766;

(7) a document issued by the Internal Revenue Service with an individual taxpayer identification number;

(8) a Social Security card;

(9) a Supplemental Security Income award statement issued no more than 12 months before the application;

(10) an unexpired Selective Service card;

(11) military orders that are still in effect at the time of application;

(12) a Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(13) a valid identification card for health benefits or an assistance or social services program;

(14) a Minnesota vehicle certificate of title issued no more than 12 months before the application;

(15) mortgage documents for the applicant's residence;

(16) a filed property deed or title for the applicant's residence;

(17) a Minnesota property tax statement for the current or prior calendar year, or a proposed Minnesota property tax notice for the current year, that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(18) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name or name change, issued by a court; and

(19) any of the following documents issued by a foreign jurisdiction:

(i) a driver's license that is current or has been expired for five years or less;

(ii) a high school, college, or university student identification card with a certified transcript from the school;

(iii) an official high school, college, or university transcript that includes the applicant's date of birth and a photograph of the applicant at the age the record was issued;

(iv) a federal electoral card issued on or after January 1, 1991, that contains the applicant's photograph;

(v) a certified copy of the applicant's certificate of marriage; and

(vi) a certified copy of a court order or judgment from a court of competent jurisdiction that contains the applicant's name and date of birth.

(b) Submission of more than one secondary document is not required under this subdivision.

**171.0605 EVIDENCE OF IDENTITY AND LAWFUL PRESENCE.**

Subd. 4. **Evidence; Social Security number.** The following is satisfactory evidence of an applicant's Social Security number or related documentation under section 171.06, subdivision 3, paragraph (b):

(1) a Social Security card;

(2) if a Social Security card is not available:

(i) a federal Form W-2;

(ii) a federal Form SSA-1099 or other federal Form 1099 having the applicant's Social Security number; or

(iii) a computer-printed United States employment pay stub with the applicant's name, address, and Social Security number; or

(3) for an applicant who provides a passport under subdivision 2, paragraph (a), clause (9), documentation demonstrating nonwork authorized status.

**174.22 DEFINITIONS.**

Subd. 5. **Operating deficit.** "Operating deficit" means the amount by which the total prudent operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived from the system.

Subd. 15. **Urbanized area service.** "Urbanized area service" means a transportation service operating in an urban area of more than 50,000 persons but does not include elderly and disabled service, as defined in subdivision 2b.

**174.23 GENERAL POWERS AND DUTIES.**

Subd. 7. **Rulemaking; total operating cost.** The commissioner shall by rule define "total operating cost" as the term is used in carrying out the purposes of section 174.24. "Total operating cost" may include provisions for a fee for service. The commissioner shall consult with eligible recipients to the maximum extent feasible in formulating these rules and develop necessary and reasonable changes in cost and fee allowability provisions and financial examination procedures where possible. The rules are subject to the provisions in the Administrative Procedure Act of sections 14.001 to 14.69.

**221.033 REGULATION OF HAZARDOUS MATERIALS.**

Subd. 2c. **Age of petroleum tank truck driver.** A driver of a motorized tank truck vehicle having a capacity of less than 3,500 gallons, who is engaged in the intrastate transportation of petroleum products, must be at least 18 years of age.

**7410.6180 COMMERCIAL MOTOR VEHICLE TESTING PROGRAM.**

A public, postsecondary educational institution or school as described in part 7410.6100 applying to be a third-party testing program for commercial motor vehicles shall offer a training course for commercial motor vehicle operation that consists of at least 180 hours of training.

**7411.7600 REQUIREMENTS FOR APPROVAL AND OPERATION.**

Subp. 3. **Course length restrictions.** The course of study may not be less than a total of eight hours, with no more than four hours of instruction required in a 24-hour period.

**8835.0110 DEFINITIONS.**

Subpart 1. **Scope.** The terms used in this chapter have the meanings given them in this part.

Subp. 1a. **Applicant.** "Applicant" means an entity that is eligible under Minnesota Statutes, section 174.24, subdivision 2, for financial assistance for a new or existing public transit system.

Subp. 6. **Cost reimbursement contract.** "Cost reimbursement contract" means a contract providing for payment to the contractor of allowable costs incurred in the performance of the contract, to the extent prescribed in the contract.

Subp. 7. **Department.** "Department" means the Department of Transportation.

Subp. 10. **Financial assistance.** "Financial assistance" means state funds paid to a recipient in accordance with the public transit participation program established under Minnesota Statutes, section 174.24.

Subp. 11a. **Greater Minnesota.** "Greater Minnesota" has the meaning given in Minnesota Statutes, section 116O.02, subdivision 5.

Subp. 12a. **Local share.** "Local share" means the percentage of total operating costs paid by a recipient according to the distribution classifications in Minnesota Statutes, section 174.24, subdivision 3b, and the percentage of capital costs paid by a recipient according to part 8835.0320.

Subp. 12b. **Local source.** "Local source" has the meaning given it in Minnesota Statutes, section 174.24, subdivision 3b.

Subp. 13a. **Management plan.** "Management plan" means a description of all the elements of a proposed public transit system, as required by part 8835.0260.

Subp. 14a. **Passenger trip.** "Passenger trip" means a one-way movement of a person between two points. Each time a passenger boards a transit vehicle counts as one passenger trip.

Subp. 15. **Public transit or transit.** "Public transit" or "transit" has the meaning given it in Minnesota Statutes, section 174.22, subdivision 7.

Subp. 15a. **Public transit participation program.** "Public transit participation program" means the department's program for providing financial assistance for public transit services in greater Minnesota under Minnesota Statutes, section 174.24.

Subp. 16. **Reasonable cost.** "Reasonable cost" means a price for a commodity or service which, in its nature or amount, does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business.

Subp. 17. **Regional Development Commission.** "Regional Development Commission" has the meaning given it in Minnesota Statutes, section 462.384, subdivision 4.

Subp. 18. **Revenue.** "Revenue" means sources of income.

Subp. 19. **Total operating cost.** "Total operating cost" means the categories of allowable expenses provided in part 8835.0280.

**8835.0210 STATUTORY AUTHORITY.**

This chapter is adopted pursuant to Minnesota Statutes, section 174.23, subdivisions 2 and 7.

**8835.0220 PURPOSE.**

The purpose of this chapter is to establish the procedures and standards for review and approval of applications for financial assistance under the public transit participation program in Minnesota Statutes, section 174.24, and to define "total operating cost" as the term is used in carrying out the public transit participation program.

**8835.0230 SCOPE.**

This chapter applies to applicants for financial assistance under the public transit participation program established by Minnesota Statutes, section 174.24.

**8835.0240 ADMINISTRATION OF PUBLIC TRANSIT PARTICIPATION PROGRAM.**

The Office of Transit shall administer the public transit participation program as provided by Minnesota Statutes, section 174.23, subdivision 8. The Office of Transit shall allocate:

A. operating assistance to public transit systems according to the distribution classifications in Minnesota Statutes, section 174.24, subdivision 3b; and

B. nonoperating or capital assistance to public transit systems according to the discretion provided to the commissioner by Minnesota Statutes, section 174.24, subdivision 3c, and according to part 8835.0320.

The Office of Transit shall make payments of financial assistance by a contract between the department and a recipient as required by Minnesota Statutes, section 174.24, subdivision 3.

**8835.0250 APPLICATION FOR FINANCIAL ASSISTANCE.**

Subpart 1. **Who may apply.** An applicant may apply for financial assistance under the public transit participation program to provide public transit in greater Minnesota.

Subp. 2. **Public transit.** Public transit includes a single service or a combination of services, such as route deviations, fixed route, flexible fixed route, demand-response/dial-a-ride, rideshare, subscription, volunteer driver services, and other services that meet the needs of individual transit systems to the extent they are consistent with Minnesota Statutes, section 174.21. A public transit system must be available and accessible to the general public.

Subp. 3. **Submission; deadline.** An applicant shall request financial assistance using an application prescribed by the department. The department shall establish a deadline for submission of applications for financial assistance and shall provide adequate notice of the deadline to applicants. A complete application contains a management plan, a resolution from the applicant's governing body, and other forms and certifications required by federal or state law or regulation.

Subp. 4. **Additional review.** In addition to submitting an application to the department, an applicant shall submit an application for review and approval as provided in Minnesota Statutes, section 174.23, subdivision 2.

Subp. 5. **Resolution.** An applicant shall submit with the application a resolution by the governing body that:

A. resolves to provide public transit;

B. indicates the person or persons authorized by title to execute a contract with the department and all amendments to the contract; and

C. authorizes funds for the local share of financial assistance, if applicable.

**8835.0260 MANAGEMENT PLAN.**

Subpart 1. **Submission in application.** An applicant shall submit a management plan as part of its application for financial assistance.

Subp. 2. **Contents.** The management plan must include the following information:

A. a service plan that describes the levels of service to be provided during the contract period, including a discussion of service area and general population, type or types of service, vehicle descriptions, days and hours of service, service schedules, contract services, and route maps;

B. a description of unmet service needs;

C. a financial plan, including:

(1) a general narrative that supports and explains the budget;

(2) a detailed narrative for each line item in the budget, including increases;

(3) actual statistics on operating expenses and operating revenues for the most recent calendar years;

(4) anticipated statistics on operating expenses and operating revenues for the new contract period;

(5) actual statistics on miles and hours of service and passenger trips for the most recent calendar year; and

(6) anticipated statistics on miles and hours of service and passenger trips for the new contract period;

D. a coordination and marketing plan, including costs and benefits of major elements;

E. a capital plan that describes the major capital assets of the transit system with an outline of how they will be maintained, improved, or replaced;

F. a description of revenue-producing contracts relating to the transit services provided by or for the applicant;

G. a description of expense contracts for services and goods procured by the transit system;

H. a description of the participating public transit system's vehicle maintenance program for the period of financial assistance;

I. a description of the organizational structure established to direct, control, review, and implement the management plan;

J. a description of measurable goals and objectives for the transit system, illustrating the benefits expected to be realized by the investment of state financial assistance;

K. a description of the fare structure of the public transit system;

L. a listing of transit and paratransit systems and their union affiliations currently operating in the applicant's area, and a description of existing or potential coordination with these systems;

M. a description of the transit system's safety and training policies, including its driver selection process;

N. a description of the proposed insurance carrier and the limits of coverage;

O. a description of the internal controls policy for the collection and deposit of fares;

P. a copy of the transit system's most recent drug and alcohol policy as approved by the local recipient's governing body;

Q. all third party contracts relating to transit operations; and

R. a copy of the governing body's third-party contract procurement policy.

Subp. 3. **Incorporation into contract.** The department shall incorporate an approved management plan into the financial assistance contract between the department and the recipient, as provided in part 8835.0330. The department shall approve a management plan after it determines the financial assistance according to part 8835.0270.

**8835.0265 THIRD-PARTY CONTRACT FOR OPERATING SERVICES.**

A recipient shall include a copy of the third-party contract procurement policy of its governing body in the management plan required in part 8835.0260. A third-party contract for operating services must contain all relevant terms contained in the financial assistance contract between the recipient and the department. The recipient is responsible for third-party contractor compliance with local, state, and federal laws, rules, and regulations. A third-party contract must be available for audit according to part 8835.0350, subpart 3. Before a recipient awards a third-party contract for operating services, the department shall review the third-party contract for compliance with the terms of the financial assistance contract between the department and the recipient.

**8835.0270 FINANCIAL ASSISTANCE.**

Subpart 1. **Allocation priorities.** The department shall allocate financial assistance to recipients for purposes of the public transit participation program according to the following order of priority:

A. first priority: operating costs for existing public transit systems;

B. second priority: capital costs for existing public transit systems; and

C. third priority: operating and capital costs for the provision of public transit services in a community or area not currently served by public transit.

Subp. 2. **Determination of financial assistance.** To determine financial assistance, the department shall review an applicant's management plan and evaluate the proposed public transit system by considering:

A. the degree to which the proposed system meets the objectives of the public transit participation program;

B. the accessibility of the proposed system to the general public, including persons with disabilities;

C. the amount of local government and community support for the proposed system;

D. the plan for continuation of the proposed system after the first year; and

E. the plan for coordination of transit services in the geographical area.

The department shall evaluate the budget, service delivery and design, and administration of a public transit system. The department shall compare the past performance of a transit system to its current performance and to the performance of other similar transit systems. To measure the performance of a public transit system, the department shall consider cost efficiency, cost-effectiveness, service effectiveness, and quality.

Subp. 3. **Approval of management plan.** The department shall approve a management plan for incorporation into a financial assistance contract after determining the reasonable costs of the proposed public transit system.

**8835.0275 DETERMINING FINANCIAL ASSISTANCE; EXPENSE CATEGORIES.**

In determining the total operating costs of a public transit system, upon which financial assistance is based, part 8835.0290 and the definitions of expense categories in part 8835.0280 apply and have the meanings given them.

**8835.0280 TOTAL OPERATING COST.**

Subpart 1. **Definition.** "Total operating cost" means the categories of allowable expenses provided in subparts 2 to 7. The total operating cost is subject to the audit provisions of part 8835.0350, subpart 3.

Subp. 2. **Personnel services expense.** The "personnel services" expense category includes:

A. administrative, management, and supervisory services, which are the amount paid to transit system employees classified as managers, supervisors, coordinators, or administrators and for which the amounts claimed by employees must be supported by daily time distribution records or a cost allocation plan that is supported by the applicant and approved by the department as part of the management plan;

B. operators' wages, which are the total amount paid to transit system employees classified as vehicle operators and for which the amounts claimed by employees must be supported by daily time distribution records;

C. maintenance and repair wages, which are the labor charges incurred in the performance of maintenance and repair of vehicles and other property required for the operation of the transit system, including only wages of maintenance personnel employed by the transit system, and for which the amounts claimed by employees must be supported by daily time distribution records;

D. other direct wages, which are the amount paid to transit system employees not classified as operators, maintenance, or administrative personnel, such as dispatchers, bookkeepers, clerical personnel, janitors, and security personnel, and for which the amounts claimed by employees must be supported by daily time distribution records;

E. indirect labor charges, which are the amount to be allocated to the transit contract for labor that is not traceable to a specific transit activity but which benefits the transit operation and which must be based on a cost allocation plan approved by the department; and

F. fringe benefits, which are the cost of providing fringe benefits for active and retired transit system employees, including pension benefits, vacation and sick leave benefits, social security taxes, workers' compensation insurance, unemployment insurance, life insurance, and first party medical coverage, and which may be allocated indirectly based on a cost allocation plan approved by the department.

Subp. 3. **Administrative charges expense.** The "administrative charges" expense category includes:

A. management fees, which are the amount paid for professional services provided by a management service company engaged contractually to provide operating management to the transit system;

B. tariffs and traffic expenses, which are any necessary tariff filing fees and costs for the procurement of tickets, tokens, and transfers;

C. advertising, marketing, and promotional charges, including the necessary cost of advertising and promoting the transit system;

D. legal, auditing, and other professional fees rendered by individuals or firms, other than transit system employees, for the purpose of maintaining continuing operations of the transit system, including:

(1) attorney fees and expenses, court costs, witness fees, and fees for accounting and auditing services, such as accident claims, defending workers' compensation claims, or other items directly related to the management plan and approved by the department; and

(2) fees paid for planning, engineering, or other consultant services that are directly related to the management plan approved by the department;

E. security costs, which are the costs necessary to provide armored car services, patrol services, and electronic surveillance for vehicles, stations, yards, and buildings to detect and prevent criminal activity, fires, and unsafe conditions, when the patrolling is performed by an outside security agency and not by transit system employees;

F. office supplies expense, which is the cost of office supplies and materials and printing and photocopying charges solely attributable to and necessary for the operation of the transit system;

G. lease and rental costs of administrative facilities used for performing the general administrative functions of the transit system, including leases and rentals of such items as land, buildings, office equipment, and furnishings;

H. utilities expense, which is the cost of utilities such as gas, electricity, water, telephone and other communications services, and trash collection;

I. other direct administrative charges, including administrative charges necessary for the continuing operation of the transit system, such as mileage reimbursement for transit support vehicles, approved conference fees, employee travel expenses, employee development, driver's training, approved membership fees for transit associations if the cost of membership is reasonably related to the value of the services or benefits received, and subscriptions to transit publications; and

J. indirect administrative charges, which are the amount allocated to the transit contract for administrative services not traceable to a specific transit activity but which benefit the transit operation and which must be based on a cost allocation plan approved by the department.

For purposes of item I, mileage reimbursement must be based on a rate approved by the local governing body, as long as the rate is reasonable and consistent with similar rates approved by the local governing body.

Subp. 4. **Vehicle charges expense.** The "vehicle charges" expense category applies to vehicles owned or leased by the public transit system and includes:

A. fuel and lubricants expense, including net costs of gasoline, diesel, and alternative fuels and costs of antifreeze, propane, lubricating oil, transmission fluid, and grease used by revenue and service vehicles;

B. maintenance and repair material expense, including costs of parts, materials, and supplies used in the maintenance and repair of revenue and service equipment;

C. contract service maintenance labor expense, which is the cost of labor for maintenance and repair service provided by persons other than transit system employees;

D. tire expense, which is the cost of tires and tubes used on revenue and service equipment including the cost of recapping or regrooving and the rental costs for tires and tubes; and

E. other vehicle charges, including the costs of:

(1) first aid equipment, fire extinguishers, and other emergency equipment required for vehicles; and

(2) noncapitalized vehicle improvements that do not remake a vehicle or appreciably extend its useful life and that have received approval from the department.

Subp. 5. **Operations charges expense.** The "operations charges" expense category includes:

A. purchase of service, which is the cost of having a subcontractor operate the project service, with cost established:

(1) through competitive bidding procedures, except for those recipients covered under Minnesota Statutes, chapter 221;

(2) through a negotiated contract with the prime contractor in bid situations when only one bid is received; or

(3) through a negotiated subcontract in a nonbid situation;

B. depreciation, which is the amount of depreciation or use allowance on depreciable items such as structures, revenue equipment, service vehicles and equipment, and office furniture and equipment and is the amount allowed based on a company's existing depreciation schedule or, if a schedule does not already exist, a depreciation schedule submitted to and approved by the department, but which may not be charged for items purchased, totally or in part, with state or federal funds;

C. mileage reimbursement for passenger service, including the cost of volunteer driver reimbursement for projects incorporating this type of service, as well as mileage reimbursement for transit personnel using private vehicles for emergency replacement passenger transport in the event of mechanical breakdown of transit vehicles;

D. repair and maintenance of other property, including material costs associated with the upkeep and repair of buildings and stations, grounds, nonrevenue equipment owned or leased by the transit company, and miscellaneous expenses such as small tool replacement, and supplies used for cleaning and for general shop and garage purposes;

E. leases and rentals of facilities or equipment used in the operation of the transit system, including leases and rentals of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, and computers, with allowability based on the reasonableness of rates and the presence of evidence that the lease will not give rise to material equity in the property; and

F. other operations charges, including the cost of such things as the purchase or rental and cleaning of uniforms, tools and equipment, sanding and snowplow operations, passenger amenities, and station agents and which may be allocated indirectly based on a cost allocation plan approved by the department.

For purposes of item C, mileage reimbursement must be based on a rate approved by the local governing body, as long as the rate is reasonable and consistent with similar rates approved by the local governing body.

Subp. 6. **Insurance charges expense.** The "insurance charges" expense category includes:

A. public liability and property damage insurance expense on vehicles, including premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts that cause damage to the person or property of others; and

B. public liability and property damage insurance charges other than on vehicles, including excess liability insurance, baggage and express insurance, and fire and theft insurance.

Subp. 7. **Taxes and fees expense.** The "taxes and fees" expense category includes:

A. vehicle registration and permit fees on vehicles; and

B. other taxes and fees, including applicable real estate, property, and sales taxes.

**8835.0290 UNALLOWABLE EXPENSES.**

Subpart 1. **Scope.** In determining the total operating costs of a public transit system, upon which financial assistance is based, the definitions of unallowable expenses in subparts 2 to 8 apply and have the meanings given them.

Subp. 2. **General purpose equipment.** Expenditures for general purpose equipment are unallowable as operating costs. "General purpose equipment" means equipment that is used for other than transit contract purposes, such as communications equipment, office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, and computers and related equipment.

Subp. 3. **Interest and other financial costs.** Interest on borrowing (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection with these costs are unallowable.

Subp. 4. **Fines and penalties.** Costs resulting from violations of, or failure to comply with federal, state, or local laws and regulations are unallowable.

Subp. 5. **Contingencies.** Contributions to a contingency reserve or any similar provision for unseen events are unallowable.

Subp. 6. **Bad debts.** Any losses arising from uncollectible accounts, other claims, and related costs are unallowable.

Subp. 7. **Donations and entertainment expense.** Contributions and donations are unallowable as are any entertainment expenses.

Subp. 8. **Unrelated costs.** Costs that are not directly related to the provision of public transit are unallowable.

**8835.0310 REVENUE CATEGORIES.**

Subpart 1. **Operating revenue categories; local sources.** In determining the local sources of funds that may comprise the fixed percentage of total operating costs to be paid by a recipient in accordance with the distribution classifications in Minnesota Statutes, sections 174.24, subdivision 3b, the definitions of revenue categories in subparts 2 to 7 apply and have the meanings given them.

Subp. 2. **Passenger fare.** "Passenger fare" means revenue earned from transporting passengers on the public transit system, including a cash fare, a donation received instead of a set fare, and an advance fare received from the sale of a coupon, token, or pass.

Subp. 3. **Contract revenue.** "Contract revenue" means revenue received from a contract with a beneficiary of a specific transit service. Contract revenue includes:

A. an amount paid by an organization for a special route guarantee; and

B. revenue earned for a ride given in regular transit service but paid for by an organization, including a state or local social service agency or a private social service organization, for the benefit of the rider.

Subp. 4. **School revenue.** "School revenue" means revenue earned from service provided under a contract with a school district, including an amount paid for transporting school children on regularly scheduled service, and an amount paid by a college or university for operating a transit vehicle on or between campuses.

Subp. 5. **Charter revenue.** "Charter revenue" includes reimbursement for charter service received in association with publicly funded transit service, providing that charter

service rates are developed so that cost recovery equals or exceeds the full cost of providing the charter service.

Subp. 6. **Auxiliary revenue.** "Auxiliary revenue" means revenue earned from an activity closely associated with the transit operation, including revenue received from an advertising service, delivery, a lease, and station and vehicle concessions.

Subp. 7. **Other financial assistance.** "Other financial assistance" includes revenue earned from an activity not associated with the provision of the recipient's transit service but which is applied to help cover the system's costs, including tax levies, a federal cash grant, senior citizen fare assistance, investment income, and any general donation.

**8835.0320 CAPITAL ASSISTANCE.**

Subpart 1. **Budget.** An applicant seeking financial assistance for capital costs shall include in its budget a description of the vehicle, facility, or equipment desired, its cost and the reason for the request.

Subp. 2. **Criteria.** The department shall use the following criteria to evaluate requests for capital assistance:

A. the extent to which the request maintains public transit services, promotes safety, and promotes efficient operations;

B. the extent to which accessibility is enhanced; and

C. the availability of local share money.

Subp. 3. **Allocation formula.** The department shall determine the amount of capital assistance for the public transit participation program according to the discretion provided to the commissioner in Minnesota Statutes, section 174.24, subdivision 3c. Except as provided in subparts 4 and 5, the department shall fund 80 percent of the capital costs approved by the department under the public transit participation program. The recipient shall provide the remaining 20 percent of the approved capital costs from local sources.

Subp. 4. **Program deviation from allocation formula.** Under the discretion provided to the commissioner in Minnesota Statutes, section 174.24, subdivision 3c, the department may establish a capital assistance allocation formula that deviates from the formula established in subpart 3. In setting this formula, the department must consider all relevant conditions relating to funding the public transit participation program.

Subp. 5. **Individual exception to allocation formula.** The department may deviate from the capital assistance allocation formula for an exceptional circumstance. A recipient that seeks capital assistance from the public transit participation program in an amount greater than the allocation formula, established under subpart 3 or 4, must make a written request to the department that includes:

A. a detailed description of the exceptional circumstance that is the basis of the written request; and

B. a resolution from the governing body that the request is due to an exceptional circumstance.

The department shall consider a request for an individual exception to the allocation formula after assessing the nature of the exceptional circumstance, balancing the request against other requests from recipients for capital assistance, and considering the assurance provided by the governing body that the circumstance that gave rise to the request is exceptional.

Subp. 6. **Vehicle replacement or disposition.** The department shall determine financial assistance to a public transit system to replace, refurbish, or dispose of a vehicle based on the condition of the vehicle and the availability of funds.

Subp. 7. **Contract.** The financial assistance contract between the department and the recipient must specify the maximum amount of capital assistance to be allocated to the recipient and the terms and conditions of assistance. The department shall determine the actual amount of capital assistance based on the availability of funds.

**8835.0330 CONTRACT FOR FINANCIAL ASSISTANCE.**

Subpart 1. **Content.** The financial assistance contract is a cost reimbursement contract that is based on the total operating cost in part 8835.0280. The contract must specify the maximum amount of financial assistance to be awarded to the recipient by the department and state the terms and conditions of assistance. The management plan must be incorporated into the contract as a legal part of the contract document. A resolution by the governing body, as provided in part 8835.0250, subpart 5, must be included with the contract.

Subp. 3. **Penalties.** If a recipient fails to comply with the terms and conditions of the contract, the department may withhold payment at any time or may terminate the financial assistance contract upon 30 days' written notice.

Subp. 4. **Amendments.** A recipient or the department may initiate an amendment to the contract. Before implementation, an amendment must be fully executed by the parties to the original contract, or their successors.

**8835.0350 FINANCIAL RECORDS.**

Subpart 1. **Records.** A recipient and any third party contractor shall maintain their financial records in accordance with generally accepted accounting principles. The records must permit audit verification of transit cost allocations claimed during the contract period. The recipient and any third party contractor also shall keep records on miles and hours of service and passenger trips. Records must be kept available for a period of six years from the date of final payment or the expiration date of the contract, whichever occurs first.

Subp. 3. **Audits.** The financial records of the recipient must be audited. They may be audited by the department or the department may accept all or part of the audit of an independent auditor instead of a departmental audit if the audit meets department standards. In addition to chapter 8835, department audits must be based on the contract cost principles and procedures in Code of Federal Regulations, title 48, chapter 1, part 31, and Office of Management and Budget Circular, Number A-87 and Number A-122, as amended. The financial records of a subcontractor may be audited at the department's discretion. The department shall submit year-end financial statements to the department auditor by April 15 of the year following the period covered by the financial assistance contract. Audits at the end of a contract period must establish approved total operating costs. New recipients are subject to a preaward audit before contract execution and fund encumbrance. As provided by Minnesota Statutes, section 16C.05, subdivision 5, the records, books, documents, and accounting practices of the recipient and of any third party contractor relating to the contract are subject to audit and examination by the department and the legislative auditor during working hours. If the department determines it has overpaid a recipient on a previous contract, the department may reduce payments under the current contract by the amount of overpayment.

Subp. 4. **Project monitoring.** The department shall use the management plan required under part 8835.0260 as a basis for monitoring and evaluating the performance of the public transit system during the contract period. Public transit policy decisions made by the recipient and actions taken during the contract period must conform with the management plan. A proposed deviation from the management plan must be reported to the department and approval secured in writing before implementation. Approval will be granted if it is clearly documented that the proposed deviation will not increase overall project costs. Failure to secure approval jeopardizes continued financial assistance.

Subp. 5. **Reserve account.** If a public transit system generates operating revenue in excess of the recipient's local share amount, the recipient shall deposit the excess into a

reserve account to be used for approved operating expenses that are not covered by the contract or for part of the local share of capital expenses of the transit system. The recipient shall report this revenue and expenses charged against it to the department on reporting forms provided by the department.

| | | | |
|---|---|---|---|
| Port | Rest | Weber | Wiklund |
| Putnam | Seeberger | Wesenberg | Xiong |
| Rarick | Utke | Westlin | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Draheim, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Eichorn | Gruenhagen | Lang | Rasmusson |
| Bahr | Farnsworth | Howe | Lucero | Westrom |
| Drazkowski | Green | Johnson | Mathews | |

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Eichorn, and Lang.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3436:** A bill for an act relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation notices, and greater Minnesota transit; establishing criminal penalties; modifying prior appropriations; making technical changes; appropriating money; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.685, subdivisions 4, 5, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivision 2; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 216D.01, subdivision 12, by adding subdivisions; 216D.03, by adding a subdivision; 216D.04; 216D.05; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 360.075, subdivision 1; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 161.045, subdivision 3; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.12, subdivisions 5c, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 1, section 2, subdivision 4; article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70;

169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 216D.06, subdivision 3; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

Senator Mathews moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 26, line 17, delete everything after "to" and insert "flash at a rate of 60 to 120 flashes per minute by either:"

Page 26, line 19, delete everything after "light"

Page 26, line 20, delete the new language

The motion prevailed. So the amendment was adopted.

Senator Kreun moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 52, after line 2, insert:

"Sec. 38. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 7b, is amended to read:

Subd. 7b. **Data privacy; noncompliant license or identification card.** (a) With respect to noncompliant licenses or identification cards, the commissioner is prohibited from:

(1) electronically disseminating outside the state data that is not disseminated as of May 19, 2017; or

(2) utilizing any electronic validation or verification system accessible from or maintained outside the state that is not in use as of May 19, 2017.

(b) The limitations in paragraph (a) do not apply to the extent necessary to:

(1) maintain compliance with the driver's license compact under section 171.50 and applicable federal law governing commercial driver's licenses; ~~and~~

(2) perform identity verification as part of an application for a replacement Social Security card issued by the Social Security Administration; and

(3) perform identity verification for a program participant in the Transportation Security Administration's Registered Traveler program who has voluntarily provided their Minnesota driver's

license or identification card to confirm their identity to a private entity operating under the Registered Traveler program.

(c) For purposes of paragraph (b), clause (3), the information provided for identity verification is limited to name, date of birth, the license or identification card's identification number, issuance date, expiration date, and credential security features which does not include facial recognition.

~~(c)~~ (d) For purposes of this subdivision, "outside the state" includes federal agencies, states other than Minnesota, organizations operating under agreement among the states, and private entities.

~~(d)~~ (e) Prior to disclosing to a data requester, other than the data subject, any data on individuals relating to a noncompliant driver's license or identification card, the commissioner or a driver's license agent must require the data requester to certify that the data requester must not use the data for civil immigration enforcement purposes or disclose the data to a state or federal government entity that primarily enforces immigration law or to any employee or agent of any such government entity. A data requester who violates the certification required in this paragraph may be liable in a civil action brought under section 13.08, may be subject to criminal penalties under section 13.09, may have subsequent requests for noncompliant driver's license or identification card data be denied by the commissioner, and may lose access to the driver records subscription service under section 168.327. A certification form used by the commissioner or a driver's license agent under this paragraph must include information about penalties that apply for violations.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Jasinski moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 53, after line 30, insert:

"Sec. 41. Minnesota Statutes 2022, section 171.13, is amended by adding a subdivision to read:

Subd. 10. **Exam scheduling reporting.** By January 15 of each year, the commissioner must submit a report on road test examination scheduling to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must:

(1) provide the number of administered road tests for Class D and commercial driver's licenses per month for the previous five years;

(2) identify the number of or the rate at which applicants for a road test were delayed or unable to obtain an appointment for the road test as specified under subdivision 1, paragraph (d);

(3) include the commissioner's analysis and predicted testing rate for Class D or commercial driver's license road tests, including an analysis on delays or anticipated backlogs, for the next five years;

(4) describe the commissioner's strategy and plan for increasing road test appointment availability and minimizing delays for applicants seeking a road test as provided under subdivision 1, paragraph (d);

(5) identify the rate at which an applicant was administered a road test for Class D or commercial drivers' licenses at the exam station closest to the applicant's residence;

(6) identify the rate at which an applicant was administered a road test for either a Class D or commercial driver's license at an exam station at a distance of more than 50, 100, or 200 miles from the applicant's residence;

(7) conduct the analysis required in clauses (5) and (6) for retakes of Class D or commercial driver's license road tests;

(8) develop and identify the commissioner's strategy, activities, and recommended legislation necessary to decrease the road test backlog and improve scheduling availability and passage of road tests for Class D or commercial driver's licenses, including the commissioner's performance measures and metrics;

(9) describe the commissioner's needs and the necessary activities to fully meet the requirements of subdivision 1, paragraph (d); and

(10) identify the rate at which department staff is utilizing overtime for driver's license testing, and whether the commissioner anticipates additional overtime costs for the next year.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Johnson moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 7, after line 31, insert:

"Sec. 14. **[169.8655] SPECIAL SUGAR BEET HAULING VEHICLE PERMIT.**

Subdivision 1. **122,000-pound vehicles; East Grand Forks.** A road authority may issue a permit for a vehicle or combination of vehicles that transports sugar beets and meets the following requirements:

(1) does not exceed a maximum gross vehicle weight of 122,000 pounds;

(2) does not use a semitrailer in a combination of vehicles that has an overall length in excess of 28-1/2 feet; and

(3) is only for operation on the following roads in East Grand Forks:

(i) U.S. Highway 2 between the North Dakota border and Fifth Avenue Northeast;

(ii) Fifth Avenue Northeast between U.S. Highway 2 and Business Highway 2; and

(iii) Business Highway 2 from Fifth Avenue Northeast to the sugar beet processing facility on Business Highway 2.

Subd. 2. **Requirements; restrictions.** (a) A vehicle or combination of vehicles issued a permit under subdivision 1:

(1) is subject to axle weight limitations under section 169.824, subdivision 1;

(2) is subject to seasonal load restrictions under section 169.87;

(3) is subject to bridge load limits posted under section 169.84;

(4) may not be operated with a load that exceeds the tire manufacturer's recommended load limit under section 169.823, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7; and

(5) may not be operated on the interstate highway system.

(b) The seasonal weight increases authorized under section 169.826 do not apply to a vehicle or combination of vehicles operating under this section.

Subd. 3. **Permit fee.** A permit issued under this section must be an annual permit. A permit issued under this section may only be issued before July 1, 2027. The fee for permits issued under this section is $300 and must be deposited in the trunk highway fund."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Howe moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 16, after line 16, insert:

"Sec. 2. Minnesota Statutes 2022, section 43A.17, is amended by adding a subdivision to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; Department of Corrections Fugitive Apprehension Unit members; and Commerce Fraud Bureau agents in the Department of Commerce.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Westrom moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 14, after line 18, insert:

"Sec. 24. **REPORT REQUIRED; DYNAMIC TRANSPORTATION OPTIONS.**

(a) The commissioner of transportation must convene a dynamic transportation options workgroup to develop recommendations related to improving dynamic transportation options for residents of nonmetropolitan counties and report the recommendations to the legislative committees with jurisdiction over transportation finance and policy by February 1, 2025. The workgroup must examine options that improve access to nonfixed route transportation services; allow for flexibility in scheduling rides; and leverage existing programs, resources, or private sector businesses in the county.

(b) For the purposes of this section, "nonmetropolitan county" is defined as any Minnesota county other than those under Minnesota Statutes, section 473.121, subdivision 4.

**EFFECTIVE DATE.** This section is effective the day following final enactment, contingent upon determination by the commissioner of transportation that the requirements of this section will have no cost to the Department of Transportation.

Sec. 25. **REPORT REQUIRED; METRO MOBILITY ENHANCEMENTS.**

The chair of the Metropolitan Council must convene a Metro Mobility enhancements workgroup to develop recommendations related to improving the efficiency, effectiveness, reliability, and rider experience of the special transportation service under Minnesota Statutes, section 473.386, and

report the recommendations to the legislative committees with jurisdiction over transportation finance and policy by February 1, 2025.

**EFFECTIVE DATE.** This section is effective the day following final enactment, contingent upon determination by the chair of the Metropolitan Council that the requirements of this section will have no cost to the council."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Duckworth moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 4, after line 21, insert:

"Sec. 8. **[169.0401] TRANSPORTATION NETWORK COMPANIES; LOCAL REGULATION PROHIBITED.**

A local road authority or political subdivision of the state may not adopt or enforce an ordinance or other local law or rule regulating transportation network companies as defined under section 169.58, subdivision 5, paragraph (a).

**EFFECTIVE DATE.** This section is effective retroactive to March 6, 2024."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Klein questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Rasmusson appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Mathews | Weber |
| Anderson | Duckworth | Johnson | Miller | Wesenberg |
| Bahr | Eichorn | Koran | Nelson | Westrom |
| Coleman | Farnsworth | Kreun | Pratt | |
| Dahms | Green | Lang | Rarick | |
| Dornink | Gruenhagen | Limmer | Rasmusson | |
| Draheim | Howe | Lucero | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

So the decision of the President was sustained.

Senator Jasinski moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 23, line 13, strike "or"

Page 23, line 15, strike the period and insert "; or"

Page 23, after line 15, insert:

"(18) the vehicle is parked at a parking meter where time has expired and the vehicle has five or more unpaid parking tickets that are unpaid for longer than a year from the date of issuance."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Gruenhagen | Lang | Pratt |
| Anderson | Drazkowski | Howe | Limmer | Rasmusson |
| Bahr | Duckworth | Jasinski | Lucero | Utke |
| Coleman | Eichorn | Johnson | Mathews | Weber |
| Dahms | Farnsworth | Koran | Miller | Wesenberg |
| Dornink | Green | Kreun | Nelson | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Lucero moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 22, line 9, reinstate the stricken language

Page 22, line 10, reinstate the stricken language and strike "five" and insert "100"

Senator Lucero moved to amend the Lucero amendment to H.F. No. 3436 as follows:

Page 1, line 5, delete "100" and insert "1,000"

The question was taken on the adoption of the Lucero amendment to the Lucero amendment.

The roll was called, and there were yeas 27 and nays 37, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Howe | Limmer | Weber |
| Bahr | Duckworth | Jasinski | Lucero | Wesenberg |
| Coleman | Eichorn | Johnson | Mathews | Westrom |
| Dahms | Farnsworth | Koran | Miller | |
| Dornink | Green | Kreun | Nelson | |
| Draheim | Gruenhagen | Lang | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Latz | Murphy | Rest |
| Boldon | Gustafson | Mann | Oumou Verbeten | Seeberger |
| Carlson | Hauschild | Marty | Pappas | Westlin |
| Champion | Hawj | Maye Quade | Pha | Wiklund |
| Cwodzinski | Hoffman | McEwen | Port | Xiong |
| Dibble | Klein | Mitchell | Pratt | |
| Dziedzic | Kunesh | Mohamed | Putnam | |
| Fateh | Kupec | Morrison | Rasmusson | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the adoption of the first Lucero amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Gruenhagen | Lang | Pratt |
| Anderson | Drazkowski | Howe | Limmer | Rasmusson |
| Bahr | Duckworth | Jasinski | Lucero | Utke |
| Coleman | Eichorn | Johnson | Mathews | Weber |
| Dahms | Farnsworth | Koran | Miller | Wesenberg |
| Dornink | Green | Kreun | Nelson | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Lucero moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 8, after line 31, insert:

"Sec. 15. **[174.021] DISCRIMINATION IN TRAININGS, COURSES, OR HIRING PROGRAMS PROHIBITED.**

(a) For purposes of this section, "programming" means but is not limited to trainings, technical assistance, professional courses, hiring events or programs, or any other workforce service offered.

(b) Programming established and administered by the commissioner must comply with the requirements of chapter 363A and not discriminate because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, familial status, and age.

(c) The commissioner must not use race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, familial status, or age as the basis for eligibility criteria to qualify for any programming or award."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Howe | Limmer | Rasmusson |
| Bahr | Duckworth | Jasinski | Lucero | Utke |
| Coleman | Eichorn | Johnson | Mathews | Weber |
| Dahms | Farnsworth | Koran | Miller | Wesenberg |
| Dornink | Green | Kreun | Nelson | Westrom |
| Draheim | Gruenhagen | Lang | Pratt | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Duckworth, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Coleman moved to amend H.F. No. 3436, as amended pursuant to Rule 45, adopted by the Senate April 9, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 3944.)

Page 4, after line 21, insert:

"Sec. 8. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to read:

Subd. 5k. **Interstate Highway 35E.** The commissioner must designate the maximum speed limit on marked Interstate Highway 35E in the city of St. Paul, from its intersection with West Seventh Street to its intersection with marked Interstate Highway 94, as 55 miles per hour. Any speed in excess of the speed designated in this subdivision is unlawful.

**EFFECTIVE DATE.** This section is effective on the date the commissioner erects the appropriate signs designating the speed limit, which must occur on or before August 1, 2024."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Coleman | Dornink | Drazkowski | Eichorn |
| Bahr | Dahms | Draheim | Duckworth | Farnsworth |

| | | | | |
|---|---|---|---|---|
| Green | Johnson | Lucero | Pratt | Wesenberg |
| Gruenhagen | Koran | Mathews | Rasmusson | Westrom |
| Howe | Lang | Miller | Utke | |
| Jasinski | Limmer | Nelson | Weber | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Duckworth, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Kupec | Morrison | Seeberger |
| Boldon | Gustafson | Latz | Murphy | Westlin |
| Carlson | Hauschild | Mann | Oumou Verbeten | Wiklund |
| Champion | Hawj | Marty | Pappas | Xiong |
| Cwodzinski | Hoffman | Maye Quade | Pha | |
| Dibble | Klein | McEwen | Port | |
| Dziedzic | Kreun | Mitchell | Putnam | |
| Fateh | Kunesh | Mohamed | Rest | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 3436 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Mathews | Pratt |
| Anderson | Dziedzic | Johnson | Maye Quade | Putnam |
| Bahr | Eichorn | Klein | McEwen | Rarick |
| Boldon | Farnsworth | Koran | Miller | Rasmusson |
| Carlson | Fateh | Kreun | Mitchell | Rest |
| Champion | Frentz | Kunesh | Mohamed | Seeberger |
| Coleman | Green | Kupec | Morrison | Utke |
| Cwodzinski | Gruenhagen | Lang | Murphy | Weber |
| Dahms | Gustafson | Latz | Nelson | Wesenberg |
| Dibble | Hauschild | Limmer | Oumou Verbeten | Westlin |
| Dornink | Hawj | Lucero | Pappas | Westrom |
| Draheim | Hoffman | Mann | Pha | Wiklund |
| Drazkowski | Howe | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

So the bill, as amended, was passed and its title was agreed to.

# 030. HF 3589

**Vote:** 2024-04-11 | **Workbook row:** 35
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** In rem jurisdiction clarified for judicial proceedings.

## Included complete bill documents

**1. Introduction, posted 2024-02-08** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3589/versions/0/pdf/

## Original Senate journal context

PDF pages 94-94. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240411101.pdf#page=94

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3589/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 3589

02/13/2024 Authored by Agbaje
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
03/11/2024 Adoption of Report: Placed on the General Register
Read for the Second Time
03/25/2024 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/11/2024 Passed by the Senate and returned to the House
04/17/2024 Presented to Governor
Governor Approval

A bill for an act

relating to trusts; clarifying in rem jurisdiction for judicial proceedings; amending Minnesota Statutes 2022, sections 501C.0202; 501C.0204, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 501C.0202, is amended to read:

**501C.0202 SUBJECT MATTER OF JUDICIAL PROCEEDINGS.**

A judicial proceeding, whether filed by petition under the district court's in rem or in personam jurisdiction, involving a trust may relate to one or more of the following matters:

(1) to confirm an action taken by a trustee;

(2) upon the filing of an account, to settle and allow the account;

(3) to determine the persons having an interest in the income or principal of the trust and the nature and extent of their interests;

(4) to construe, interpret, or reform the terms of a trust, or authorize a deviation from the terms of a trust, including a proceeding involving section 501B.31;

(5) to approve payment of the trustee's, attorney, or accountant fees, or any other fees to be charged against the trust;

(6) to confirm the appointment of a trustee;

(7) to accept a trustee's resignation and discharge the trustee from the trust as provided in section 501C.0705;

(8) to require a trustee to account;

(9) to remove a trustee as provided in section 501C.0706;

(10) to appoint a successor trustee when required by the terms of the trust instrument or when by reason of death, resignation, removal, or other cause there is no acting trustee;

(11) to appoint an additional trustee or special fiduciary whether or not a vacancy in trusteeship exists as provided in section 501C.0704;

(12) to confirm an act taken by a person with respect to a trust while there was no acting trustee or otherwise in compliance with section 501C.0701;

(13) to subject a trust to or remove a trust from continuing court supervision under section 501C.0205;

(14) to mortgage, lease, sell, or otherwise dispose of real property held by the trustee notwithstanding any contrary provision of the trust instrument;

(15) to suspend the powers and duties of a trustee in military service or war service, in accordance with section 525.95, and to order further action authorized in that section;

(16) to secure compliance with the provisions of sections 501B.33 to 501B.45, in accordance with section 501B.41, relating to charitable trusts;

(17) to determine the validity of a disclaimer under sections 524.2-1101 to 524.2-1116;

(18) to transfer the trust's principal place of administration as provided in section 501C.0108;

(19) to redress a breach of trust;

(20) to terminate a trust;

(21) to divide a trust or to merge two or more trusts as provided in section 501C.0417;

(22) to approve a nonjudicial settlement as provided in section 501C.0111;

(23) to approve, modify, or object to a proposed trust decanting as provided in section 502.851; or

(24) to instruct the trustee regarding any matter involving the trust's administration or the discharge of the trustee's duties, including a request for instructions and an action to declare rights.

Sec. 2. Minnesota Statutes 2022, section 501C.0204, subdivision 1, is amended to read:

Subdivision 1. **In rem judicial proceedings.** Upon the hearing of a petition under the district court's in rem jurisdiction, the court shall make an order it considers appropriate.

The order is binding in rem upon the trust estate and ~~upon the interests of~~ all interested persons, including without limitation all beneficiaries, vested or contingent, even though unascertained or not in being. An appeal from an order which, in effect, determines the petition may be taken by any party after service by any party of written notice of its filing as provided under the Rules of Appellate Procedure or, if no notice is served, within six months after the filing of the order.

Sec. 3. **EFFECTIVE DATE.**

This act is effective retroactively from January 1, 2016.

## SPECIAL ORDER

**H.F. No. 3589:** A bill for an act relating to trusts; clarifying in rem jurisdiction for judicial proceedings; amending Minnesota Statutes 2022, sections 501C.0202; 501C.0204, subdivision 1.

H.F. No. 3589 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Mathews | Pratt |
| Anderson | Dziedzic | Johnson | Maye Quade | Putnam |
| Bahr | Eichorn | Klein | McEwen | Rarick |
| Boldon | Farnsworth | Koran | Miller | Rasmusson |
| Carlson | Fateh | Kreun | Mitchell | Rest |
| Champion | Frentz | Kunesh | Mohamed | Seeberger |
| Coleman | Green | Kupec | Morrison | Utke |
| Cwodzinski | Gruenhagen | Lang | Murphy | Weber |
| Dahms | Gustafson | Latz | Nelson | Wesenberg |
| Dibble | Hauschild | Limmer | Oumou Verbeten | Westlin |
| Dornink | Hawj | Lucero | Pappas | Westrom |
| Draheim | Hoffman | Mann | Pha | Wiklund |
| Drazkowski | Howe | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, Frentz, McEwen, Port, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4579:** A bill for an act relating to energy; providing for and regulating shared-metered utility service in residential buildings; amending Minnesota Statutes 2022, sections 216B.022; 216B.098, subdivision 6; 504B.285, subdivision 4; Minnesota Statutes 2023 Supplement, section 216B.172, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 504B; repealing Minnesota Statutes 2022, section 504B.215.

President Champion called President Pro Tem Rest to preside.

Senator Dibble moved to amend S.F. No. 4579 as follows:

Page 5, line 31, delete "an" and insert "a"

Page 9, line 19, after "gas" insert "or" and delete the second "or" and insert "and"

Page 9, lines 20 and 21, delete "or" and insert "and"

Page 10, line 28, delete "do" and insert "does"

# 031. SF 3631

**Vote:** 2024-04-11 | **Workbook row:** 36
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 51 yeas, 14 nays

**Workbook subject:** Omnibus Environment policy bill

## Included complete bill documents

**1. 1st Engrossment, posted 2024-04-02** - 139 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/SF/3631/versions/1/pdf/

## Original Senate journal context

PDF pages 70-82. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240411101.pdf#page=81

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/SF/3631/

# SENATE
## STATE OF MINNESOTA
## NINETY-THIRD SESSION

# S.F. No. 3631

**(SENATE AUTHORS: HAWJ and McEwen)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/15/2024 | 11588 | Introduction and first reading |
| | | Referred to Environment, Climate, and Legacy |
| 04/02/2024 | 12977a | Comm report: To pass as amended |
| | 13329 | Second reading |
| 04/11/2024 | 13656a | Special Order: Amended |
| | 13667 | Third reading Passed |

A bill for an act

relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; requiring reports; making technical corrections; appropriating money; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.7931, by adding a subdivision; 14.386; 16A.125, subdivision 5; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4988, subdivision 4; 17.4992, subdivisions 1, 3; 17.4996; 41A.02, subdivision 6; 84.027, subdivisions 12, 15; 84.0874; 84.0895, subdivisions 1, 8; 84.152, subdivision 3; 84.788, subdivision 11; 84.798, subdivision 10; 84.8035, subdivision 1; 84.82, subdivisions 2a, 11; 84.8205; 84.83, subdivision 2; 84.922, subdivision 12; 84.96, subdivisions 2, 3, 5; 84B.061; 85.41, subdivisions 1, 4; 85.45, subdivision 1; 85.46, subdivision 3; 86B.415, subdivision 11; 88.82; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 97A.015, subdivisions 3a, 3b, 39, 43, by adding subdivisions; 97A.055, subdivision 4b; 97A.075, subdivision 2; 97A.215, by adding a subdivision; 97A.255, subdivision 5; 97A.341, subdivisions 1, 2, 3; 97A.345; 97A.405, subdivisions 3, 4, 4a; 97A.420, as amended; 97A.421, subdivision 2; 97A.425, subdivision 4, by adding a subdivision; 97A.445, by adding a subdivision; 97A.473, subdivisions 1, 3, 4, 5, 5a; 97A.474, subdivision 3; 97A.475, subdivision 39; 97A.481; 97A.485, subdivision 6; 97A.505, subdivision 8; 97A.535, subdivisions 1, 2, 2a, 4; 97A.551, subdivisions 2, 6; 97B.022, subdivisions 2, 3; 97B.055, subdivision 2; 97B.106; 97B.303; 97B.318, subdivision 1; 97B.401; 97B.516; 97B.603; 97B.716, subdivision 2; 97B.721; 97C.001, subdivision 2; 97C.005, subdivision 2; 97C.025; 97C.035, subdivision 3; 97C.045; 97C.081, subdivision 3a; 97C.087; 97C.211, subdivision 5; 97C.301, subdivision 2a; 97C.355, subdivision 2; 97C.375; 97C.376, subdivisions 1, 5; 97C.381; 97C.385; 97C.391, subdivision 1; 97C.395, as amended; 97C.411; 97C.505, subdivision 8; 97C.801, subdivision 2; 97C.805, subdivisions 1, 4; 97C.811, subdivision 2; 97C.831, subdivision 1; 97C.835, subdivisions 2, 3; 97C.865, subdivision 1; 103B.101, subdivision 13; 103C.005; 103C.221; 103C.331, subdivisions 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, by adding subdivisions; 103D.011, subdivision 10; 103D.201, subdivision 2; 103D.205, subdivision 4; 103D.251, subdivisions 5, 6; 103D.255; 103D.261, subdivisions 1, 2; 103D.271, subdivision 7; 103D.301, subdivisions 1, 3; 103D.305, subdivisions 2, 5; 103D.311, subdivision 4; 103D.315, subdivisions 9, 10; 103D.321, subdivision 1; 103D.331, subdivision 2; 103D.335, subdivision 11; 103D.341, subdivision 1; 103D.345, subdivision 4; 103D.355, subdivision 1; 103D.401; 103D.405, subdivision 1; 103D.535, subdivision 3; 103D.701; 103D.705, subdivision 1, by adding a subdivision; 103D.711; 103D.715, subdivision 1; 103D.729, subdivisions 1, 2;

103D.731; 103D.745, subdivision 3; 103D.805; 103D.811, subdivision 3; 103D.901, subdivision 2; 103E.729, subdivision 9; 103F.211, subdivision 1; 103F.48, subdivision 1; 103F.511, by adding subdivisions; 103F.515; 103F.535, subdivision 5; 103G.005, subdivisions 14d, 17b; 103G.222, subdivision 1; 103G.2241, subdivisions 1, 2, 6, 9; 103G.2242, subdivisions 2, 2a, 3; 103G.315, subdivision 15; 115A.5502; 116.0711, subdivision 1; 116D.02, subdivision 2; Minnesota Statutes 2023 Supplement, sections 84.83, subdivision 3; 97A.405, subdivision 2; 97B.037; 97B.071; 97C.041; 97C.371, subdivision 1; 103G.005, subdivision 19; 103G.2242, subdivision 1; 103G.301, subdivision 2; 115.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 103D; 103F; 115A; 116; repealing Minnesota Statutes 2022, sections 97A.015, subdivision 27a; 97A.485, subdivision 13; 103A.206; 103D.315, subdivision 4; 103D.405, subdivisions 2, 3, 4, 5, 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, 4; 103D.611; 103F.511, subdivision 8b; 103F.950; 115A.5501; Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5; Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; 8400.3930.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## ELECTRONIC LICENSE SYSTEM

Section 1. Minnesota Statutes 2022, section 14.386, is amended to read:

**14.386 PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.**

(a) A rule adopted, amended, or repealed by an agency, under a statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

(1) the revisor of statutes approves the form of the rule by certificate;

(2) the person authorized to adopt the rule on behalf of the agency signs an order adopting the rule;

(3) the Office of Administrative Hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files four paper copies or an electronic copy of the adopted rule with the revisor's certificate in the Office of the Secretary of State; and

(4) a copy is published by the agency in the State Register.

The secretary of state shall forward one copy of the rule to the governor.

A statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule does not excuse compliance with this section unless it makes specific reference to this section.

(b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to:

(1) any group or rule listed in section 14.03, subdivisions 1 and 3, except as otherwise provided by law;

(2) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459;

(3) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005;

(4) game refuges designated by the commissioner of natural resources under section 97A.085; or

(5) transaction fees established by the commissioner of natural resources for electronic or telephone sales of licenses, stamps, permits, registrations, or transfers under section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2).

(e) If a statute provides that a rule is exempt from chapter 14, and section 14.386 does not apply to the rule, the rule has the force of law unless the context of the statute delegating the rulemaking authority makes clear that the rule does not have force of law.

Sec. 2. Minnesota Statutes 2022, section 84.027, subdivision 15, is amended to read:

Subd. 15. **Electronic transactions.** (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, pass, sticker, gift card, safety training certification, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone. Notwithstanding section 97A.472, electronic and telephone transactions may be made outside of the state. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

~~(2) assign an identification number to an applicant who purchases a hunting or fishing license or recreational vehicle registration by electronic means, to serve as temporary~~

~~authorization to engage in the activity requiring a license or registration until the license or registration is received or expires;~~

~~(3)~~ (2) charge and permit agents to charge a fee of individuals who make electronic transactions and transactions by telephone or Internet, including issuing fees and an additional transaction fee not to exceed $3.50;

~~(4)~~ (3) charge and permit agents to charge a convenience fee not to exceed three percent of the cost of the license to individuals who use electronic bank cards for payment. An electronic licensing system agent charging a fee of individuals making an electronic bank card transaction in person must post a sign informing individuals of the fee. The sign must be near the point of payment, clearly visible, include the amount of the fee, and state: "License agents are allowed by state law to charge a fee not to exceed three percent of the cost of state licenses to persons who use electronic bank cards for payment. The fee is not required by state law.";

~~(5)~~ (4) establish, by written order, an electronic licensing system commission to be paid by revenues generated from all sales made through the electronic licensing system. The commissioner shall establish the commission in a manner that neither significantly overrecovers nor underrecovers costs involved in providing the electronic licensing system; and

~~(6)~~ (5) adopt rules to administer the provisions of this subdivision.

(b) The fees established under paragraph (a), clauses (2) and (3) ~~and (4)~~, and the commission established under paragraph (a), clause ~~(5)~~ (4), are not subject to the rulemaking procedures of chapter 14 and section 14.386 does not apply.

(c) Money received from fees and commissions collected under this subdivision, including interest earned, is annually appropriated from the game and fish fund and the natural resources fund to the commissioner for the cost of electronic licensing.

(d) Game and fish licenses under chapters 97A, 97B, and 97C shall be available by electronic transaction, regardless of whether all or any part of the biennial appropriation law for the department has been enacted. If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money to the commissioner of management and budget for central accounting, procurement, payroll, and human resources functions, amounts necessary to operate those functions for the purpose of this paragraph are appropriated from the general fund to the commissioner of management and budget. As necessary, the commissioner may transfer a portion of this appropriation to other state agencies to support carrying out these functions. Any subsequent appropriation to the commissioner of

management and budget for a biennium in which this section is applicable supersedes and replaces the funding authorized in this paragraph.

Sec. 3. Minnesota Statutes 2022, section 84.0874, is amended to read:

**84.0874 ELECTRONIC LICENSING SYSTEM DATA.**

(a) The following data created, collected, stored, or maintained by the department for purposes of obtaining a noncommercial game and fish license, cross-country-ski pass, horse pass, or snowmobile trail ~~sticker~~ pass; registering a recreational motor vehicle; or any other electronic licensing transaction are private data on individuals as defined in section 13.02, subdivision 12: name, addresses, driver's license number, and date of birth. The data may be disclosed for law enforcement purposes. The data, other than the driver's license number, may be disclosed to a government entity and for natural resources management purposes, including recruitment, retention, and training certification and verification.

(b) Private data on individuals under paragraph (a) may be disclosed as follows:

(1) for use by any government agency, including a court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a federal, state, or local agency in carrying out its functions;

(2) for use in connection with matters of vehicle or operator safety and theft, emissions, product alterations, recalls or advisories, and performance monitoring;

(3) for use in the normal course of business by a legitimate business or its agents, employees, or contractors, in order to verify the accuracy of personal information submitted by an individual. If the information as submitted is not correct or is no longer correct, correct information may be obtained only for the purpose of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against the individual. If the person requesting access is acting as the agent of a lienholder, the requester must submit proof of a contract with the lienholder;

(4) for use in connection with any civil, criminal, administrative, or arbitration proceedings in any federal, state, or local court or agency or before any self-regulatory body, including service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a federal, state, or local court, provided that the requester provides a copy of the court order;

(5) for use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities

or antifraud activities. If the person requesting access is an agent of an insurance company, the requester must provide the insurance company's name;

(6) for use in providing notice to the owners of towed or impounded recreational vehicles or watercraft. The person requesting access must provide the name, address, and telephone number of the entity that requested that the recreational vehicle or watercraft be towed;

(7) for use by any licensed private investigative agency or licensed security service for any purpose permitted under this section, provided that the person provides a copy of a valid license; or

(8) where the use is related to the physical safety or security of operators, vehicles, pedestrians, or property.

The commissioner must not disclose data under this paragraph if the commissioner concludes that the requester is likely to use the data for an improper purpose or other purpose not authorized by this paragraph.

Sec. 4. Minnesota Statutes 2022, section 84.152, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) ~~An application for a wild rice dealer's license must be made under a written oath.~~ The ~~form of~~ application for a wild rice dealer's license application must include:

(1) the amount of wild rice, whether raw or processed, bought or sold by the applicant during the preceding calendar year;

(2) the amount of wild rice the applicant estimates will be bought or sold under the license; and

(3) other pertinent information required by the commissioner.

(b) The license fee must be paid in advance, based on the applicant's estimate. A license may not be issued for a fee based on a lesser amount of wild rice than was bought or sold by the applicant during the preceding calendar year.

Sec. 5. Minnesota Statutes 2022, section 84.788, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 12 months of the original registration and:

(1) the off-highway motorcycle was registered incorrectly by the commissioner or the deputy registrar; or

(2) the off-highway motorcycle was registered twice, once by the dealer and once by the customer.

Sec. 6. Minnesota Statutes 2022, section 84.798, subdivision 10, is amended to read:

Subd. 10. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (b), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the off-road vehicle was registered incorrectly; or

(2) the off-road vehicle was registered twice, once by the dealer and once by the customer.

Sec. 7. Minnesota Statutes 2022, section 84.8035, subdivision 1, is amended to read:

Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a person may not operate an off-road vehicle on a state or grant-in-aid off-road vehicle trail or use area unless the vehicle displays an off-road vehicle state trail pass ~~sticker~~ issued according to this section. The pass must be ~~viewable~~ available to be viewed by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of the fee. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for off-road vehicle organizations to construct and maintain off-road vehicle trails and use areas.

(c) An off-road vehicle state trail pass is not required for:

(1) an off-road vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.798, subdivision 2;

(2) a person operating an off-road vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(3) a person operating an off-road vehicle that is registered according to section 84.798.

(d) The fee for an annual nonresident off-road vehicle state trail pass is $20. The nonresident pass is valid from January 1 through December 31. The fee for a nonresident three-year pass is $30.

(e) The fee for a resident off-road vehicle state trail pass is $20. The resident pass is valid for 30 consecutive days after the date of issuance.

Sec. 8. Minnesota Statutes 2022, section 84.82, subdivision 2a, is amended to read:

Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail use. A snowmobile registered under this subdivision may not be operated on a state or grant-in-aid snowmobile trail. The fee for a nontrail use registration of a snowmobile with an engine displacement that is greater than 125 cubic centimeters is $45 for three years. A nontrail use registration is not transferable. In addition to other penalties prescribed by law, the penalty for violation of this subdivision is immediate revocation of the nontrail use registration. The commissioner shall ensure that the registration ~~sticker~~ provided for limited nontrail use is of a different color and is distinguishable from other snowmobile registration ~~and state trail stickers~~ provided.

Sec. 9. Minnesota Statutes 2022, section 84.82, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the snowmobile was registered incorrectly; or

(2) the snowmobile was registered twice, once by the dealer and once by the customer.

Sec. 10. Minnesota Statutes 2022, section 84.8205, is amended to read:

**84.8205 SNOWMOBILE STATE TRAIL ~~STICKER~~ PASS.**

Subdivision 1. **~~Sticker~~ Pass required; fee.** (a) A snowmobile that is not registered in the state under section 84.82, subdivision 3, paragraph (a), or that is registered by a manufacturer or dealer under section 84.82, subdivision 3, paragraph (b) or (c), may not be operated on a state or grant-in-aid snowmobile trail unless a snowmobile state trail ~~sticker is affixed to the snowmobile~~ pass is available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a ~~sticker~~ pass upon application and payment of a fee. The fee is:

(1) $50 for a one-year snowmobile state trail ~~sticker~~ pass purchased by an individual; and

(2) $15 for a one-year snowmobile state trail ~~sticker~~ pass purchased by a dealer or manufacturer.

(c) In addition to other penalties prescribed by law, an individual in violation of this subdivision must purchase an annual state trail ~~sticker~~ pass for a fee of $70. The ~~sticker~~ pass is valid from November 1 through June 30. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

(d) A state trail ~~sticker~~ pass is not required under this section for:

(1) a snowmobile that is owned and used by the United States, an Indian tribal government, another state, or a political subdivision thereof that is exempt from registration under section 84.82, subdivision 6;

(2) a collector snowmobile that is operated as provided in a special permit issued for the collector snowmobile under section 84.82, subdivision 7a;

(3) a person operating a snowmobile only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(4) a snowmobile while being used to groom a state or grant-in-aid trail.

~~Subd. 2. **Placement of sticker.** The state trail sticker shall be permanently affixed to either:~~

~~(1) the forward half of the snowmobile directly above or below the headlight of the snowmobile;~~

~~(2) above the expiration year on the top portion of the snowmobile registration validation decal; or~~

~~(3) the lower right corner of a registration plate issued to a dealer or manufacturer under section 84.82, subdivision 3.~~

Subd. 3. **License agents.** The commissioner may appoint agents to issue and sell state trail ~~stickers~~ passes. The commissioner may revoke the appointment of an agent at any time. The commissioner may adopt additional rules as provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted by the commissioner for accounting and handling of ~~stickers~~ passes pursuant to section 97A.485, subdivision 11. An agent shall promptly deposit and remit all money received from the sale of the ~~stickers~~ passes, exclusive of the issuing fee, to the commissioner.

Subd. 4. **Issuing ~~stickers~~ passes.** The commissioner and agents shall issue and sell snowmobile state trail ~~stickers~~ passes.

Subd. 5. **Agent's fee.** In addition to the fee for a ~~sticker~~ pass, an issuing fee of $1 per ~~sticker~~ pass shall be charged. The issuing fee may be retained by the seller of the ~~sticker~~ pass. Issuing fees for ~~stickers~~ passes issued by the commissioner shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and retained for the operation of the electronic licensing system.

Subd. 6. **Duplicate state trail ~~stickers~~ passes.** The commissioner and agents shall issue a duplicate ~~sticker~~ pass to persons whose ~~sticker~~ pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules promulgated thereunder. The fee for a duplicate state trail ~~sticker~~ pass is $2, with an issuing fee of 50 cents.

Sec. 11. Minnesota Statutes 2022, section 84.83, subdivision 2, is amended to read:

Subd. 2. **Money deposited in account.** Fees from the registration of snowmobiles and from the issuance of snowmobile state trail ~~stickers~~ passes and the unrefunded gasoline tax attributable to snowmobile use pursuant to section 296A.18 shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account.

Sec. 12. Minnesota Statutes 2023 Supplement, section 84.83, subdivision 3, is amended to read:

Subd. 3. **Purposes; allocation.** (a) The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails that are determined by the commissioner to be part of the state's grant-in-aid system, including maintenance of trails on lands and waters of Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in

St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion; and on the following lakes in Cook County: Devil Track and Hungry Jack. The commissioner may establish a performance-based funding formula for annual grants-in-aid. The procedures and criteria for grants-in-aid are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. In administering the performance-based grants-in-aid, the commissioner must:

(i) determine annual grant amounts based on a funding formula that includes consideration of historical costs, snowfall, use, and tourism;

(ii) make grant payments based on:

(A) successful completion of performance benchmarks;

(B) reimbursement of eligible expenditures; or

(C) a combination of subitems (A) and (B); and

(iii) assess penalties to nonperforming grant-in-aid recipients, which may include withholding grant payments or making the grantee or trail system ineligible for future grant-in-aid funding;

(2) to acquire, develop, and maintain state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) to administer and enforce sections 84.81 to 84.9011 and appropriated grants to local law enforcement agencies.

(b) No less than 60 percent of revenue collected from snowmobile registration and snowmobile state trail ~~sticker~~ pass fees must be expended for grants-in-aid to develop, maintain, and groom trails and acquire easements.

Sec. 13. Minnesota Statutes 2022, section 84.922, subdivision 12, is amended to read:

Subd. 12. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the vehicle was registered incorrectly; or

(2) the vehicle was registered twice, once by the dealer and once by the customer.

Sec. 14. Minnesota Statutes 2022, section 85.41, subdivision 1, is amended to read:

Subdivision 1. **Pass in possession.** While skiing on cross-country-ski trails, a person age 16 or over shall carry in immediate possession a valid~~, signed~~ cross-country-ski pass. A landowner who grants an easement for a grant-in-aid ski trail is not required to have a pass when skiing on the landowner's property.

Sec. 15. Minnesota Statutes 2022, section 85.41, subdivision 4, is amended to read:

Subd. 4. **Issuance.** The commissioner and agents shall issue and sell cross-country-ski passes. The pass shall be with the skier and available for inspection by any peace or conservation officer. The pass shall include the applicant's ~~signature and other~~ information deemed necessary by the commissioner.

Sec. 16. Minnesota Statutes 2022, section 85.45, subdivision 1, is amended to read:

Subdivision 1. **Skiing without pass.** No person may ski on a cross-country-ski trail without a valid~~, signed~~ cross-country-ski pass. Any person who violates this subdivision is guilty of a petty misdemeanor.

Sec. 17. Minnesota Statutes 2022, section 85.46, subdivision 3, is amended to read:

Subd. 3. **Issuance.** The commissioner of natural resources and agents shall issue and sell horse passes. The pass shall include the applicant's ~~signature and other~~ information deemed necessary by the commissioner. To be valid, a daily or annual pass must be ~~signed by~~ issued to the person riding, leading, or driving the horse, and a commercial annual pass must be ~~signed by~~ issued to the owner of the commercial riding facility.

Sec. 18. Minnesota Statutes 2022, section 86B.415, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a license or title, not including any issuing fees paid under subdivision 8 or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), or 86B.870, subdivision 1, paragraph (b), if the refund request is received within 60 days of the original license or title, the license or title is not used or transferred, and:

(1) the watercraft was licensed or titled incorrectly;

(2) the customer was incorrectly charged a title fee; or

(3) the watercraft was licensed or titled twice, once by the dealer and once by the customer.

Sec. 19. Minnesota Statutes 2022, section 97A.015, subdivision 3a, is amended to read:

Subd. 3a. **Bonus permit.** "Bonus permit" means a license to take ~~and tag~~ deer by archery or firearms, in addition to deer authorized to be taken under regular firearms or archery licenses, or a license issued under section 97A.441, subdivision 7.

Sec. 20. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 53a. **Validation.** "Validation" means the documentation process for taking a specific species under a license for that species, which can be completed electronically or on the corresponding paper license, permit, or endorsement to include information specified by the commissioner.

Sec. 21. Minnesota Statutes 2022, section 97A.215, is amended by adding a subdivision to read:

Subd. 4. **Electronic devices.** During an inspection under subdivision 3, if a person uses an electronic device to display a document to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) it does not constitute consent for the officer to access other contents on the device.

Sec. 22. Minnesota Statutes 2022, section 97A.255, subdivision 5, is amended to read:

Subd. 5. **Joint and several liability.** When two or more people intentionally aid, advise, counsel, conspire with, or act in concert with each other to unlawfully take, transport, or possess wild animals when the restitution value of the wild animals exceeds $500, each person is jointly and severally liable for the wild animals for purposes of:

(1) license seizure, invalidation, and revocation under sections 97A.420 and 97A.421;

(2) equipment and property seizure under section 97A.221;

(3) boat, motor, and trailer seizure under section 97A.225; and

(4) restitution under section 97A.341.

Sec. 23. Minnesota Statutes 2023 Supplement, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession:

(1) the proper paper license~~, if the license has been issued to and received by the person~~;

(2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19;

(3) the proper paper license identification number or stamp validation, if the license has been sold to the person by electronic means ~~but the actual license has not been issued and received~~; or

(4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer: (1) the proper paper license ~~if the license has been issued to and received by the person~~; (2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19; (3) the proper paper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner~~, if the license has been sold to the person by electronic means but the actual license has not been issued and received~~; or (4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license. A person charged with violating the license possession requirement shall not be convicted if the person produces in court or the office of the arresting officer, the actual license previously issued to that person, which was valid at the time of arrest, or satisfactory proof that at the time of the arrest the person was validly licensed. Upon request of a conservation officer or peace officer, a licensee shall write the licensee's name in the presence of the officer to determine the identity of the licensee.

(c) Except as provided in paragraph (a), clauses (2) and (4), if the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) ~~A paper license issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license.~~ A pictorial migratory

waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee after purchase of a stamp validation only if the licensee pays an additional fee that covers the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be purchased for a fee that covers the costs of producing and mailing the pictorial stamp. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees for providing the pictorial stamps. The fees must be set in an amount that does not recover significantly more or less than the cost of producing and mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 24. Minnesota Statutes 2022, section 97A.405, subdivision 3, is amended to read:

Subd. 3. **Duplicate licenses.** The commissioner shall prescribe rules for issuing duplicate licenses to persons whose licenses are lost or destroyed. ~~A duplicate license may not be issued unless the applicant takes an oath covering the facts of loss or destruction of the license.~~

Sec. 25. Minnesota Statutes 2022, section 97A.405, subdivision 4, is amended to read:

Subd. 4. **Replacement deer licenses.** (a) The commissioner may permit licensed deer hunters to change zone, license, or season options. The commissioner may issue a replacement deer license if the applicant ~~submits the original deer license and unused tags that are being replaced and the applicant~~ pays any increase in cost between the original and the replacement deer license. A refund of the difference in fees may be issued when a person changes from a regular deer license to a youth deer license.

(b) A replacement deer license may be issued only if the applicant has not ~~used any tag from~~ harvested a deer under the original deer license or licenses and meets the conditions of paragraph (c). ~~The original deer license or licenses and all unused tags for the deer licenses being replaced must be submitted to the issuing agent at the time the replacement deer license is issued.~~

(c) A replacement deer license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

(1) when the season for the deer license being surrendered has not yet opened; or

(2) when the person is changing from a regular deer license to a youth deer license.

(d) Notwithstanding section 97A.411, subdivision 3, a replacement deer license is valid immediately upon issuance if the deer license being surrendered is valid at that time.

Sec. 26. Minnesota Statutes 2022, section 97A.405, subdivision 4a, is amended to read:

Subd. 4a. **Replacement turkey licenses.** (a) The commissioner may permit licensed turkey hunters to change permit areas, licenses, or time periods within the fall turkey season, or within the spring turkey season. The commissioner may issue a replacement turkey license if the applicant ~~submits the original turkey license and unused tags that are being replaced, and the applicant~~ pays the fee for a replacement license under section 97A.475, subdivision 44.

(b) A replacement turkey license may be issued only if the applicant has not ~~used the tag from~~ harvested a turkey under the original turkey license and meets the requirements of paragraph (c). ~~The original turkey licenses and all unused tags for the turkey licenses being replaced must be submitted to the issuing agent at the time the replacement turkey license is issued.~~

(c) A turkey replacement license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

(1) when the permit area or time period for the turkey license being surrendered has not yet opened; and

(2) licenses are available for the replacement turkey license permit area or time period for (i) areas that are not lottery areas, (ii) lottery areas that have remaining licenses, or (iii) the applicant is a youth hunter age 17 or younger.

Sec. 27. Minnesota Statutes 2022, section 97A.420, as amended by Laws 2023, chapter 60, article 4, section 50, is amended to read:

**97A.420 SEIZURE OR INVALIDATION OF LICENSES.**

Subdivision 1. **Seizure or invalidation.** (a) An enforcement officer shall immediately seize or invalidate the license of a person who unlawfully takes, transports, or possesses wild animals when the restitution value of the wild animals exceeds $500. Except as provided in subdivisions 2, 4, and 5, the person may not use or obtain any license to take the same type of wild animals involved, including a duplicate license, until an action is taken under subdivision 6. If the license seized or invalidated under this paragraph was for a big game animal, the license seizure or invalidation applies to all licenses to take big game issued to the individual. If the license seized or invalidated under this paragraph was for small game animals, the license seizure or invalidation applies to all licenses to take small game issued to the individual.

(b) In addition to the license seizure or invalidation under paragraph (a), if the restitution value of the wild animals unlawfully taken, possessed, or transported is $1,000 or more, all other game and fish licenses held by the person shall be immediately seized or invalidated. Except as provided in subdivision 2, 4, or 5, the person may not obtain any game or fish license or permit, including a duplicate license, until an action is taken under subdivision 6.

(c) A person may not take wild animals covered by a license seized or invalidated under this subdivision until an action is taken under subdivision 6.

(d) The commissioner must make a means of seizing or invalidating and releasing a paperless license under this section available to enforcement officers.

Subd. 2. **Administrative review.** (a) At any time after the seizure or invalidation of a license under subdivision 1 and before revocation under section 97A.421, a person may request in writing a review of the seizure or invalidation under this section. Upon receiving the request for review, the commissioner shall review the seizure or invalidation, the evidence upon which it was based, and other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the seizure or invalidation.

(b) Within 15 days after receiving the request for administrative review, the commissioner shall issue a written report of the review and shall order that the seizure or invalidation be either sustained or rescinded.

(c) The review provided in this subdivision is not subject to the contested case provisions of the Administrative Procedure Act under chapter 14. The availability of administrative review does not preclude judicial review under this section.

Subd. 3. **Judicial review.** (a) Within 30 days following the seizure or invalidation of a license under subdivision 1, a person may petition the court for review. The petition must be filed with the district court administrator in the county where the incident occurred, together with proof of service of a copy on the commissioner and the county attorney. A responsive pleading is not required of the commissioner of natural resources and court fees may not be charged for the appearance of the representative of the commissioner in the matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition must state specifically the grounds upon which the petitioner seeks rescission of the license seizure or invalidation.

(c) The filing of the petition does not stay the license seizure or invalidation. The judicial review shall be conducted according to the Rules of Civil Procedure.

Subd. 4. **Hearing.** (a) A hearing under subdivision 3 must be before a district court judge in the county where the incident occurred giving rise to the license seizure or invalidation. The hearing must be to the court and may be conducted at the same time as hearings upon pretrial motions in a related criminal prosecution. The commissioner must be represented by the county attorney.

(b) The hearing must be held at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review.

(c) The scope of the hearing must be limited to the issue of whether there is probable cause to believe that the person had unlawfully taken, possessed, or transported wild animals with a restitution value over $500.

(d) The court shall order that the license seizure or invalidation be either sustained or rescinded. Within 14 days following the hearing, the court shall forward a copy of the order to the commissioner.

(e) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Civil Appellate Procedure.

Subd. 5. **Temporary release of commercial licenses.** At any time during the period that a game or fish license is seized or invalidated under subdivision 1, a person possessing a commercial license issued under the game and fish laws may make a written request to the commissioner to temporarily release the commercial license. If the commissioner determines that the public welfare will not be injured, the commissioner may temporarily reinstate the commercial license upon payment of a temporary reinstatement fee of $1,000 cash or bond in favor of the state for each commercial license to be released. An additional fee is not required for vehicles licensed under section 97A.475, subdivision 26, clause (2) or (4). If the license is returned under subdivision 6, paragraph (a), the temporary reinstatement fee shall be returned to the licensee. If the license is revoked under subdivision 6, paragraph (b), the temporary reinstatement fee shall be deposited in the game and fish fund and is not refundable.

Subd. 6. **Return or revocation of licenses upon dismissal or conviction.** (a) Upon acquittal, dismissal, or determination not to charge a person for a violation, the license seizure or invalidation under subdivision 1 is immediately rescinded and any license seized or invalidated in connection with the incident must be returned to the licensee or reinstated.

(b) Upon conviction of a violation when the restitution value of the wild animals exceeds $500, revocation of licenses and license privileges must be imposed as provided under section 97A.421, subdivision 2a.

Sec. 28. Minnesota Statutes 2022, section 97A.445, is amended by adding a subdivision to read:

Subd. 6. **License system.** In the event of a disruption in the availability of hunting and angling licenses, the commissioner may publish in the State Register a notice that exempts residents and nonresidents from requirements to possess a license to take game or fish.

Sec. 29. Minnesota Statutes 2022, section 97A.473, subdivision 1, is amended to read:

Subdivision 1. **Resident lifetime licenses authorized.** (a) The commissioner may issue a lifetime angling license, a lifetime spearing license, a lifetime angling and spearing license, a lifetime small-game-hunting license, a lifetime firearm or archery deer-hunting license, a lifetime sporting license, or a lifetime sporting with spearing option license to a person who is a resident of the state for at least one year or who is under age 21 and the child of a person who is a resident of the state for at least one year. The license fees paid for a lifetime license are nonrefundable.

(b) The commissioner may require the holder of a lifetime license issued under this section to notify the department each year that the license is used, by:

(1) telephone or Internet notification, as specified by the commissioner;

(2) the purchase of stamps for the license; or

(3) registration ~~and tag issuance~~, in the case of the resident lifetime deer license.

Sec. 30. Minnesota Statutes 2022, section 97A.473, subdivision 3, is amended to read:

Subd. 3. **Lifetime small-game-hunting license; fee.** (a) A resident lifetime small-game-hunting license authorizes a person to hunt and trap small game, other than wolves, in the state. The license authorizes those hunting and trapping activities authorized by the annual resident small-game-hunting license and the trapping license for fur-bearing animals other than wolves. The license does not include ~~a turkey stamp validation or~~ any ~~other~~ hunting stamps required by law.

(b) The fees for a resident lifetime small-game-hunting license are:

(1) age 3 and under, $223;

(2) age 4 to age 15, $301;

(3) age 16 to age 50, $430; and

(4) age 51 and over, $274.

Sec. 31. Minnesota Statutes 2022, section 97A.473, subdivision 4, is amended to read:

Subd. 4. **Lifetime deer-hunting license; fee.** (a) A resident lifetime deer-hunting license authorizes a person to take deer with firearms or by archery in the state. The license authorizes those activities authorized by the annual resident firearm deer-hunting license or the annual resident archery deer-hunting license. The licensee must ~~register and receive tags~~ review and confirm information each year that the license is used. ~~The tags shall be issued at no charge to the licensee.~~

(b) The fees for a resident lifetime firearm or archery deer-hunting license are:

(1) age 3 and under, $458;

(2) age 4 to age 15, $607;

(3) age 16 to age 50, $741; and

(4) age 51 and over, $528.

Sec. 32. Minnesota Statutes 2022, section 97A.473, subdivision 5, is amended to read:

Subd. 5. **Lifetime sporting license; fee.** (a) A resident lifetime sporting license authorizes a person to take fish by angling and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, ~~a turkey stamp validation,~~ a walleye stamp validation, or any other ~~hunting~~ stamps required by law.

(b) The fees for a resident lifetime sporting license are:

(1) age 3 and under, $522;

(2) age 4 to age 15, $710;

(3) age 16 to age 50, $927; and

(4) age 51 and over, $603.

Sec. 33. Minnesota Statutes 2022, section 97A.473, subdivision 5a, is amended to read:

Subd. 5a. **Lifetime sporting with spearing option license; fee.** (a) A resident lifetime sporting with spearing option license authorizes a person to take fish by angling or spearing and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling, spearing, and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, ~~a turkey stamp validation,~~ a walleye stamp validation, or any other ~~hunting~~ stamps required by law.

(b) The fees for a resident lifetime sporting with spearing option license are:

(1) age 3 and under, $612;

(2) age 4 to age 15, $833;

(3) age 16 to age 50, $1,046; and

(4) age 51 and over, $666.

Sec. 34. Minnesota Statutes 2022, section 97A.474, subdivision 3, is amended to read:

Subd. 3. **Nonresident lifetime small-game-hunting license; fee.** (a) A nonresident lifetime small-game-hunting license authorizes a person to hunt small game in the state. The license authorizes those hunting activities authorized by the annual nonresident small-game-hunting license. The license does not include ~~a turkey stamp validation or~~ any ~~other~~ hunting stamps required by law.

(b) The fees for a nonresident lifetime small-game-hunting license are:

(1) age 3 and under, $947;

(2) age 4 to age 15, $1,280;

(3) age 16 to age 50, $1,633; and

(4) age 51 and over, $1,083.

Sec. 35. Minnesota Statutes 2022, section 97A.481, is amended to read:

**97A.481 LICENSE APPLICATIONS; PENALTY.**

All information required on a license application form must be furnished. The ~~application must be made in writing and~~ applicant is subject to the penalty prescribed in section 97A.301, subdivision 1, clause (5).

Sec. 36. Minnesota Statutes 2022, section 97A.485, subdivision 6, is amended to read:

Subd. 6. **Licenses to be sold and issuing fees.** (a) Persons authorized to sell licenses under this section must issue the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is $1;

(2) Minnesota sporting, the issuing fee is $1;

(3) to take small game, to take fish by angling or by spearing, and to trap fur-bearing animals, the issuing fee is $1;

(4) to apply for a limited hunt drawing, the issuing fee is $1 unless the application requires a license purchase at the time of application and the license purchase requires an application fee;

(5) for a prairie-chicken license, the issuing fee is $1;

(6) for a turkey license, the issuing fee is $1;

(7) for an elk license, the issuing fee is $1;

(8) for a moose license, the issuing fee is $1;

(9) for a wolf license, the issuing fee is $1;

(10) for a stamp validation that is not issued simultaneously with a license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller;

(11) for stamp validations issued simultaneously with a license, there is no fee;

(12) for licenses, seals, tags, or coupons issued without a fee under section 97A.441, subdivisions 1 to 6a, or 97A.465, there is no fee;

(13) for lifetime licenses, there is no fee; and

(14) for all other licenses, permits, renewals, or applications or any other transaction through the electronic licensing system under this chapter or any other chapter when an issuing fee is not specified, an issuing fee of $1 may be charged at the discretion of the authorized seller.

(b) Only one issuing fee may be collected when selling more than one stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The agent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

(f) For duplicate licenses, including licenses issued without a fee, the issuing fees are:

(1) for licenses to take big game, 75 cents; and

(2) for other licenses, 50 cents.

~~(g) The commissioner may issue one-day angling licenses in books of ten licenses each to fishing guides operating charter boats upon receipt of payment of all license fees, excluding the issuing fee required under this section. Copies of sold and unsold licenses shall be returned to the commissioner. The commissioner shall refund the charter boat captain for the license fees of all unsold licenses. Copies of sold licenses shall be maintained by the commissioner for one year.~~

Sec. 37. Minnesota Statutes 2022, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. ~~**Tags**~~ **Validation required.** (a) A person may not possess or transport deer, bear, elk, or moose taken in the state unless ~~a tag is attached to the carcass in a manner~~ the person has the required license and validation for that animal as prescribed by the commissioner. ~~The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner.~~

(b) The ~~tag~~ license must be validated at the site of the kill as prescribed by the commissioner.

~~(c) Except as otherwise provided in this section, the tag must be attached to the deer, bear, elk, or moose at the site of the kill before the animal is removed from the site of the kill.~~

~~(d) The tag must remain attached to the animal until the animal is processed for storage.~~

~~(e) A person may move a lawfully taken deer, bear, elk, or moose from the site of the kill without attaching the validated tag to the animal only while in the act of manually or mechanically dragging, carrying, or carting the animal across the ground and while possessing the validated tag on their person. A motor vehicle may be used to drag the animal across the ground. At all other times, the validated tag must be attached to the deer, bear, elk, or moose:~~

~~(1) as otherwise provided in this section; and~~

~~(2) prior to the animal being placed onto and transported on a motor vehicle, being hung from a tree or other structure or device, or being brought into a camp or yard or other place of habitation.~~

Sec. 38. Minnesota Statutes 2022, section 97A.535, subdivision 2, is amended to read:

Subd. 2. **Registration required.** Deer, bear, elk, and moose must be registered as prescribed by the commissioner~~, in addition to the tag required in subdivision 1~~.

Sec. 39. Minnesota Statutes 2022, section 97A.535, subdivision 2a, is amended to read:

Subd. 2a. **Quartering deer allowed.** A deer that has been ~~tagged~~ validated as required in subdivision 1 may be quartered at the site of the kill. The animal's head must remain attached to one of the quarters. The quarters must be presented together for registration under subdivision 2 and must remain together until the deer is processed for storage.

Sec. 40. Minnesota Statutes 2022, section 97A.535, subdivision 4, is amended to read:

Subd. 4. **Transporting by person other than licensee.** A person other than the licensee may transport deer, bear, elk, or moose that the licensee has registered as prescribed by the commissioner. ~~A tag must be attached to the animal and marked in ink~~ The person transporting the animal must possess documentation with the address, license number, ~~signature~~ and full legal name of the licensee~~,~~ and the locations from which and to which the animal is being transported.

Sec. 41. Minnesota Statutes 2022, section 97A.551, subdivision 6, is amended to read:

Subd. 6. ~~**Tagging and**~~ **Registration.** The commissioner may, by rule, require persons taking, possessing, and transporting certain species of fish to ~~tag the fish with a special fish management tag and may require registration of tagged~~ possess an endorsement for and register the fish. A person may not possess or transport a fish species taken in the state for which a special fish-management ~~tag~~ registration is required unless ~~a tag is attached to~~ the fish is registered or validated in a manner prescribed by the commissioner. The commissioner shall prescribe the manner of issuance and the type of ~~tag~~ endorsement as authorized under section 97C.087. ~~The tag must be attached to the fish as prescribed by the commissioner~~ Immediately upon reducing the fish to possession, the licensee must validate the license and the license must remain ~~attached to~~ with the fish until the fish is ~~processed or consumed~~ registered. Species for which a special fish management ~~tag~~ registration is required must be transported undressed, except as otherwise prescribed by the commissioner.

Sec. 42. Minnesota Statutes 2022, section 97B.303, is amended to read:

**97B.303 VENISON DONATIONS.**

An individual who legally takes a deer may donate the deer, for distribution to charitable food assistance programs, to a meat processor that is licensed under chapter 28A. An individual donating a deer must supply the processor with the ~~tag~~ licensee's DNR number under which the deer was taken.

Sec. 43. Minnesota Statutes 2022, section 97B.401, is amended to read:

**97B.401 BEAR LICENSE REQUIRED; APPLICATION.**

(a) A person may not take bear without a bear license except as provided in section 97B.415 to protect property.

(b) A person may not place bait for bears on or after the Friday nearest August 14 unless the person has a bear license or is operating under the direction of a person with a valid bear license.

(c) An application for a bear license must be ~~on a form provided~~ made in the manner prescribed by the commissioner and accompanied by a $4 application fee. A person may not make more than one application for each season. If a person makes more than one application, the person is ineligible for a license for that season after determination by the commissioner, without a hearing.

Sec. 44. Minnesota Statutes 2022, section 97B.603, is amended to read:

**97B.603 TAKING SMALL GAME BY PARTY.**

(a) While two or more persons are taking small game as a party and maintaining unaided visual and vocal contact, a member of the party may take and possess more than one limit of small game, but the total number of small game taken and possessed by the party may not exceed the limit of the number of persons in the party that may take and possess small game.

(b) This section does not apply to hunting wolves, migratory game birds, or turkeys, except that a licensed turkey hunter may assist another licensed turkey hunter and a licensed wolf hunter may assist another licensed wolf hunter for the same zone and time period as long as the hunter does not shoot or ~~tag~~ register a turkey or wolf for the other hunter.

Sec. 45. Minnesota Statutes 2022, section 97B.716, subdivision 2, is amended to read:

Subd. 2. **~~Tagging and~~ Registration.** The commissioner may by rule prescribe requirements for the ~~tagging and~~ registration of prairie chickens.

Sec. 46. Minnesota Statutes 2022, section 97B.721, is amended to read:

**97B.721 LICENSE REQUIRED TO TAKE TURKEY; ~~TAGGING AND~~ REGISTRATION REQUIREMENTS.**

(a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person may not take a turkey without possessing a turkey license.

(b) An unlicensed adult age 18 or older may assist a licensed wild-turkey hunter. The unlicensed adult may not shoot or possess a firearm or bow while assisting a hunter under this paragraph and may not charge a fee for the assistance.

(c) The commissioner may by rule prescribe requirements for the ~~tagging~~ validation and registration of turkeys.

Sec. 47. Minnesota Statutes 2022, section 97C.087, is amended to read:

**97C.087 SPECIAL FISH MANAGEMENT ~~TAGS~~ REGISTRATION.**

Subdivision 1. **~~Tags to be issued~~ Registration.** If the commissioner determines it is necessary to require that a species of fish be ~~tagged with a special fish management tag~~ registered, the commissioner shall prescribe, by rule, the species to be ~~tagged~~ registered, ~~tagging~~ registration procedures, and endorsement eligibility requirements.

Subd. 2. **Application for ~~tag~~ endorsement.** Application for a special fish management ~~tags~~ endorsement must be accompanied by a $5, nonrefundable application fee for each ~~tag~~ endorsement. A person may not make more than one ~~tag~~ endorsement application each calendar year. If a person makes more than one application, the person is ineligible for a special fish management ~~tag~~ endorsement for that calendar year after determination by the commissioner, without a hearing.

Sec. 48. Minnesota Statutes 2022, section 97C.301, subdivision 2a, is amended to read:

Subd. 2a. **Aquatic invasive species affirmation.** (a) A nonresident license to take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species affirmation as provided in section 84D.106.

(b) The aquatic invasive species affirmation portion of the license must be displayed with the ~~signed~~ nonresident license to take fish issued under section 97A.475, subdivision 7. The aquatic invasive species affirmation will be provided at the time of purchase of a new or duplicate nonresident license.

(c) If a license is purchased online, the aquatic invasive species affirmation may be completed electronically as part of the online sales process, and the electronic record of the license sale is sufficient for documenting the affirmation.

(d) Failure to complete the aquatic invasive species affirmation in this subdivision is subject to the penalty prescribed in section 84D.13, subdivision 5.

Sec. 49. Minnesota Statutes 2022, section 97C.355, subdivision 2, is amended to read:

Subd. 2. **License required.** (a) A person may not place a dark house, fish house, or shelter, except a portable shelter, on the ice unless ~~the house or shelter~~:

(1) the house or shelter is licensed by the shelter owner; and

(2) ~~has the license tag attached to the exterior in a readily visible location, except as provided in this subdivision~~ the owners' information is displayed according to subdivision 1.

(b) ~~The commissioner must issue a tag with a dark house, fish house, or shelter license, marked with a number to correspond with the license and the year of issue.~~ A dark house, fish house, or shelter license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.

Sec. 50. **REQUIRED RULEMAKING.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules conforming to this article. Minnesota Statutes, section 14.386, does not apply to rules adopted under this section, except as provided under Minnesota Statutes, section 14.388.

Sec. 51. **REPEALER.**

Minnesota Statutes 2022, sections 97A.015, subdivision 27a; and 97A.485, subdivision 13, are repealed.

Sec. 52. **EFFECTIVE DATE.**

Sections 1 to 51 are effective upon full implementation of the replacement electronic license system. The commissioner of natural resources must notify the revisor of statutes when the replacement electronic license system is fully implemented.

## ARTICLE 2
## BOARD OF WATER AND SOIL RESOURCES

Section 1. Minnesota Statutes 2022, section 103B.101, subdivision 13, is amended to read:

Subd. 13. **Drainage stakeholder coordination.** (a) The Board of Water and Soil Resources shall work with drainage stakeholders to foster mutual understanding and provide recommendations for drainage system management and related water management, including recommendations for updating the drainage law in chapter 103E, the Minnesota Public Drainage Manual, and other related provisions. The board may convene informal working groups or work teams to develop information, education, and recommendations.

(b) For the purposes of this subdivision, the Minnesota Public Drainage Manual is a publication that is prepared by and adopted by the board and that includes explanations, procedures, and guidance consistent with and supplementing the provisions of chapter 103E. The manual must include best management practices and be prepared in consultation with drainage stakeholders according to paragraph (a) for use by drainage authorities in carrying out statutory duties.

Sec. 2. Minnesota Statutes 2022, section 103C.005, is amended to read:

**103C.005 SOIL AND WATER CONSERVATION POLICY.**

Maintaining and enhancing the quality of soil and water for the environmental and economic benefits they produce, preventing degradation, and restoring degraded soil and water resources of this state contribute greatly to the health, safety, economic well-being, and general welfare of this state and its citizens. Land occupiers have the responsibility to implement practices that conserve the soil and water resources of the state. Soil and water conservation measures implemented on private lands in this state provide benefits to the general public by reducing erosion, sedimentation, siltation, water pollution, and damages caused by floods. The soil and water conservation policy of the state is to encourage land occupiers to conserve soil, water, and the natural resources they support through the implementation of practices that:

(1) control or prevent erosion, sedimentation, siltation, and related pollution in order to preserve natural resources;

(2) ensure continued soil health, as defined under section 103C.101, subdivision 10a, and soil productivity;

(3) protect water quality;

(4) prevent impairment of dams and reservoirs;

(5) reduce damages caused by floods;

(6) preserve wildlife;

(7) protect the tax base; and

(8) protect public lands and waters.

Sec. 3. Minnesota Statutes 2022, section 103C.221, is amended to read:

**103C.221 CHANGING LOCATION OF PRINCIPAL OFFICE.**

The location of the principal office of the district ~~board~~ may be changed ~~with the approval of the state board~~ after the adoption of a resolution by a majority of the district board stating the new location within the district and by filing a certified copy of the resolution with the secretary of state.

Sec. 4. Minnesota Statutes 2022, section 103C.331, subdivision 3, is amended to read:

Subd. 3. **Surveys, investigations, and research.** A district may conduct surveys, investigations, and research to identify the problems and preventive practices specified in section ~~103A.206~~ 103C.005. ~~To avoid duplication of research activities, no district shall initiate any research program except in cooperation with a state agency or an agency of the United States.~~

Sec. 5. Minnesota Statutes 2022, section 103C.331, subdivision 5, is amended to read:

Subd. 5. **Demonstration projects.** A district may conduct demonstration projects within the district on lands owned or administered by a state agency, with the cooperation of the administering agency, and on other lands with the consent of the land occupier, to demonstrate practices which implement the state policy specified in section ~~103A.206~~ 103C.005.

Sec. 6. Minnesota Statutes 2022, section 103C.331, subdivision 6, is amended to read:

Subd. 6. **Implementing practices.** A district may implement any necessary practices within the district, including structural measures and works of improvement ~~for any purpose specified in section 103A.206, methods of cultivation, the use of vegetation, and changes in use of land~~ to achieve the purposes of this chapter and fulfill other statutory responsibilities, on:

(1) lands acquired by the district;

(2) lands owned or administered by a ~~state~~ public agency, with the cooperation of the administering agency; and

(3) other lands, with the consent of the land occupier.

Sec. 7. Minnesota Statutes 2022, section 103C.331, subdivision 7, is amended to read:

Subd. 7. **Implementing soil and water conservation policy.** A district may cooperate or enter into agreements with and furnish financial or other aid to a land occupier or appropriate agency~~,~~ to implement ~~the policy specified in section 103A.206, within the district~~ this chapter and fulfill other statutory responsibilities, subject to conditions the district board determines ~~is~~ are necessary.

Sec. 8. Minnesota Statutes 2022, section 103C.331, subdivision 8, is amended to read:

Subd. 8. **Acquiring and maintaining property.** A district may acquire any rights or interests in real or personal property by option, purchase, exchange, lease, gift, grant, bequest, devise, or otherwise. It may maintain, operate, administer, and improve any properties acquired. It may receive income from the properties and expend the income to implement this chapter and ~~sections 103F.401 to 103F.455~~ fulfill other statutory responsibilities. It may sell, lease, or otherwise dispose of any of its property or interests.

Sec. 9. Minnesota Statutes 2022, section 103C.331, subdivision 9, is amended to read:

Subd. 9. **Using machinery and supplies.** A district may make available, on terms it ~~shall prescribe~~ prescribes, to land occupiers within the district~~,~~ agricultural and engineering machinery and equipment, fertilizer, seeds, ~~and~~ seedlings, and other material or equipment ~~which will assist~~ that helps land occupiers ~~to~~ implement practices on their land ~~specified in section 103C.005~~ to implement this chapter and fulfill other statutory responsibilities.

Sec. 10. Minnesota Statutes 2022, section 103C.331, subdivision 10, is amended to read:

Subd. 10. **Constructing improvements.** A district may construct, install, improve, maintain, and operate structures and works necessary or convenient to perform an operation authorized under this chapter and ~~sections 103F.401 to 103F.455~~ other statutory authority.

Sec. 11. Minnesota Statutes 2022, section 103C.331, subdivision 11, is amended to read:

Subd. 11. **Comprehensive plan.** (a) A district may develop and revise a comprehensive plan~~, specifying practices~~ to ~~implement the state policy specified in section 103A.206, including~~ fulfill statutory responsibilities. The plan may include:

(1) the construction, maintenance, and operation of structural measures;

(2) methods of cultivation;

(3) the use of vegetation;

(4) cropping programs;

(5) mechanical practices;

(6) changes in use of land;

(7) water quality improvement practices;

(8) other land use, soil erosion reduction, and agricultural practices; ~~and~~

(9) related technical standards and specifications~~.~~; and

(10) other practices, projects, programs, and systems to fulfill statutory responsibilities.

~~(b) The plan shall include a classification of the soil types within the district as determined by the Minnesota Cooperative Soil Survey.~~

~~(c) The plan must identify the areas within the district where erosion, sedimentation, and related water quality problems appear most in need of control methods.~~

~~(d)~~ (b) The plan ~~shall~~ must be consistent with the statewide ~~framework water resources plan, the statewide water quality management plan, and the state board's soil and water program plan~~ frameworks as provided in chapter 103B.

~~(e) Each district that applies for cost-sharing funds under section 103C.501 shall submit to the state board an annual work plan for the high priority erosion, sedimentation, and water quality problems in the district. The work plan shall be prepared as required by the rules of the state board. In preparing the annual work plan, the district shall actively identify and seek out land occupiers with high priority erosion problems who have not participated in~~

~~cost-sharing contracts and encourage their participation in programs to control their erosion problems.~~

(c) At least 60 days before submitting the plan to the state board, the district must hold a public hearing on the plan and provide notice of the hearing via the district's website. The district must give notice of the hearing to the county and all affected cities and towns. To allow for public input, the district must also administer a review and comment period of at least 30 days before submitting the plan.

(d) The district must submit the plan to the state board for review and approval before adopting the plan at a district meeting.

Sec. 12. Minnesota Statutes 2022, section 103C.331, subdivision 12, is amended to read:

Subd. 12. **Assuming other conservation projects.** (a) A district may take over by purchase, lease, or otherwise, and may improve, maintain, operate, and administer a soil or water conservation, erosion-control, erosion-prevention, water quality improvement, watershed protection, flood prevention, or flood control project in its boundaries undertaken by the United States or by a ~~state~~ public agency.

(b) A district may accept donations, gifts, grants, or contributions in money, services, materials, or otherwise from the United States, a ~~state~~ public agency, or other source to accomplish ~~the authorization in this section~~ statutory responsibilities. A ~~board~~ district may enter into a contract or agreement necessary or appropriate to accomplish the transfer. A ~~board~~ district may use or expend money, services, materials, or other things to accomplish an authorized purpose.

Sec. 13. Minnesota Statutes 2022, section 103C.331, subdivision 13, is amended to read:

Subd. 13. **Authority to sue and contract.** A district may sue and be sued in its name, have perpetual succession unless terminated as provided in section 103C.225, make and execute contracts and other instruments necessary or convenient to the exercise of its powers, and make, amend, or repeal rules and regulations consistent with this chapter and ~~sections 103F.401 to 103F.455~~ other statutory authority.

Sec. 14. Minnesota Statutes 2022, section 103C.331, subdivision 14, is amended to read:

Subd. 14. **Compensation for work or projects.** As a condition for extending benefits for the performance of work, including operations and maintenance, upon lands not owned or administered by a ~~state~~ public agency or the district, the ~~supervisors~~ district may require

compensation or contributions in money, services, materials, or otherwise, commensurate with the cost or reasonable value of the operations or work conferring the benefits.

Sec. 15. Minnesota Statutes 2022, section 103C.331, subdivision 15, is amended to read:

Subd. 15. **Agreements for state or federal assistance.** (a) A district may ~~submit an application~~ apply for and enter into an agreement or contract ~~with the secretary of agriculture or other designated authority~~ to obtain or use state or federal funding or assistance under any law providing for state or federal funding or assistance for an authorized purpose of the district.

(b) A district may:

(1) acquire ~~without cost to the federal government~~ any land, easements, or rights-of-way needed in connection with works of improvement installed with federal or state assistance or funding;

(2) assume the proportionate share of the cost of installing works of improvement involving state or federal funding or assistance ~~determined by the secretary or other designated authority to be~~ that is equitable in consideration of anticipated benefits from the improvements;

(3) ~~make arrangements satisfactory to the secretary or other authority~~ arrange to defray costs of operating and maintaining works of improvement in accordance with prescribed regulations;

(4) acquire or provide assurance that land occupiers have acquired the water rights and other rights, pursuant to state law, needed to install, maintain, and operate the works of improvement; and

(5) obtain agreements to carry out recommended soil and water conservation measures and prepare farm plans for owners of not less than 50 percent or other required percentage of the lands situated in a drainage area above a retention reservoir installed with federal assistance, as prescribed by applicable federal law, and may do any other acts necessary to secure and use federal aid.

Sec. 16. Minnesota Statutes 2022, section 103C.331, subdivision 16, is amended to read:

Subd. 16. **Budget.** The district ~~board~~ shall annually present a budget consisting of an itemized statement of district expenses for the ensuing calendar year to the boards of county commissioners of the counties in which the district is located. The county boards may levy an annual tax on all taxable real property in the district for the amount that the boards

determine is necessary to meet the requirements of the district. The amount levied shall be collected and distributed to the district as prescribed by chapter 276. The amount may be spent by the district ~~board~~ for a district purpose authorized by law.

Sec. 17. Minnesota Statutes 2022, section 103C.331, is amended by adding a subdivision to read:

Subd. 21. **Water and soil resource management.** A district may initiate, construct, operate, and maintain water and soil resource management practices, projects, programs, and systems within the boundaries of the district and use, supplement, or otherwise coordinate contributions from state, federal, Tribal, or local governments and private entities for similar purposes.

Sec. 18. Minnesota Statutes 2022, section 103C.331, is amended by adding a subdivision to read:

Subd. 22. **Loans.** The district may obtain loans when the district determines it is prudent to accomplish its statutory duties.

Sec. 19. Minnesota Statutes 2022, section 103D.011, subdivision 10, is amended to read:

Subd. 10. **Engineer.** "Engineer" means ~~the~~ a licensed professional engineer as described in section 326.02 and designated by the managers to act as engineer. The board of managers or the engineer may work in cooperation with other licensed professionals as described in section 326.02 in the planning and design of a watershed district project.

Sec. 20. Minnesota Statutes 2022, section 103D.201, subdivision 2, is amended to read:

Subd. 2. **Specific purposes.** A watershed district may be established for and use its powers to advance any of the following purposes:

(1) to control or alleviate damage from floodwaters to promote climate resilience;

(2) to protect, improve ~~stream channels~~, or restore watercourses and water basins for drainage, navigation, water quality, flood mitigation, and any other public purpose;

(3) to ~~reclaim~~ manage impacts to, restore, or ~~fill~~ replace wet and overflowed land;

(4) to provide a water supply for irrigation;

(5) to regulate and conserve the flow of ~~streams and conserve the streams' water~~ watercourses;

~~(6) to divert or change all or part of watercourses;~~

~~(7)~~ (6) to provide or conserve water supply for domestic, industrial, recreational, agricultural, or other public use;

~~(8)~~ (7) to provide for sanitation and public health~~,~~ and regulate the use of streams, ditches, or watercourses to dispose of waste;

~~(9)~~ (8) to repair, improve, relocate, modify, consolidate, and abandon all or part of drainage systems within a watershed district;

~~(10)~~ (9) to control or alleviate soil erosion and siltation of watercourses or water basins;

~~(11)~~ (10) to regulate improvements by riparian property owners of the beds, banks, and shores of lakes, streams, and wetlands for preservation and beneficial public use;

~~(12)~~ (11) to provide for hydroelectric power generation;

~~(13)~~ (12) to protect or enhance the water quality in watercourses or water basins; ~~and~~

~~(14)~~ (13) to provide for the protection of groundwater and regulate its use to preserve it for beneficial purposes~~.~~; and

(14) to otherwise manage and protect surface waters and groundwaters for any beneficial purpose.

Sec. 21. Minnesota Statutes 2022, section 103D.205, subdivision 4, is amended to read:

Subd. 4. **Filing establishment petitions.** The petitioners must file a copy of the establishment petition with the auditors of the counties affected by the proposed watershed district~~,~~ and the ~~commissioner, and the~~ director. The original establishment petition, with a signed statement of delivery or receipt for each of the establishment petitions submitted to the auditors of affected counties~~, the commissioners~~, and the ~~directors,~~ director must be filed with the board.

Sec. 22. Minnesota Statutes 2022, section 103D.251, subdivision 5, is amended to read:

Subd. 5. **Petition signatures.** (a) A petition for a watershed boundary change must be signed by:

(1) at least one-half of the counties within the proposed watershed district if the boundary change were adopted;

(2) counties having at least 50 percent of the area within the proposed watershed district if the boundary change were adopted;

(3) a majority of the cities within the proposed watershed district if the boundary change were adopted;

(4) at least 50 resident owners or 50 percent of resident owners, whichever is less, in the ~~proposed watershed district if the~~ area to be added or removed by the proposed boundary change if it were adopted, excluding resident owners within the corporate limits of a city, if the city has signed the petition; or

(5) the managers of a watershed district affected by the proposed boundary change.

(b) The managers must pass a resolution authorizing the boundary change before the managers sign a petition for a boundary change.

Sec. 23. Minnesota Statutes 2022, section 103D.251, subdivision 6, is amended to read:

Subd. 6. **Hearing.** The board must set a time and location for a hearing and give notice of the hearing in the same manner as an establishment hearing. The board must also give notice of the hearing by mail at least ten days before the hearing to the watershed district affected by the proposed boundary change. If a petition for a boundary change involves a common boundary of two or more watershed districts, the board must determine the watershed district where the hearing will be held.

Sec. 24. Minnesota Statutes 2022, section 103D.255, is amended to read:

**103D.255 WITHDRAWING TERRITORY.**

Subdivision 1. **Petition.** (a) Proceedings to withdraw territory from an existing watershed district must be initiated by a petition filed with the board.

(b) A majority of the managers may file a petition for withdrawal. Otherwise, the required signatures on a petition for withdrawal are the same as prescribed for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be withdrawn from the watershed district.

(c) The petition must state that:

(1) the territory described has not received or will not receive any benefits from the operation of the watershed districts;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(d) The petition must request the release of the described territory from the watershed district.

(e) The petition must be served on the board and any affected watershed district, and the board shall proceed as prescribed for an establishment petition. The requirements for notices and public hearings are as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed withdrawal of territory.

Subd. 2. **Board's order of withdrawal.** (a) After the hearing, the board may issue an order releasing the territory, or a part of the territory, as described in the petition, if the board determines that:

(1) the territory described in the petition has not received and will not receive any benefit from the operation of the watershed district;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(b) Property may not be released that has been determined subject to benefits or damages for a project previously constructed.

(c) Property released remains liable for the proportionate share of any indebtedness existing at the time of the order. Levies on the property released continue in force until fully paid.

(d) If the board determines that the order prescribing the distribution of managers should be amended following the withdrawal of any territory, the board may direct redistribution of managers in the order authorizing the withdrawal.

(e) The board must file a certified copy of the findings and order of withdrawal with the secretary of state, the auditor of each county affected by the watershed district, the commissioner, and the watershed district.

Sec. 25. Minnesota Statutes 2022, section 103D.261, subdivision 1, is amended to read:

Subdivision 1. **Petition.** (a) Proceedings to enlarge an existing watershed district must be initiated by a petition filed with the board. A majority of the managers may file a petition. Otherwise, the required signatures on a petition to enlarge are the same as for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be added to the watershed district. The petition must:

(1) state that the area to be added is contiguous to the existing watershed district;

(2) state that the area can be feasibly administered by the managers of the existing watershed district;

(3) state reasons why adding the area to the existing watershed district would be conducive to the public health and welfare;

(4) include a map of the affected area;

(5) state the name of the proposed enlarged watershed district, if other than that of the existing watershed district; and

(6) state a request for the addition of the proposed territory.

(b) The petition must be served on the board and affected watershed districts, and the board must proceed as prescribed for an establishment petition.

(c) The requirement of notice and public hearings is as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed enlargement.

Sec. 26. Minnesota Statutes 2022, section 103D.261, subdivision 2, is amended to read:

Subd. 2. **Board order.** (a) After the hearing, if the board determines that the enlargement of the watershed district as asked for in the petition would be for the public welfare and public interest and the purpose of this chapter would be served, the board shall, by making findings and an order, enlarge the watershed district and file a certified copy of the findings and order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district.

(b) The name of the watershed district may be changed by order of the board if requested in the petition to enlarge the watershed district.

Sec. 27. Minnesota Statutes 2022, section 103D.271, subdivision 7, is amended to read:

Subd. 7. **Termination hearing order.** When the board determines a termination petition has been filed that meets the requirements of subdivisions 4 and 5, the board must, by order~~,~~ ~~set a time by~~ within 35 days ~~after~~ of its determination, set a time and ~~a~~ location within the watershed district for a termination hearing or, if publicly accessible facilities are not available within the watershed district, at the nearest suitable publicly accessible facility. The board must have each manager of the watershed district personally served with a copy of the order.

Sec. 28. Minnesota Statutes 2022, section 103D.301, subdivision 1, is amended to read:

Subdivision 1. **More than one affected county.** If more than one county is affected by a watershed district, the board must provide that managers are distributed by residence among the counties affected by the watershed district and in consideration of the counties' portion of the land area and net tax capacity of the watershed.

Sec. 29. Minnesota Statutes 2022, section 103D.301, subdivision 3, is amended to read:

Subd. 3. **Redistribution.** (a) After ten years from the establishment of the watershed district, the county board of commissioners of a county affected by the watershed district may petition the board to redistribute the managers. After holding a public hearing on redistributing the managers, the board may redistribute the managers among the counties affected by the watershed district if the redistribution is in accordance with the policy and purposes of this chapter.

(b) A petition for the redistribution of managers may not be filed with the board more often than once in ten years.

(c) If more than one county is affected by a watershed district, the board must distribute the one-, two-, and three-year terms among counties affected by the watershed district. The board may redistribute the three-year terms upon redistributing the managers among the affected counties or upon increasing the number of managers.

Sec. 30. Minnesota Statutes 2022, section 103D.305, subdivision 2, is amended to read:

Subd. 2. **Petition signatures.** The petition to increase the number of managers must request the increase and be signed by one or more of the following groups:

(1) one-half or more of the counties within the watershed district;

(2) counties with 50 percent or more of the area within the watershed district;

(3) a majority or greater number of the cities within the watershed district;

(4) 50 or more resident owners residing in the watershed district, excluding resident owners within the corporate limits of a city if the city has signed the petition; or

(5) the managers of the watershed district, by resolution adopted by a majority of the managers of the watershed district.

Sec. 31. Minnesota Statutes 2022, section 103D.305, subdivision 5, is amended to read:

Subd. 5. **Hearing.** (a) If the board determines at the hearing that an increase in the number of managers would benefit the public welfare, public interest, and the purpose of this chapter, the board must increase the number of managers. The board must make findings and an order accordingly and file a certified copy of the findings and order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district. The board's order must prescribe the terms for the new managers to be appointed by the designated county board or boards.

(b) If the watershed district affects more than one county, the board, by order, must direct the distribution of the managers among the affected counties.

Sec. 32. Minnesota Statutes 2022, section 103D.311, subdivision 4, is amended to read:

Subd. 4. **Record of appointed managers.** A record of all appointments made under this section must be filed with the county auditor of each county affected by the watershed district, the secretary or administrator of the board of managers, and the Board of Water and Soil Resources.

Sec. 33. Minnesota Statutes 2022, section 103D.315, subdivision 9, is amended to read:

Subd. 9. **First meeting of managers.** (a) Within ~~ten~~ 30 days after the first board of managers has received notice by personal service of their selection, the managers must meet at the watershed district's principal place of business.

(b) At the first meeting, the managers must take the oath under subdivision 1, provide a bond under subdivision 2, elect officers under subdivision 3, and appoint an advisory committee under section 103D.331.

Sec. 34. Minnesota Statutes 2022, section 103D.315, subdivision 10, is amended to read:

Subd. 10. **Meetings.** The managers shall meet annually and at other necessary times to transact the business of the watershed district. A meeting may be called at any time at the request of any manager according to chapter 13D. ~~When a manager requests a meeting, the secretary of the watershed district must mail a notice of the meeting to each member at least eight days before the meeting.~~

Sec. 35. Minnesota Statutes 2022, section 103D.321, subdivision 1, is amended to read:

Subdivision 1. **Unavailable public facilities.** If ~~public~~ publicly accessible facilities are not available for a watershed district's principal place of business within the watershed district, the board shall determine and designate the nearest suitable ~~public~~ publicly accessible facility as the watershed district's principal place of business. The principal place of business is the location of the watershed district's office or, if the district has no office, the location of regular meetings of the board of managers.

Sec. 36. Minnesota Statutes 2022, section 103D.331, subdivision 2, is amended to read:

Subd. 2. **Members.** (a) The advisory committee consists of at least five members. If practicable, the advisory committee members selected should include a representative from each soil and water conservation district, a representative of each county, a member of a sporting organization, ~~and~~ a member of a farm organization, and a representative of each federally recognized Tribal government within the watershed district. Other advisory committee members may be appointed at the discretion of the managers. The members must be residents of the watershed district, except representatives from Tribal nations, soil and water conservation districts, and counties, and serve at the pleasure of the managers.

(b) In addition, the managers may appoint other interested and technical persons who may or may not reside within the watershed district to serve at the pleasure of the managers.

Sec. 37. Minnesota Statutes 2022, section 103D.335, subdivision 11, is amended to read:

Subd. 11. **Acquiring or disposing of property.** The managers may acquire by gift, purchase, taking under the procedures of this chapter, or by the power of eminent domain, necessary real and personal property. The managers may dispose of real or personal property when the property no longer serves a purpose of the watershed district. The watershed district may acquire property outside the watershed district where necessary for a water supply system.

Sec. 38. Minnesota Statutes 2022, section 103D.341, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The managers must adopt rules ~~to accomplish the purposes of this chapter and~~ to implement the regulatory powers of the managers.

Sec. 39. Minnesota Statutes 2022, section 103D.345, subdivision 4, is amended to read:

Subd. 4. **Bond; financial assurance.** The managers may require an applicant for a permit to file a bond or other form of financial assurance with the managers in an amount set by

the managers and conditioned on performance by the applicant of authorized activities in conformance with the terms of the permit.

Sec. 40. Minnesota Statutes 2022, section 103D.355, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a private certified public accountant or by the state auditor. The managers must submit the annual audit report to the board and the state auditor's office within 180 days of the end of the watershed district's fiscal year.

Sec. 41. **[103D.357] REMOVAL OF MANAGERS.**

After being provided an opportunity for a hearing before the appointing authority, a manager of a watershed district may be removed from the position by a majority vote of the appointing authority before term expiration for violation of a code of ethics of the watershed district or appointing authority or for malfeasance, nonfeasance, or misfeasance.

Sec. 42. Minnesota Statutes 2022, section 103D.401, is amended to read:

**103D.401 WATERSHED MANAGEMENT PLAN.**

Subdivision 1. **Contents.** (a) The managers must adopt and maintain a watershed management plan ~~for any or all of~~ to exercise the powers of a watershed district and fulfill the purposes for which a watershed district may be established. The watershed management plan must give a narrative description of existing water and water-related problems within the watershed district, possible solutions to the problems, and the general objectives of the watershed district. The watershed management plan must also conform closely with watershed management plan guidelines as adopted and amended from time to time by the Board of Water and Soil Resources. The authority to adopt and maintain a watershed management plan under this section is retained notwithstanding a watershed district's participation in a comprehensive watershed management planning program under section 103B.801.

(b) The watershed management plan may include a separate section on proposed projects. ~~If the watershed district is within the metropolitan area, the separate section of proposed projects or petitions for projects to be undertaken according to the watershed management plan is a comprehensive plan of the watershed district for purposes of review by the Metropolitan Council under section 473.165.~~

Subd. 2. ~~**Review**~~ **Reviewing draft plan.** The managers must send a copy of the proposed watershed management plan for a 60-day review and comment period to the county auditor of each county affected by the watershed district, the board, ~~the commissioner,~~ the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. ~~For a watershed district within the metropolitan area, a copy of the proposed watershed management plan must also be submitted to the Metropolitan Council.~~ At least ten days before the public hearing, the watershed district must respond in writing to all comments by the reviewing parties.

~~Subd. 3. **Director's and Metropolitan Council's recommendations.** After receiving the watershed management plan, the director and the Metropolitan Council must review and make recommendations on the watershed management plan. By 60 days after receiving the plan, the director and the Metropolitan Council must send their recommendations on the watershed management plan to the board and a copy to the managers of the watershed district, the county auditor of each county affected by the watershed district, the governing bodies of all municipalities affected by the watershed district, and soil and water conservation districts affected by the watershed district. The board may extend the period for review and transmittal of the recommendations.~~

Subd. 4. **Hearing notice.** (a) The ~~board~~ managers must give notice and hold a ~~watershed management plan~~ hearing on the proposed watershed management plan ~~by 45~~ no later than 60 days after ~~receiving the director's and Metropolitan Council's recommendations~~ the close of the 60-day review and comment period.

(b) The ~~board~~ managers must give notice of the ~~watershed management plan~~ hearing by publication in a legal newspaper that is published in counties affected by the watershed district. The last publication must occur at least ten days before the ~~watershed management plan~~ hearing.

(c) The ~~board~~ managers must give notice of the ~~watershed management plan~~ hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the watershed district.

(d) The notice must include:

(1) a statement that a copy of the proposed watershed management plan has been filed with the board, ~~the Metropolitan Council, where applicable,~~ the auditors of counties affected by the proposed watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and the soil and water conservation districts affected by the watershed district;

(2) a general description of the purpose of the watershed district;

(3) a general description of the property included in the watershed district;

(4) a general description of the proposed watershed management plan;

(5) the date, time, and location of the hearing; and

(6) a statement that all persons affected or interested in the watershed district may attend and give statements at the ~~watershed management plan~~ hearing.

Subd. 5. **Board approval.** (a) After the watershed management plan hearing, the ~~board~~ managers must submit the draft plan, any amendments to the draft plan, all written comments received on the draft plan, a record of the public hearing, and a summary of changes incorporated as a result of the review process to the board for final review. The board must review the plan for conformance with this chapter.

(b) The board must not prescribe a plan but may disapprove all or parts of a plan that the board finds does not conform with this chapter. The board must complete its review within 90 days and, by order, ~~prescribe and~~ approve, disapprove, or approve with conditions a watershed management plan for the watershed district. ~~The board must send a copy of the order and approved watershed management plan to the managers, the county board of each county affected by the watershed district, the commissioner, the director, the Metropolitan Council, where applicable, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. The watershed management plan approved by the board is the watershed management plan for the watershed district.~~

(c) A watershed district may seek reconsideration of a decision of the board concerning its plan or capital improvement program within 60 days of receiving the decision by filing an appeal to the board's dispute resolution committee established under section 103B.101, subdivision 10. The dispute resolution committee must complete its reconsideration and make a recommendation to the board, which must issue a final decision within 90 days of the appeal.

Subd. 6. **Adoption.** Within 120 days of the board's order, the managers must adopt a plan in compliance with the board's order. The managers must send a copy of the order and approved watershed management plan to the board, the county board of each county affected by the watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts

affected by the watershed district. The watershed management plan approved by the board and adopted by the managers is the watershed management plan for the watershed district.

Subd. 7. **Amendments.** (a) To the extent and in the manner required by the adopted plan, all amendments to the adopted plan must be submitted to the towns, cities, counties, and state review agencies and to the board for review according to subdivisions 2 to 5, except when the proposed amendments are determined to be minor amendments according to the following requirements:

(1) the board has either agreed that the amendments are minor or failed to act within five working days of the end of the comment period specified in clause (2), unless an extension is mutually agreed upon with the watershed district;

(2) the watershed district has sent copies of the amendments to the plan review authorities for review and comment, allowing at least 30 days for receipt of comments; has indicated that the minor amendment procedure is being followed; and has directed that comments be sent to the watershed district and the board;

(3) no county board has filed an objection to the amendments with the watershed district and the board within the comment period specified in clause (2), unless an extension is mutually agreed upon by the county and the watershed district; and

(4) the watershed district has held a public meeting to explain the amendments and published a legal notice of the meeting twice, at least seven days and 14 days before the date of the meeting.

(b) The following changes to a plan do not require an amendment, but must be distributed to agencies and local units of government receiving an adopted plan under subdivision 6:

(1) formatting or reorganizing the plan;

(2) revising a procedure meant to streamline administration of the plan;

(3) clarifying existing plan goals or policies;

(4) including additional data not requiring interpretation;

(5) expanding a public process; or

(6) adjusting how a watershed district carries out program activities within the district's discretion.

Sec. 43. Minnesota Statutes 2022, section 103D.405, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) The managers ~~and the board~~ must revise the watershed management plan for the watershed district at least once every ten years after the original watershed management plan is approved. The revised watershed management plan of the district must conform closely with adopted watershed management plan guidelines of the board ~~of Water and Soil Resources~~.

(b) The managers must include the following items in the revised watershed management plan:

(1) updates and supplements of the existing hydrological and other statistical data of the watershed district;

(2) specific projects and programs to be considered for implementation;

(3) a statement of the extent that the purposes for which the watershed district had been established have been accomplished;

(4) a description of problems requiring future action by the watershed district;

(5) a summary of completed studies on active or planned projects, including financial data; and

(6) an analysis of the effectiveness of the watershed district's rules and permits in achieving its water management objectives in the watershed district.

(c) A revised watershed management plan must be transmitted, reviewed, recommended, and approved as provided in subdivisions 2 to 4 and 6.

Sec. 44. Minnesota Statutes 2022, section 103D.535, subdivision 3, is amended to read:

Subd. 3. **Appeals from managers' orders.** (a) If an appeal is taken from an order authorizing a project, a trial of an appeal of benefits or damages from the proceedings must be stayed until the appeal is decided. If the order authorizing the project is affirmed, a trial of an appeal of benefits or damages may commence.

(b) If the appeal is from an order refusing to authorize a project and the court or the board later orders the project, the secretary or administrator of the watershed district shall give notice by publication of the filing of the order. The notice is sufficient if it refers to the proposed project by general description and recites the substance of the order and the date of filing in the court.

Sec. 45. Minnesota Statutes 2022, section 103D.701, is amended to read:

**103D.701 PROJECT INITIATION.**

Projects may not be initiated until the board approves a watershed management plan for the watershed district. ~~The projects~~ A project of the watershed district ~~that are to be paid for by assessment of the benefited properties~~ must be initiated:

(1) by a project petition filed with the managers;

(2) by ~~unanimous~~ resolution of a majority of the members of the board of managers; or

(3) as otherwise prescribed by this chapter.

Sec. 46. Minnesota Statutes 2022, section 103D.705, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) A project within the watershed district that generally conforms with the watershed management plan may be initiated by a project petition. A project petition must contain:

(1) a description of the proposed project and the purpose to be accomplished;

(2) a description of the property where the proposed project passes over or is located;

(3) a general description of the part of the watershed district that will be affected, if less than the entire watershed district;

(4) the necessity for the proposed project;

(5) a statement that the proposed project will be conducive to public health, convenience, and welfare; and

(6) a statement that the petitioners will pay all costs and expenses that may be incurred if the proceedings are dismissed or a construction or implementation contract is not awarded for the proposed project.

(b) A petition may request that the managers adopt a resolution according to section 103D.707, subdivision 1, to allow sources of funding other than assessment to be used in whole or in part for the project. Upon adopting a requested resolution, the managers must release the deposit or bond required under subdivision 3.

Sec. 47. Minnesota Statutes 2022, section 103D.705, is amended by adding a subdivision to read:

Subd. 5. **Determination.** If the managers determine that a proper project petition has been filed and that the proposed project promotes the public interest and welfare, is

practicable, and conforms with the watershed management plan of the watershed district, the managers must:

(1) identify the project by name and number; and

(2) designate an engineer to make surveys, maps, and a report on the proposed project.

Sec. 48. **[103D.707] PROJECTS INITIATED BY MANAGERS.**

Subdivision 1. **Resolution.** A majority of the members of the board of managers may initiate a project by a resolution finding that the project generally conforms with the watershed management plan of the watershed district. The resolution must:

(1) identify the project by name and number;

(2) identify intended sources of project funding; and

(3) designate an engineer to make surveys, maps, and a report on the proposed project.

Subd. 2. **Funding.** (a) A project initiated under this section may be funded from one or more sources of funds available to the watershed district, including but not limited to levy, assessment, a water management district charge, and external sources. The availability and use of a source of funding must be as specified in applicable law.

(b) The finding under subdivision 1 as to intended sources of funding is not binding on the managers. However, the procedures of this chapter must be afforded to property owners affected by any subsequent decision of the managers to expand the use of assessment.

Subd. 3. **Determining benefits.** Procedures in section 103D.715 for appointing resident appraisers and determining benefits apply to a project initiated by resolution of the managers only if and to the extent that a project is to be funded in whole or part by assessment.

Sec. 49. Minnesota Statutes 2022, section 103D.711, is amended to read:

**103D.711 ENGINEER'S REPORT.**

~~Subdivision 1. **Determination.** If the managers determine that a proper project petition has been filed, the proposed project promotes the public interest and welfare, is practicable and conforms with the watershed management plan of the watershed district, the managers must:~~

~~(1) identify the project proceeding by name and number; and~~

~~(2) designate an engineer to make surveys, maps, and a report on the proposed project.~~

Subd. 2. **Requirements.** (a) The engineer's report must include findings and recommendations about the proposed project. If the engineer finds the project feasible, the engineer must provide a plan of the proposed project as part of the report. The plan must include:

(1) a map of the project area, drawn to scale, showing the location of the proposed improvements, if any;

(2) the estimated total cost of completing the project including construction, operation, implementation, supervision, and administrative costs;

(3) the acreage required as right-of-way listed by each lot and 40-acre tract or fraction of the lot or tract under separate ownership, if required to implement the project; and

(4) other details and information to inform the managers of the practicability and necessity of the proposed project with the engineer's recommendations on these matters.

(b) The map of the area must include:

(1) the location and adequacy of the outlet, if the project is related to drainage;

(2) the watershed of the project area;

(3) the location of existing highways, bridges, and culverts;

(4) the property, highways, and utilities affected by the project with the names of the known property owners;

(5) the location of public land and water affected by the project; and

(6) other physical characteristics of the watershed necessary to understand the area.

Subd. 3. **State and federal projects.** The engineer may adopt, approve, and include as a part of the engineer's report a project of the state or federal government that is pertinent to the project and may accept data, plats, plans, details, or information pertaining to the state or federal project given to the ~~engineer~~ watershed district by the state or federal agency. The engineer ~~shall~~ may omit the items required in subdivision 2 from the engineer's report if the data given by the state or federal government is sufficient to meet the requirements of subdivision 2.

Subd. 4. **Hearing after unfavorable engineer's report.** (a) If the project has been initiated by petition and the engineer's report is unfavorable, the managers shall, by order, within 35 days set a time and place within the watershed district for a hearing for the petitioners to demonstrate why the managers should not refer the petition back to the petitioners for further proceedings or dismiss the petition.

(b) The hearing notice must state:

(1) that the engineer's report is unfavorable;

(2) that the engineer's report is on file with the managers and may be reviewed; and

(3) the time and place for the hearing.

(c) The managers shall mail a copy of the notice to each of the petitioners at least 14 days before the hearing.

Subd. 5. **Advisory reports.** (a) When the engineer's report is filed with the managers, the managers shall send a complete copy to the director and to the board.

(b) The director and the board shall examine the engineer's report and by 30 days after receiving the report, the director shall make a director's advisory report and the board shall make a board's advisory report which must include:

(1) a statement on whether the engineer's report is incomplete and not in accordance with this chapter;

(2) a statement of whether the engineer's report is approved as being a practical plan;

(3) if the project as planned does not meet approval, recommendations for changes considered advisable must be stated or an opinion that the proposed project or improvement is not practical; and

(4) a recommendation as to whether a soil survey appears advisable.

(c) The director's advisory report and the board's advisory report shall be directed to and filed with the managers.

(d) The director's advisory report and the board's advisory report shall be considered advisory only.

Subd. 6. **Notice for final hearing; timing.** A notice may not be issued for the final hearing until the board's advisory report and the director's advisory report are filed or the time for filing the reports with the managers has expired. For projects initiated by the managers according to section 103D.707, the managers may decide at any time not to proceed to final hearing.

Subd. 7. **Form.** The findings, recommendations, and content of the engineering report shall conform as nearly as practicable to the requirements of this section.

Subd. 8. **Soil survey.** If a soil survey is recommended to be made in the director's advisory report or the board's advisory report, the engineer shall make the soil survey and a soil

survey report. The soil survey report must be submitted to the managers before the final hearing.

Sec. 50. Minnesota Statutes 2022, section 103D.715, subdivision 1, is amended to read:

Subdivision 1. **Appointment.** After the engineer's report is filed, if the project is proposed to be funded in whole or in part by assessments of benefitted land owners, the managers shall, with the least possible delay, appoint three disinterested resident owners of the state as appraisers.

Sec. 51. Minnesota Statutes 2022, section 103D.729, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A watershed district may establish a water management district or districts in the territory within the watershed, for the purpose of collecting revenues and paying the costs of projects initiated under section 103B.231, ~~103D.601, 103D.605, 103D.611,~~ 103D.701, or 103D.730.

Sec. 52. Minnesota Statutes 2022, section 103D.729, subdivision 2, is amended to read:

Subd. 2. **Procedure.** A watershed district may establish a water management district only by amendment to its plan in accordance with section ~~103D.411, or~~ 103D.401, or 103B.231 for watershed districts in the metropolitan area, and compliance with subdivisions 3 and 4. The amendment ~~shall~~ must describe with particularity the territory or the area to be included in the water management district, the amount of the necessary charges, the methods used to determine charges, and the length of time the water management district will remain in force. After adoption, the amendment ~~shall~~ must be filed with the county auditor and county recorder of each county affected by the water management district. Charges must be collected according to section 444.075, subdivision 2a. The water management district may be dissolved by the procedure prescribed for the establishment of the water management district.

Sec. 53. Minnesota Statutes 2022, section 103D.731, is amended to read:

**103D.731 APPRAISERS' REPORT; EXAMINATION.**

(a) The appraisers shall prepare an appraisers' report of the benefits and damages determined and file the report with the managers.

(b) After the appraisers' report is filed, the managers shall examine the report and determine whether:

(1) the report was made in conformity with the requirements of this chapter; and

(2) for each property to be assessed, the ~~total~~ benefits are greater than the ~~total estimated~~ costs ~~and damages~~ to be assessed.

(c) If the managers determine the appraisers' report is inadequate in any manner, the managers may return the report to the appraisers for further study and report.

Sec. 54. Minnesota Statutes 2022, section 103D.745, subdivision 3, is amended to read:

Subd. 3. **Establishing project.** (a) The managers shall make findings, order and direct construction or implementation of the project, and confirm the ~~engineer's~~ technical report and the findings of the appraisers and the appraisers' report if, at the end of the final hearing, the managers find that the project will:

(1) be conducive to public health;

(2) promote the general welfare;

(3) be in compliance with this chapter; and

(4) for each property to be assessed, result in benefits that will be greater than the cost ~~of the construction or implementation and damages~~ to be assessed.

(b) The order may authorize the construction or implementation of the project as a whole or authorize different parts of the project to be constructed separately.

(c) The managers shall order the engineer to proceed with making the necessary surveys and preparing plans and specifications that are needed to construct the project and report the results of the surveys and plans to the managers.

Sec. 55. Minnesota Statutes 2022, section 103D.805, is amended to read:

**103D.805 FILING MANAGERS' ORDER ESTABLISHING PROJECT.**

An order of the managers establishing the project and authorizing construction must immediately be filed with the secretary or administrator of the watershed district, and a certified copy of the order must be filed with the auditor of each county affected, the board, the commissioner, the director, the Pollution Control Agency, and the commissioner of health.

Sec. 56. Minnesota Statutes 2022, section 103D.811, subdivision 3, is amended to read:

Subd. 3. **Awarding contract.** (a) At a time and place specified in the bid notice, the managers may accept or reject any or all bids and may award the contract to the lowest

responsible bidder. The bidder to whom the contract is to be awarded must give a bond, ~~with ample security~~ as required by section 574.26, conditioned by satisfactory completion of the contract.

(b) Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction or implementation.

(c) As an alternative to the procurement method described in paragraph (a), the managers may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

(d) The contract must be in writing and be accompanied by or refer to the plans and specifications for the work to be done as prepared by the engineer for the watershed district. The plans and specifications shall become a part of the contract.

(e) The contract ~~shall~~ must be approved by the managers ~~and signed by the president, secretary, and contractor~~.

Sec. 57. Minnesota Statutes 2022, section 103D.901, subdivision 2, is amended to read:

Subd. 2. **County funding.** After the assessment statement is filed with the auditor, the county board of each affected county shall provide funds to meet its proportionate share of the total cost of the project, as shown by the engineer's report and order of the managers. The county may issue bonds of the county in the manner provided by section 103E.635. ~~If an improvement is to be constructed under section 103D.611, the provisions of section 103E.635 requiring the county board to award a contract for construction or implementation before issuing bonds is not applicable to bonds issued to provide the funds required to be furnished by this section.~~

Sec. 58. Minnesota Statutes 2022, section 103E.729, subdivision 9, is amended to read:

Subd. 9. **Sunset.** This section expires on July 31, ~~2024~~ 2029.

Sec. 59. Minnesota Statutes 2022, section 103F.48, subdivision 1, is amended to read:

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to all bodies of water within the state and that protects the

water resources of the state from runoff pollution; stabilizes soils, shores, and banks; and protects or provides riparian corridors.

(d) "Buffer-protection map" means buffer maps established and maintained by the commissioner of natural resources.

(e) "Commissioner" means the commissioner of natural resources.

(f) "Executive director" means the executive director of the Board of Water and Soil Resources.

(g) "Local water management authority" means a watershed district, metropolitan water management organization, or county operating separately or jointly in its role as local water management authority under chapter 103B or 103D.

(h) "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.

(i) "Public waters" means public waters that are on the public waters inventory as provided in section 103G.201.

(j) "With jurisdiction" means a board determination that the county or watershed district has adopted and is implementing a rule, ordinance, or official controls providing procedures for the issuance of administrative penalty orders, enforcement, and appeals for purposes of this section and section 103B.101, subdivision 12a. This determination is revocable by board action if the adoption and implementation of a rule, an ordinance, or official controls are not in compliance with the requirements of this section or board-adopted procedures.

Sec. 60. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1a. **Agricultural crop production.** "Agricultural crop production" means an agricultural activity that is devoted to producing horticultural, row, close-grown, introduced pasture, or introduced hayland crops and includes but is not limited to tillage, planting, or harvesting operations.

Sec. 61. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1b. **Agricultural land.** "Agricultural land" means land devoted to the following uses and includes any contiguous land associated with the uses:

(1) pasture or hayland for domestic livestock or dairy animals;

(2) producing agricultural crops;

(3) growing nursery stocks; or

(4) animal feedlots.

Sec. 62. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1c. **Approved practice.** "Approved practice" means a conservation practice that may be established on an easement area and that meets the requirements of section 103F.527.

Sec. 63. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 3a. **Conservation easement program.** "Conservation easement program" means:

(1) the reinvest in Minnesota reserve program under section 103F.515;

(2) the permanent wetlands preserve program under section 103F.516;

(3) the reinvest in Minnesota clean energy program under section 103F.518; or

(4) the reinvest in Minnesota working lands program under section 103F.519.

Sec. 64. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 3b. **Conservation plan.** "Conservation plan" means a written description and map of approved practices that must be applied to or that already exist on an easement area.

Sec. 65. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5b. **Food plot.** "Food plot" means an area established to provide food for wildlife.

Sec. 66. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5d. **Land with crop history.** "Land with crop history" means land that has produced horticultural, row, or close-grown crops or that has been enrolled at a cropland rate in a federal or state conservation program for at least two of the five years preceding an application to enroll the land in a conservation easement program. Land with crop history

includes acres devoted to set-aside or conserving use for programs of the United States Department of Agriculture.

Sec. 67. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 7a. **Pasture.** "Pasture" means land that is used for grazing by domestic livestock and that is not considered land with crop history.

Sec. 68. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 7b. **Perennial cover.** "Perennial cover" means:

(1) existing or established perennial vegetation within the easement boundary; or

(2) a restored or existing wetland or water-covered area within the easement boundary.

Sec. 69. Minnesota Statutes 2022, section 103F.515, is amended to read:

**103F.515 REINVEST IN MINNESOTA RESERVE PROGRAM.**

Subdivision 1. **Establishment.** The board, in consultation with the commissioner of agriculture and the commissioner of natural resources, shall establish and administer the reinvest in Minnesota reserve program. The board shall implement sections 103F.505 to 103F.531. Selection of land for the reinvest in Minnesota reserve program must be based on its ~~enhancement potential for fish, wildlife, and native plant habitats, reducing erosion, and protecting water quality~~ benefit to accomplishing the purposes in section 103F.505.

Subd. 2. **Eligible land.** (a) Land may be placed in the reinvest in Minnesota reserve program if the land meets the requirements of paragraphs (b) and (c) or paragraph (d).

(b) Land is eligible if the land:

(1) is marginal agricultural land;

(2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description;

(3) consists of a drained wetland;

(4) is land that with a windbreak or water quality improvement practice would be beneficial to resource protection;

(5) is land in a sensitive groundwater area;

(6) is riparian or floodplain land;

(7) is cropland or noncropland adjacent to restored wetlands to the extent of up to eight acres of cropland or ~~one acre of~~ noncropland for each acre of wetland restored;

(8) is a woodlot on agricultural land;

(9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; ~~or~~

(10) is land used for pasture~~.~~; or

(11) is land in an environmentally sensitive area, including grasslands, peatlands, shorelands, karst geology, trout stream watersheds, and forest lands in priority areas.

(c) Eligible land under paragraph (a) must:

(1) be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;

~~(2) be at least five acres in size, except for a drained wetland area, riparian area, windbreak, woodlot, wellhead protection area, or abandoned building site, or be a whole field;~~

~~(3)~~ (2) not be set aside, enrolled or diverted under another federal or state government program unless enrollment in the reinvest in Minnesota reserve program would provide additional conservation benefits or a longer term of enrollment than under the current federal or state program; and

~~(4) have been in agricultural crop production for at least two of the last five years before the date of application except drained wetlands, riparian lands, woodlots, abandoned building sites, environmentally sensitive areas, wellhead protection areas, or land used for pasture.~~

(3) benefit the purposes in section 103F.505.

(d) Land is eligible if the land is within a wellhead protection area as defined under section 103I.005, subdivision 24, and has a wellhead protection plan approved by the commissioner of health.

(e) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 103F.505.

Subd. 3. **Conservation easements.** (a) The board may acquire, or accept by gift or donation, conservation easements on eligible land. An easement may be permanent or of limited duration. An easement acquired on land for wetland restoration or windbreak

purposes, under subdivision 2, may be only of permanent duration. An easement of limited duration may not be acquired if it is for a period less than 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapters 16B and 16C.

(b) The board may acquire, or accept by gift or donation, flowage easements when necessary for completion of wetland restoration projects.

Subd. 4. **Nature of property rights acquired.** (a) A conservation easement must prohibit:

(1) alteration of wildlife habitat and other natural features, unless specifically approved by the board;

(2) agricultural crop production and livestock grazing, unless specifically approved by the board for conservation management purposes or extreme drought; ~~and~~

(3) spraying with chemicals or mowing, except:

(i) as necessary to comply with noxious weed control laws;

(ii) for emergency control of pests necessary to protect public health; or

(iii) as approved by the board for conservation management purposes~~.~~; and

(4) extracting or mining any gravel, rock, or topsoil.

(b) A conservation easement is subject to the terms of the agreement provided in subdivision 5.

(c) A conservation easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the conservation easement.

(d) Notwithstanding paragraph (a), the board must permit the harvest of native grasses for use in seed production or bioenergy on wellhead protection lands eligible under subdivision 2, paragraph (d).

(e) A conservation easement must allow the board and its employees and agents to enter the easement area for inspection and for enforcing the terms and conditions of the conservation easement.

Subd. 5. **Agreements by landowner.** The board may enroll eligible land in the reinvest in Minnesota reserve program by signing an agreement ~~in recordable form~~ with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior ~~title, lien, or encumbrance~~ liens or encumbrances that are determined to be objectionable by the attorney general;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the board; or to plant trees or carry out other long-term capital improvements approved by the board for soil and water conservation or wildlife management;

(3) to convey to the state a permanent easement for the wetland restoration;

~~(4) that other land supporting natural vegetation owned or leased as part of the same farm operation at the time of application, if it supports natural vegetation and has not been used in agricultural crop production, will not be converted to agricultural crop production or pasture; and~~

~~(5)~~ (4) that the easement duration may be lengthened through mutual agreement with the board in consultation with the commissioners of agriculture and natural resources if they determine that the changes effectuate the purpose of the program or facilitate its administration~~.~~;

(5) to be responsible for operating and maintaining approved practices designated in the conservation plan;

(6) to pay, when due, all taxes and assessments that may be levied against the easement area;

(7) to remove any existing structures as required before the conservation easement is conveyed and not place, erect, or construct structures on the easement area;

(8) to remove any existing hazardous and toxic substances or any pollutants and contaminants before the conservation easement is conveyed and not place such substances, pollutants, or contaminants on the easement area; and

(9) to properly seal all abandoned wells on the easement area before the conservation easement is conveyed and pay all associated costs.

Subd. 6. **Payments for easements.** (a) The board shall establish rates for payments to the landowner for the conservation easement and related practices. The board shall consider market factors, including the township average equalized estimated market value of property as established by the commissioner of revenue at the time of easement application.

(b) The board may establish a payment system for flowage easements acquired under this section.

(c) For wetland restoration projects involving more than one conservation easement, state payments for restoration costs may exceed the limits set by the board for an individual easement provided the total payment for the restoration project does not exceed the amount payable for the total number of acres involved.

~~(d) The board may use available nonstate funds to exceed the payment limits in this section.~~

Subd. 7. **Easement renewal.** When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of not less than 20 years may be acquired by agreement of the board and the landowner, under the terms of this section. The board may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Subd. 8. **Correcting boundary lines.** To correct errors in legal descriptions for easements that affect the ownership interests in the state and adjacent landowners, the board may, in the name of the state, with the approval of the attorney general, convey, without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Subd. 9. **Enforcement and damages.** (a) A landowner who violates the term of a conservation easement or agreement under this section, or induces, assists, or allows another to do so, is liable to the state for treble damages if the trespass is willful, but liable for double damages only if the trespass is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.

(b) ~~Upon the request of the board,~~ The board may request that the attorney general commence a legal action for a violation, and the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney's fees, and any other appropriate relief to enforce sections 103F.505 to 103F.531 in district court in the county where all or part of the violation is alleged to have been committed, or where the landowner resides or has a principal place of business. In addition to or in lieu of making a request under this paragraph, the board may use its authority under section 103B.101,

subdivision 12, to issue a penalty order for a violation. The penalties may be forgiven, in whole or in part, upon compliance with the conservation easement conditions.

(c) A landowner is not in violation of the conservation easement if a failure of approved practices was caused by reasons beyond the landowner's control.

Subd. 10. **Use for mitigation prohibited.** Money made available under the reinvest in Minnesota reserve program may not be used for environmental regulatory or wetland mitigation purposes required under federal or state law.

Sec. 70. **[103F.527] CONSERVATION PRACTICES.**

Subdivision 1. **Approved practices.** An approved practice must be consistent with section 103F.505. The landowner is responsible for establishing all approved practices on the easement area as specified by the board.

Subd. 2. **Approved practices eligible for reimbursement.** The board must determine which approved practices are eligible for payments or reimbursement under a conservation easement program. Food plots are not eligible for payments or reimbursement under a conservation easement program.

Subd. 3. **Money from other sources.** The board may augment money available to pay for or reimburse approved practices with money from other agencies, organizations, or individuals.

Sec. 71. **[103F.528] SOIL AND WATER CONSERVATION DISTRICT RESPONSIBILITIES.**

Subdivision 1. **Program delegation.** With the consent of the Board of Water and Soil Resources, a district may enter into an agreement with others, as authorized under section 103C.231, to delegate, in whole or in part, the responsibility for administering a conservation easement program.

Subd. 2. **Land in more than one district.** If an application involves land in more than one district, the districts or delegated parties may jointly agree for one of the districts or delegated parties to be the responsible party to review and prioritize the application and complete all tasks necessary to convey the conservation easement to the Board of Water and Soil Resources.

Subd. 3. **Violations and enforcement.** The district may take measures that are necessary to ensure landowner compliance with the conservation agreement, conservation easement, and conservation plan. If the district is unsuccessful in obtaining landowner compliance,

the district must notify the Board of Water and Soil Resources of the violation and may recommend appropriate measures to be taken to correct the violation.

Sec. 72. Minnesota Statutes 2022, section 103F.535, subdivision 5, is amended to read:

Subd. 5. **Altering conservation easements.** (a) Conservation easements may be altered, released, or terminated by the board after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines that the public interest and general welfare are better served by the alteration, release, or termination.

(b) The board may adopt policies and procedures to implement this subdivision, including provisions to ensure at least equal resource value as a condition of approving a request to alter, release, or terminate a conservation easement.

(c) The landowner must compensate the board for damages and loss of benefits to the conservation easement that result from the alteration, release, or termination. The board may require the landowner to reimburse the board's administrative expenses and costs incurred in altering, releasing, or terminating a conservation easement.

Sec. 73. Minnesota Statutes 2022, section 103G.005, subdivision 14d, is amended to read:

Subd. 14d. **Project.** "Project" means a specific plan, contiguous activity, proposal, or design necessary to accomplish a goal as defined by the local government unit. As used in this chapter, a project may not be split into components or phases for the ~~sole~~ purpose of gaining additional exemptions.

Sec. 74. Minnesota Statutes 2022, section 103G.005, subdivision 17b, is amended to read:

Subd. 17b. **Wetland type.** "Wetland type" means a wetland type classified according to *Wetlands of the United States*, United States Fish and Wildlife Service Circular 39 (1971 edition)~~, as summarized in this subdivision~~ or *A Hydrogeomorphic Classification for Wetlands*, United States Army Corps of Engineers (August 1993), including updates, supplementary guidance, and replacements, if any, as determined by the board.

~~(1) "Type 1 wetlands" are seasonally flooded basins or flats in which soil is covered with water or is waterlogged during variable seasonal periods but usually is well-drained during much of the growing season. Type 1 wetlands are located in depressions and in overflow bottomlands along watercourses, and in which vegetation varies greatly according to season and duration of flooding and includes bottomland hardwoods as well as herbaceous growths.~~

~~(2) "Type 2 wetlands" are inland fresh meadows in which soil is usually without standing water during most of the growing season but is waterlogged within at least a few inches of surface. Vegetation includes grasses, sedges, rushes, and various broad-leafed plants. Meadows may fill shallow basins, sloughs, or farmland sags, or these meadows may border shallow marshes on the landward side.~~

~~(3) "Type 3 wetlands" are inland shallow fresh marshes in which soil is usually waterlogged early during a growing season and often covered with as much as six inches or more of water. Vegetation includes grasses, bulrushes, spikerushes, and various other marsh plants such as cattails, arrowheads, pickerelweed, and smartweeds. These marshes may nearly fill shallow lake basins or sloughs, or may border deep marshes on the landward side and are also common as seep areas on irrigated lands.~~

~~(4) "Type 4 wetlands" are inland deep fresh marshes in which soil is usually covered with six inches to three feet or more of water during the growing season. Vegetation includes cattails, reeds, bulrushes, spikerushes, and wild rice. In open areas, pondweeds, naiads, coontail, water milfoils, waterweeds, duckweeds, waterlilies, or spatterdocks may occur. These deep marshes may completely fill shallow lake basins, potholes, limestone sinks, and sloughs, or they may border open water in such depressions.~~

~~(5) "Type 5 wetlands" are inland open fresh water, shallow ponds, and reservoirs in which water is usually less than ten feet deep and is fringed by a border of emergent vegetation similar to open areas of type 4 wetland.~~

~~(6) "Type 6 wetlands" are shrub swamps in which soil is usually waterlogged during growing season and is often covered with as much as six inches of water. Vegetation includes alders, willows, buttonbush, dogwoods, and swamp-privet. This type occurs mostly along sluggish streams and occasionally on floodplains.~~

~~(7) "Type 7 wetlands" are wooded swamps in which soil is waterlogged at least to within a few inches of the surface during growing season and is often covered with as much as one foot of water. This type occurs mostly along sluggish streams, on floodplains, on flat uplands, and in shallow basins. Trees include tamarack, arborvitae, black spruce, balsam, red maple, and black ash. Northern evergreen swamps usually have a thick ground cover of mosses. Deciduous swamps frequently support beds of duckweeds and smartweeds.~~

~~(8) "Type 8 wetlands" are bogs in which soil is usually waterlogged and supports a spongy covering of mosses. This type occurs mostly in shallow basins, on flat uplands, and along sluggish streams. Vegetation is woody or herbaceous or both. Typical plants are heath shrubs, sphagnum moss, and sedges. In the north, leatherleaf, Labrador-tea, cranberries,~~

~~carex, and cottongrass are often present. Scattered, often stunted, black spruce and tamarack may occur.~~

Sec. 75. Minnesota Statutes 2023 Supplement, section 103G.005, subdivision 19, is amended to read:

Subd. 19. **Wetlands.** (a) "Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes:

(1) have a predominance of hydric soils;

(2) are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

(3) under normal circumstances support a prevalence of such vegetation.

(b) For the purposes of regulation under this chapter, the term wetlands does not include public waters wetlands as defined in subdivision 15a.

(c) Notwithstanding paragraph (a), wetlands includes deepwater aquatic habitats that are not public waters or public waters wetlands. For purposes of this paragraph, "deepwater aquatic habitats" has the meaning given in *Corps of Engineers Wetlands Delineation Manual*, United States Army Corps of Engineers (January 1987).

Sec. 76. Minnesota Statutes 2022, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by actions that provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Project-specific wetland-replacement plans submitted as part of a project for which a permit to mine is required and approved by the commissioner on or after July 1, 1991, may include surplus wetland credits to be allocated by the commissioner to offset future mining-related wetland impacts under any permits to mine held by the permittee, the operator, the permittee's or operator's parent, an affiliated subsidiary, or an assignee pursuant to an assignment under section 93.481, subdivision 5. For project-specific wetland replacement

completed prior to wetland impacts authorized or conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins ~~shall be~~ are considered a single watershed for purposes of determining wetland-replacement ratios. Mining reclamation plans ~~shall~~ must apply the same principles and standards for replacing wetlands that are applicable to mitigation plans approved as provided in section 103G.2242. The commissioner must provide notice of an application for wetland replacement under a permit to mine to the county in which the impact is proposed and the county in which a mitigation site is proposed. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of ~~types 3, 4, and 5~~ wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;

(5) compensating for the impact by restoring a wetland; and

(6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that the altered wetland is not converted to a nonagricultural use for at least ten years.

(d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241, ~~subdivision 2, paragraph (b) or (c),~~ subdivision 1, clause (1), the local government unit may

require a deed restriction that prohibits nonagricultural use for at least ten years. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill stormwater management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used for wetland replacement according to rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for wetland replacement.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel ~~shall~~ must review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for ~~state~~ public transportation projects that occur on state roads, for which the state Department of Transportation is responsible for the wetland replacement, the board must replace the wetlands, and wetland areas of public waters if authorized by the

commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 77. Minnesota Statutes 2022, section 103G.2241, subdivision 1, is amended to read:

Subdivision 1. **Agricultural activities.** A replacement plan for wetlands is not required for:

~~(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grass or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;~~

~~(2) activities in a type 1 wetland on agricultural pasture land that remains in the same use, except for bottomland hardwood type 1 wetlands, and activities in a type 2 or type 6 wetland that is less than two acres in size and located on agricultural pasture land that remains in the same use;~~

(1) impacts to wetlands on agricultural land labeled prior-converted cropland and impacts to wetlands resulting from drainage maintenance activities authorized by the United States Department of Agriculture, Natural Resources Conservation Service, on areas labeled farmed wetland, farmed-wetland pasture, and wetland. The prior-converted cropland, farmed wetland, farmed-wetland pasture, or wetland must be labeled on a valid final certified wetland determination issued by the Natural Resources Conservation Service in accordance with Code of Federal Regulations, part 7, section 12, as amended. It is the responsibility of the owner or operator of the land to provide a copy of the final certified wetland determination to, and allow the Natural Resources Conservation Service to share related information with, the local government unit and the board for purposes of verification.

~~(3)~~ (2) activities in a wetland conducted as part of normal farming practices. For purposes of this clause, "normal farming practices" means farming, silvicultural, grazing, and ranching activities such as plowing, seeding, cultivating, and harvesting for the production of feed, food, and fiber products, but does not include activities that result in the draining of wetlands;

~~(4)~~ (3) soil and water conservation practices approved by the soil and water conservation district, after review by the Technical Evaluation Panel;

~~(5)~~ (4) wetland impacts resulting from aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes, authorized under~~,~~ and conducted in accordance with~~,~~ a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

~~(6)~~ (5) wetland impacts resulting from wild rice production activities, including necessary diking and other activities, authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344; or

~~(7)~~ (6) agricultural activities on agricultural land that is subject to the swampbuster provisions of the federal farm program restrictions consistent with a memorandum of understanding and related agreements between the board and the United States Department of Agriculture, Natural Resources Conservation Service.

Sec. 78. Minnesota Statutes 2022, section 103G.2241, subdivision 2, is amended to read:

Subd. 2. **Drainage.** ~~(a) For the purposes of this subdivision, "public drainage system" means a drainage system as defined in section 103E.005, subdivision 12, and any ditch or tile lawfully connected to the drainage system.~~

~~(b) A replacement plan is not required for draining of type 1 wetlands, or up to five acres of type 2 or 6 wetlands, in an unincorporated area on land that has been assessed drainage benefits for a public drainage system, provided that:~~

~~(1) during the 20-year period that ended January 1, 1992:~~

~~(i) there was an expenditure made from the drainage system account for the public drainage system;~~

~~(ii) the public drainage system was repaired or maintained as approved by the drainage authority; or~~

~~(iii) no repair or maintenance of the public drainage system was required under section 103E.705, subdivision 1, as determined by the public drainage authority; and~~

~~(2) the wetlands are not drained for conversion to:~~

~~(i) platted lots;~~

~~(ii) planned unit, commercial, or industrial developments; or~~

~~(iii) any development with more than one residential unit per 40 acres, except for parcels subject to local zoning standards that allow for family members to establish an additional residence on the same 40 acres.~~

~~If wetlands drained under this paragraph are converted to uses prohibited under clause (2) during the ten-year period following drainage, the wetlands must be replaced under section 103G.222.~~

~~(c) A replacement plan is not required for draining or filling of wetlands, except for draining types 3, 4, and 5 wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing public drainage systems.~~

~~(d)~~ (a) A replacement plan is not required for draining or filling of wetlands, except for draining wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing drainage systems ~~other than~~, including public drainage systems.

~~(e) A replacement plan is not required for draining agricultural land that:~~

~~(1) was planted with annually seeded crops before July 5, except for crops that are normally planted after that date, in eight out of the ten most recent years prior to the impact;~~

~~(2) was in a crop rotation seeding of pasture grass, cover crop, or legumes, or was fallow for a crop production purpose, in eight out of the ten most recent years prior to the impact; or~~

~~(3) was enrolled in a state or federal land conservation program and met the requirements of clause (1) or (2) before enrollment.~~

~~(f) The~~ (b) A public drainage authority may, as part of the repair of a public drainage system, as defined in section 103E.005, subdivision 12, install control structures, realign the ditch, construct dikes along the ditch, or make other modifications as necessary to prevent the drainage of ~~the wetland~~ wetlands.

~~(g) Wetlands of all types that would be drained as a part of a public drainage repair project are eligible for the permanent wetlands preserve under section 103F.516. The board shall give priority to acquisition of easements on types 3, 4, and 5 wetlands that have been in existence for more than 25 years on public drainage systems and other wetlands that have the greatest risk of drainage from a public drainage repair project.~~

Sec. 79. Minnesota Statutes 2022, section 103G.2241, subdivision 6, is amended to read:

Subd. 6. **Utilities; public works.** (a) A replacement plan for wetlands is not required for wetland impacts resulting from:

(1) new placement or maintenance, repair, enhancement, realignment, or replacement of existing utility or utility-type service, including pipelines, ~~if:~~ when wetland impacts are authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, and

~~(i)~~ the direct and indirect impacts of the proposed project have been avoided and minimized to the extent possible; ~~and~~

~~(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;~~

(2) activities associated with operation, routine maintenance, or emergency repair of existing utilities and public work structures, including pipelines, provided the activities do not result in additional wetland intrusion or additional draining or filling of a wetland either wholly or partially; or

(3) repair and updating of existing subsurface sewage treatment systems necessary to comply with local, state, and federal regulations.

(b) ~~For maintenance, repair, and replacement, the local government unit may issue a seasonal or annual exemption certification or the utility may proceed without local government unit certification if the utility is carrying out the work according to approved best management practices.~~ Work of an emergency nature may proceed as necessary, and any drain or fill activities ~~shall~~ must be addressed with the local government unit after the emergency work has been completed.

Sec. 80. Minnesota Statutes 2022, section 103G.2241, subdivision 9, is amended to read:

Subd. 9. **De minimis.** (a) Except as provided in paragraphs (d), (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for ~~draining or filling~~ impacts to the following amounts of wetlands, excluding the permanently and semipermanently flooded areas of wetlands, as part of a project outside of the shoreland wetland protection zone:

(1) ~~10,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands,~~ one-quarter acre of wetland in a greater than 80 percent area;

(2) ~~5,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands,~~ one-tenth acre of wetland in a 50 to 80 percent area~~, except within the 11-county metropolitan area~~; or

(3) ~~2,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands,~~ one-twentieth acre of wetland in a less than 50 percent area~~, except within the 11-county metropolitan area; or~~.

~~(4) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.~~

(b) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for ~~draining or filling the following amounts of~~ up to 100 square feet of impacts to wetlands as part of a project within the shoreland wetland protection zone beyond the shoreland building setback zone~~:~~.

~~(1) 400 square feet of type 1, 2, 6, or 7 wetland; or~~

~~(2) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.~~

~~In a greater than 80 percent area, the de minimis amount allowed under clause (1) may be increased up to 1,000 square feet if the wetland is isolated and is determined to have no direct surficial connection to the public water or if permanent water runoff retention or~~

~~infiltration measures are established in proximity as approved by the shoreland management authority.~~

(c) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for ~~draining or filling~~ up to 20 square feet of ~~wetland~~ impacts to wetlands as part of a project within the shoreland building setback zone, as defined in the local shoreland management ordinance. The amount in this paragraph may be increased to 100 square feet if permanent water runoff retention or infiltration measures are established in proximity as approved by the shoreland management authority.

(d) Except as provided in paragraphs ~~(b),~~ (c), (e), (f), (g), (h), and (i), a replacement plan is not required for ~~draining or filling amounts~~ up to 400 square feet of impacts to the permanently and semipermanently flooded areas of wetlands as part of a project~~:~~.

~~(1) 2,500 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent area within the 11-county metropolitan area; or~~

~~(2) 1,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland protection zone in a less than 50 percent area within the 11-county metropolitan area.~~

~~For purposes of this subdivision, the 11-county metropolitan area consists of the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.~~

(e) The amounts listed in paragraphs (a), (b), ~~and~~ (c), and (d) may not be combined on a project.

~~(f) This exemption no longer applies to a landowner's portion of a wetland when the cumulative area drained or filled of the landowner's portion since January 1, 1992, is the greatest of:~~

~~(1) the applicable area listed in paragraph (a), (b), or (c), if the landowner owns the entire wetland;~~

~~(2) five percent of the landowner's portion of the wetland; or~~

~~(3) 400 square feet.~~

(f) When the total area of impacts to wetlands as part of a project exceeds the applicable amount in this subdivision, a replacement plan is required for the entire amount.

(g) This exemption may not be combined with another exemption in this section on a project.

(h) Property may not be divided to increase the amounts listed in paragraph (a), (b), (c), or (d).

(i) If a local ordinance or similar local control is more restrictive than this subdivision, the local standard applies.

Sec. 81. Minnesota Statutes 2023 Supplement, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public-waters-work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values and may address the state establishment and administration of a wetland banking program for public and private projects, including provisions for an in-lieu fee program; mitigating and banking other water and water-related resources; the administrative, monitoring, and enforcement procedures to be used; provisions that protect or mitigate impacts to the public values of watercourses that are not public waters; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

(d) When making a determination under rules adopted pursuant to this subdivision on whether a rare natural community will be permanently adversely affected, consideration of measures to mitigate any adverse effect on the community must be considered.

Sec. 82. Minnesota Statutes 2022, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland ~~shall~~ must be submitted to and determined by a Technical Evaluation Panel

after an on-site inspection. The Technical Evaluation Panel ~~shall~~ must be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters.

(b) For wetland boundary determinations, the panel ~~shall~~ must use ~~the "United States Army~~ *Corps of Engineers Wetland Delineation Manual*~~"~~, United States Army Corps of Engineers (January 1987), including updates, supplementary guidance, and replacements, if any~~, "~~. For wetland type determinations, the panel must also use *Wetlands of the United States*~~" (~~, United States Fish and Wildlife Service Circular 39~~,~~ (1971 edition)~~, and ";~~ *Classification of Wetlands and Deepwater Habitats of the United States*, United States Fish and Wildlife Service (August 2013 edition); or *A Hydrogeomorphic Classification for Wetlands*, United States Army Corps of Engineers (August 1993), according to rules authorized under this part ~~*Classification of Wetlands and Deepwater Habitats of the United States*" (1979 edition)~~ and including updates, supplementary guidance, and replacements, if any, for any of these publications.

(c) The panel ~~shall~~ must provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, sequencing, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

~~(b)~~ (d) A member of the Technical Evaluation Panel that has a financial interest in a wetland bank or management responsibility to sell or make recommendations in their official capacity to sell credits from a publicly owned wetland bank must disclose that interest, in writing, to the Technical Evaluation Panel and the local government unit.

~~(c)~~ (e) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. The board may develop a professional wetland delineator certification program.

~~(d)~~ (f) The board must establish an interagency team to assist in identifying and evaluating potential wetland replacement sites. The team must consist of members of the Technical Evaluation Panel and representatives from the Department of Natural Resources; the Pollution

Control Agency; the United States Army Corps of Engineers, St. Paul district; and other organizations as determined by the board.

Sec. 83. Minnesota Statutes 2022, section 103G.2242, subdivision 2a, is amended to read:

Subd. 2a. **Wetland boundary or type determination.** (a) A landowner may apply for a wetland boundary or type determination from the local government unit. The landowner applying for the determination is responsible for submitting proof necessary to make the determination, including, but not limited to, wetland delineation field data, observation well data, topographic mapping, survey mapping, and information regarding soils, vegetation, hydrology, and groundwater both within and outside of the proposed wetland boundary.

(b) A local government unit that receives an application under paragraph (a) may seek the advice of the Technical Evaluation Panel as described in subdivision 2~~,~~ and, if necessary, expand the Technical Evaluation Panel. The local government unit may delegate the decision authority for wetland boundary or type determinations to designated staff~~,~~ or establish other procedures it considers appropriate.

(c) The local government unit decision must be made in compliance with section 15.99. Within ten calendar days of the decision, the local government unit decision must be mailed or sent by electronic transmission to the landowner, members of the Technical Evaluation Panel, the watershed district or watershed management organization, if one exists, and individual members of the public who request a copy. Notwithstanding section 15.99, subdivision 2, the board must establish by rule timelines for project review and comment for wetland banking projects.

(d) The local government unit decision is valid for five years unless the Technical Evaluation Panel determines that natural or artificial changes to the hydrology, vegetation, or soils of the area have been sufficient to alter the wetland boundary or type.

Sec. 84. Minnesota Statutes 2022, section 103G.2242, subdivision 3, is amended to read:

Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be completed prior to or concurrent with the actual draining or filling of a wetland, unless:

(1) an irrevocable bank letter of credit or other financial assurance acceptable to the local government unit or the board is given to the local government unit or the board to guarantee the successful completion of the replacement; or

(2) the replacement is approved under an in-lieu fee program according to rules adopted under subdivision 1. In the case of an in-lieu fee program established by a board-approved

sponsor, the board may require that a financial assurance in an amount and method acceptable to the board be given to the board to ensure the approved sponsor fulfills the sponsor's obligation to complete the required wetland replacement.

(b) The board may establish, sponsor, or administer a wetland banking program, which may include provisions allowing monetary payment to the wetland banking program for impacts to wetlands. The board may acquire land in fee title, purchase or accept easements, enter into agreements, and purchase existing wetland replacement credits to facilitate the wetland banking program. The board may establish wetland credit and in-lieu fee payment amounts and hold money in an account in the special revenue fund, which is appropriated to the board to be used solely for establishing replacement wetlands and administering the wetland banking program.

(c) The board shall coordinate the establishment and operation of a wetland bank with the United States Army Corps of Engineers, the Natural Resources Conservation Service of the United States Department of Agriculture, and the commissioners of natural resources, agriculture, and the Pollution Control Agency.

Sec. 85. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber Minnesota Statutes, section 103F.511, subdivision 5a, as Minnesota Statutes, section 103F.511, subdivision 5c.

(b) The revisor of statutes shall replace references to "section 103A.206" with references to "section 103C.005" wherever they appear in Minnesota Statutes, chapter 103C.

Sec. 86. **REPEALER.**

(a) Minnesota Statutes 2022, sections 103A.206; 103D.315, subdivision 4; 103D.405, subdivisions 2, 3, 4, 5, and 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, and 4; 103D.611; 103F.511, subdivision 8b; and 103F.950, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5, is repealed.

(c) Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; and 8400.3930, are repealed.

# ARTICLE 3
# OTHER PROVISIONS

Section 1. **[11A.236] ACCOUNT TO INVEST FINANCIAL ASSURANCE MONEY FROM PERMITS TO MINE.**

Subdivision 1. **Establishment; appropriation.** (a) The State Board of Investment, when requested by the commissioner of natural resources, may invest money collected by the commissioner as part of financial assurance provided under a permit to mine issued under chapter 93. The State Board of Investment may establish one or more accounts into which money may be deposited for the purposes of this section, subject to the policies and procedures of the State Board of Investment. Use of any money in the account is restricted to the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under a permit to mine.

(b) Money in an account established under paragraph (a) is appropriated to the commissioner of natural resources for the purposes for which the account is established under this section.

Subd. 2. **Account maintenance and investment.** (a) The commissioner of natural resources may deposit money in the appropriate account and may withdraw money from the appropriate account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under the permit to mine for which the financial assurance is provided, subject to the policies and procedures of the State Board of Investment.

(b) Investment strategies related to an account established under this section must be determined jointly by the commissioner of natural resources and the executive director of the State Board of Investment. The authorized investments for an account are the investments authorized under section 11A.24 that are made available for investment by the State Board of Investment.

(c) Investment transactions must be at a time and in a manner determined by the executive director of the State Board of Investment. Decisions to withdraw money from the account must be determined by the commissioner of natural resources, subject to the policies and procedures of the State Board of Investment. Investment earnings must be credited to the appropriate account for financial assurance under the identified permit to mine.

(d) The commissioner of natural resources may terminate an account at any time, so long as the termination is in accordance with applicable statutes, rules, trust fund agreements,

or other conditions established under the permit to mine, subject to the policies and procedures of the State Board of Investment.

Sec. 2. Minnesota Statutes 2022, section 13.7931, is amended by adding a subdivision to read:

Subd. 7. **Forest industry data.** Information that the Department of Natural Resources collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses is classified under section 84.0871.

Sec. 3. Minnesota Statutes 2022, section 16A.125, subdivision 5, is amended to read:

Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

(b) The commissioner of management and budget shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

(c) After a fiscal year, the commissioner of management and budget shall certify the costs incurred for forestry during that year under appropriations for the improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the lands. After presentation to the Legislative Permanent School Fund Commission or by June 30 each year, whichever is sooner, the commissioner of natural resources shall supply the commissioner of management and budget with the information needed for the certificate. The certificate shall include an analysis that compares costs certified under this section with costs incurred on other public and private lands with similar land assets.

(d) After a fiscal year, the commissioner shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(1) the amount of the certified costs incurred by the state for forest management, forest improvement, and road improvement during the fiscal year shall be transferred to the forest management investment account established under section 89.039;

(2) the amount of costs incurred by the Legislative Permanent School Fund Commission under section 127A.30, and by the school trust lands director under section 127A.353, shall be transferred to the general fund;

(3) the balance of the certified costs incurred by the state during the fiscal year shall be transferred to the general fund; and

(4) the balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

Sec. 4. Minnesota Statutes 2022, section 17.4983, subdivision 2, is amended to read:

Subd. 2. **Acquisition from state.** (a) The commissioner may sell aquatic life to licensed facilities at fair wholesale market value. Fair wholesale market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to make brood stock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish and native rough fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources if available to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair wholesale market value if there is a surplus from state operations.

Sec. 5. Minnesota Statutes 2022, section 17.4984, subdivision 2, is amended to read:

Subd. 2. **Listed waters.** (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water; and

(2) whether aeration requiring a permit is approved.

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are intermittently connected or may become connected with other waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters. When artificial tanks, jars, or other containers are added to existing licensed facilities, an additional inspection is not required.

(d) Waters containing ~~game~~ fish of significant public value, including game fish and native rough fish, may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing ~~game~~ fish of significant public value, including game fish and native rough fish, may be denied licensing unless the game fish and native rough fish of significant public value are, at the commissioner's option, and taking into consideration the recommendation of the licensed applicant, sold to the licensee, or removed by the Department of Natural Resources or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

(g) Common carp and bullheads may be removed from licensed waters, and transported and disposed of by the licensee.

Sec. 6. Minnesota Statutes 2022, section 17.4988, subdivision 4, is amended to read:

Subd. 4. **Aquarium facility.** (a) A person operating a commercial aquarium facility must have a commercial aquarium facility license issued by the commissioner if the facility contains species of aquatic life that are for sale and that are present in waters of the state. The commissioner may require an aquarium facility license for aquarium facilities importing or holding species of aquatic life that are for sale and that are not present in Minnesota if those species can survive in waters of the state. The fee for an aquarium facility license is $90.

(b) Game fish and native rough fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 17.4985, subdivision 3, paragraph (b).

Sec. 7. Minnesota Statutes 2022, section 17.4992, subdivision 1, is amended to read:

Subdivision 1. **Acquisition and purchase.** Game fish and native rough fish sperm, viable game fish and native rough fish eggs, or live game fish and native rough fish may not be taken from public waters for aquaculture purposes, but may be purchased from the state or acquired from aquatic farms.

Sec. 8. Minnesota Statutes 2022, section 17.4992, subdivision 3, is amended to read:

Subd. 3. **Acquisition of fish for brood stock.** (a) Game fish brood stock and native rough fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair wholesale market value. For brood stock development, up to 20 pair of adults of each species requested may be provided to a licensee once every three years, if available, by the state through normal operations.

(b) If brood stock is not available by the June 1 following the request under paragraph (a) and a permit to take brood stock by angling is requested by the licensee, within 30 days of the request, the commissioner may issue a permit to the licensee to take, by angling, up to 20 pairs of each species requested. Game and fish laws and rules relating to daily limits, seasons, and methods apply to the taking of fish by angling pursuant to a permit issued under this paragraph.

Sec. 9. Minnesota Statutes 2022, section 17.4996, is amended to read:

**17.4996 WHITE EARTH INDIAN RESERVATION.**

Until the commissioner reaches an agreement with the White Earth Indian Reservation regarding the acquisition and sale of aquatic life from public waters, an aquatic farm licensee may acquire and transport native rough fish, as defined in section 97A.015, subdivision 43, and yellow perch lawfully acquired and possessed by a tribal member for sale under tribal laws and regulations on the White Earth Reservation. Transportation of yellow perch off the reservation must be accompanied by documentation showing the source and number of the yellow perch.

Sec. 10. Minnesota Statutes 2022, section 41A.02, subdivision 6, is amended to read:

Subd. 6. **Agricultural resource project; project.** "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) buildings, equipment, and land used for the commercial production of turkeys or turkey products, (3) a facility or portion of a facility used for the commercial production of fish or of products made from commercially produced fish or native rough fish, as defined in section 97A.015, subdivision 43, or common carp that are not commercially produced, or (4) real or personal property used or useful in connection with a revenue-producing enterprise, or a combination of two or more revenue-producing enterprises engaged in a business, that is not used for the production of livestock, other than poultry, or for the production of crops, plants, or milk. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site. The land in clause (2) does not include land used for the growing or raising of crops or the grazing of livestock other than poultry. A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 11. Minnesota Statutes 2022, section 84.027, subdivision 12, is amended to read:

Subd. 12. **Property disposal; gift acknowledgment; advertising sales.** (a) The commissioner may recognize the contribution of money or in-kind services on plaques, signs, publications, audiovisual materials, and media advertisements by allowing the organization's contribution to be acknowledged in print of readable size.

(b) The commissioner may accept paid advertising for departmental publications. Advertising revenues received are appropriated to the commissioner to be used to defray costs of publications, media productions, or other informational materials. The commissioner may not accept paid advertising from any elected official or candidate for elective office.

(c) Notwithstanding section 16B.2975, subdivision 6, clause (2), if the commissioner determines that a transfer benefits the state's natural resources management or bison management, the commissioner may request that the commissioner of administration donate and convey bison to a governmental unit or nonprofit organization, in or outside Minnesota, or sell bison. The recipient of the bison is solely responsible for all future expenses related to the bison.

Sec. 12. **[84.0871] DATA ON FOREST INDUSTRY.**

(a) The following data that the Department of Natural Resources collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses are classified as private data on individuals, as defined in section 13.02, subdivision 12, if the data are data on individuals or as nonpublic data, as defined in section 13.02, subdivision 9, if the data are data not on individuals:

(1) timber resource consumption;

(2) origin of timber resources;

(3) cost of delivered timber;

(4) forest industry product output; and

(5) production costs.

(b) Data that the department collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses and that are not specified under paragraph (a), clauses (1) to (5), are public data.

(c) Summary data, as defined in section 13.02, subdivision 19, that the department compiles from data under paragraph (a) or (b) are public data.

(d) Data collected, received, or maintained by the department from bidders on state timber under section 90.145 are not subject to this section.

Sec. 13. Minnesota Statutes 2022, section 84.0895, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** Notwithstanding any other law, a person may not take, import, transport, release, or sell any portion of an endangered or threatened species of wild animal or plant, or sell or possess with intent to sell an article made with any part of the skin, hide, or parts of an endangered or threatened species of wild animal or plant, except as provided in subdivisions 2 and 7.

Sec. 14. Minnesota Statutes 2022, section 84.0895, subdivision 8, is amended to read:

Subd. 8. **Application.** This section does not apply retroactively ~~or prohibit importation into this state and subsequent possession, transport, and sale of wild animals, wild plants, or parts of wild animals or plants that are legally imported into the United States or legally acquired and exported from another territory, state, possession, or political subdivision of the United States~~.

Sec. 15. Minnesota Statutes 2022, section 84.96, subdivision 2, is amended to read:

Subd. 2. **Definition.** For the purposes of this section, "native prairie" means ~~land that has never been plowed, with less than ten percent tree cover and with predominantly native prairie vegetation~~ a grassland dominated by original native prairie vegetation, usually occurring where the sod has never been broken.

Sec. 16. Minnesota Statutes 2022, section 84.96, subdivision 3, is amended to read:

Subd. 3. **Easement acquisition.** (a) The commissioner may acquire native prairie for conservation purposes by entering into easements with landowners or with the land administrator of state school trust lands. Before acquiring easements under this subdivision on school trust lands, the commissioner must receive advice from the school trust lands director according to section 127A.353, subdivision 4. The easements must be conservation easements as defined in section 84C.01, clause (1), except the easements may be made possessory as well as nonpossessory if agreed upon by the landowner or land administrator and the commissioner.

(b) The easements may be permanent or of limited duration. Highest priority must be given to permanent easements consistent with the purposes of this section. Easements of limited duration must be for at least 20 years, with provision for renewal for at least another 20-year period. For easements of limited duration, the commissioner may reexamine and adjust the payment rates at the beginning of any renewal period after considering current land and crop values.

Sec. 17. Minnesota Statutes 2022, section 84.96, subdivision 5, is amended to read:

Subd. 5. **Payments.** (a) For interests in lands acquired under this section, the commissioner must make payments to the landowner ~~under~~ or land administrator according to this subdivision ~~for the easement~~.

~~(b) For a permanent easement, the commissioner must pay 65 percent of the permanent marginal agricultural land payment rate as established by the Board of Water and Soil Resources for the time period when the application is made.~~

(b) For a permanent easement, the commissioner may pay up to ten percent more than the Board of Water and Soil Resources pays for noncrop easements. If the Board of Water and Soil Resources does not establish a noncrop easement payment rate, the commissioner must establish land value rates for payments considering market factors, such as county-assessed land value and sales ratio studies, along with ecological, biological, and

cultural factors that take into consideration the global rarity of native prairie. The rates must be based on the need to protect the extremely small amount of the globally vulnerable and imperiled remaining native prairie in Minnesota.

(c) For an easement of limited duration, the commissioner ~~must pay~~ may pay up to 65 percent of the permanent prairie bank easement rate for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner or land administrator.

(e) If a native prairie qualifies for the native prairie bank but the landowner requests that the commissioner acquire the native prairie in fee rather than acquire an easement, the commissioner may acquire it as any outdoor recreation system classification under section 86A.05 with protections equivalent to a native prairie bank easement. For acquisition under this paragraph, the commissioner may pay up to 25 percent more than what the Board of Water and Soil Resources pays for noncrop easements. If the Board of Water and Soil Resources does not establish a noncrop easement payment rate, the commissioner must establish land value rates for payments considering market factors, such as county-assessed land value and sales ratio studies, along with ecological, biological, and cultural factors that take into consideration the global rarity of native prairie.

(f) For a permanent easement acquired on school trust lands under this section, the commissioner must pay no less than 100 percent of the easement's appraised value at the time of closing.

Sec. 18. Minnesota Statutes 2022, section 84B.061, is amended to read:

**84B.061 STATE JURISDICTION OVER RAINY LAKE AND OTHER NAVIGABLE WATERS; DUTIES OF GOVERNOR, ATTORNEY GENERAL, AND OTHER PUBLIC OFFICERS.**

As required by this chapter and the act of Congress authorizing Voyageurs National Park, the state of Minnesota donated in excess of 35,000 acres of state and other publicly owned land for the park, roughly one-fourth of the land area of the park, at a cost of over $5,000,000 to the state. More than 24,000 acres of this land was state trust fund land which the state condemned before making its donation. Pursuant to section 84B.06, lands donated by the state, along with other lands acquired by the National Park Service for the park, were

made subject to concurrent jurisdiction by the state and the United States under section 1.041. In making these donations, none of the navigable waters within the park and the lands under them have been donated to the United States. These navigable waters include the following: Rainy, Kabetogama, Namakan, Sand Point, and Crane Lakes. Pursuant to applicable federal and state law, navigable waters and their beds are owned by the state. Ownership of and jurisdiction over these waters and their beds has not been ceded by the state, either expressly or implicitly, to the United States. Unlike section 1.044 relating to the Upper Mississippi Wildlife and Fish Refuge, where the state expressly granted its consent and jurisdiction to the United States to acquire interests in water, as well as land, the consent granted by the state in section 84B.06 to acquisitions by the United States for Voyageurs National Park is limited to land, only. In the discharge of their official duties, the governor, attorney general, other constitutional officers, and other public officials, such as the commissioner of natural resources, shall vigorously assert and defend, in all forums, the state's ownership of and jurisdiction over these waters and their beds and related natural resources, together with associated rights of the state and its citizens arising from the state's ownership and jurisdiction. In discharging their duties, the governor, attorney general, other constitutional officers, and other public officials shall, additionally, be especially cognizant of the free rights of travel afforded to citizens of Minnesota and others under the Webster-Ashburton Treaty (proclaimed November 10, 1842) and the Root-Bryce Treaty (proclaimed May 13, 1910) on international and associated boundary waters. Also, in furtherance of duties under this section, the commissioner of natural resources shall continue in effect the commercial removal of native rough fish, as defined in section 97A.015, subdivision 43, from these waters, together with any rights to do so possessed by any person on January 1, 1995, so long as the commissioner determines that such taking is desirable to the management of the native fishery.

Sec. 19. Minnesota Statutes 2022, section 88.82, is amended to read:

**88.82 MINNESOTA RELEAF PROGRAM.**

The Minnesota releaf program is established in the Department of Natural Resources to encourage, promote, and fund the inventory, planting, assessment, maintenance, improvement, protection, utilization, and restoration of trees and forest resources in this state to enhance community forest ecosystem health and sustainability as well as to reduce atmospheric carbon dioxide levels and promote energy conservation.

Sec. 20. Minnesota Statutes 2022, section 89.36, subdivision 1, is amended to read:

Subdivision 1. **Production at state nurseries.** The commissioner of natural resources may produce tree planting stock for the purposes of sections 89.35 to 89.39 upon any lands under control of the commissioner which may be deemed suitable and available therefor so far as not inconsistent with other uses to which such lands may be dedicated by law. ~~The commissioner may not produce more than 10,000,000 units of planting stock annually, after January 1, 2003.~~

Sec. 21. Minnesota Statutes 2022, section 89.37, subdivision 3, is amended to read:

Subd. 3. **Private lands.** The commissioner may supply ~~only bare root~~ seedlings, woody cuttings, and transplant material for use on private land, provided that such material must be sold in lots of not less than 250 for a sum determined by the commissioner to be equivalent to the cost of the materials and the expenses of their distribution. The commissioner may not directly or indirectly supply any other planting stock for use on private lands.

Sec. 22. Minnesota Statutes 2022, section 93.0015, subdivision 3, is amended to read:

Subd. 3. **Expiration.** The committee expires June 30, ~~2026~~ 2036.

Sec. 23. Minnesota Statutes 2022, section 97A.015, subdivision 3b, is amended to read:

Subd. 3b. **Bow fishing.** "Bow fishing" means taking native rough fish and common carp by archery where the arrows are tethered or controlled by an attached line.

Sec. 24. Minnesota Statutes 2022, section 97A.015, subdivision 39, is amended to read:

Subd. 39. **Protected wild animals.** "Protected wild animals" means big game, small game, game fish, native rough fish, minnows, leeches, ~~alewives, ciscoes,~~ chubs, ~~lake whitefish and the subfamily Coregoninae, rainbow smelt,~~ frogs, turtles, clams, mussels, wolf, mourning doves, bats, snakes, salamanders, lizards, any animal species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134, and wild animals that are protected by a restriction in the time or manner of taking, other than a restriction in the use of artificial lights, poison, or motor vehicles.

Sec. 25. Minnesota Statutes 2022, section 97A.015, subdivision 43, is amended to read:

Subd. 43. **Native rough fish.** "Native rough fish" means ~~carp, buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead,~~ Amiidae (bowfin), Catostomidae (bigmouth, smallmouth, and black buffalo; white, blue, spotted, and longnose sucker; northern hogsucker; quillback;

river and highfin carpsucker; and black, river, shorthead, golden, silver, and greater redhorse), Hiodontidae (goldeye and mooneye), Ictaluridae (black, brown, and yellow bullhead), Lepisosteidae (longnose and shortnose gar), and Sciaenidae (freshwater drum), except for any fish species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 26. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 47a. **Taxidermist.** "Taxidermist" means a person who engages in the business or operation of preserving or mounting wild animals or parts thereof that do not belong to the person.

Sec. 27. Minnesota Statutes 2022, section 97A.055, subdivision 4b, is amended to read:

Subd. 4b. ~~**Citizen oversight committees**~~ **Fish and Wildlife Advisory Committee.** (a) The commissioner shall appoint ~~committees~~ a committee of at least 15 affected persons to:

(1) review the reports prepared under subdivision 4;

(2) review ~~the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information~~ annual outcomes achieved from game and fish fund expenditures; and

(3) make recommendations to the legislature and the commissioner for desired outcomes related to:

(i) protecting habitat;

(ii) fish and wildlife population management;

(iii) monitoring and research;

(iv) communications and engagement; and

(v) improvements in the management and use of money in the game and fish fund.

~~(b) The commissioner shall appoint the following committees, each comprised of at least ten affected persons:~~

~~(1) a Fisheries Oversight Committee to review fisheries funding and expenditures, including activities related to trout-and-salmon stamps and walleye stamps; and~~

~~(2) a Wildlife Oversight Committee to review wildlife funding and expenditures, including activities related to migratory waterfowl, pheasant, and wild turkey management and deer and big game management.~~

~~(c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee, and four additional members from each committee, shall form a Budgetary Oversight Committee to coordinate the integration of the fisheries and wildlife oversight committee reports into an annual report to the legislature; recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; and provide a forum to address issues that transcend the fisheries and wildlife oversight committees.~~

~~(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even-numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance.~~

~~(e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee shall be chosen by their respective committees. The chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of either of the other oversight committees.~~

~~(f) The Budgetary Oversight Committee may make recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance for outcome goals from expenditures.~~

(b) The chair and the vice-chair of the Fish and Wildlife Advisory Committee are appointed by the commissioner.

(c) By September 15 each year, the committee must submit a report to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over natural resources finance and policy. Each even-numbered year, the report must focus on biennial budget outcomes achieved from game and fish fund expenditures. Each odd-numbered year, the report must focus on outcomes related to protecting habitat, fish and wildlife population management, monitoring and research, and communications and engagement.

(d) Annually, the Fish and Wildlife Advisory Committee must hold a meeting for the public to review proposed priorities for the next reporting period. The meeting must be organized to allow virtual participation.

~~(g)~~ (e) The ~~committees~~ committee authorized under this subdivision ~~are~~ is not an advisory ~~councils~~ council or ~~committees~~ committee governed by section 15.059 and ~~are~~ is not subject to section 15.059. Committee members appointed by the commissioner may request reimbursement for mileage expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Committee members must not receive daily compensation for ~~oversight~~ committee activities. ~~The Fisheries Oversight Committee, the Wildlife Oversight Committee, and the Budgetary Oversight Committee expire June 30, 2025.~~ The Fish and Wildlife Advisory Committee expires June 30, 2033.

Sec. 28. Minnesota Statutes 2022, section 97A.075, subdivision 2, is amended to read:

Subd. 2. **Minnesota migratory-waterfowl stamp.** (a) Ninety percent of the revenue from the Minnesota migratory-waterfowl stamps must be credited to the waterfowl habitat improvement account and is appropriated to the commissioner only for:

(1) development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, ~~rough fish~~ common carp barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the designation of waters under section 97A.101;

(2) management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat;

(4) acquisition of and access to structure sites; and

(5) the promotion of waterfowl habitat development and maintenance, including promotion and evaluation of government farm program benefits for waterfowl habitat.

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a), clause (1), (3), (4), or (5), or to specific management activities under paragraph (a), clause (2).

Sec. 29. Minnesota Statutes 2022, section 97A.341, subdivision 1, is amended to read:

Subdivision 1. **Liability for restitution.** A person who kills, injures, or possesses a wild animal in violation of the game and fish laws or section 343.21 is liable to the state for the value of the wild animal as provided in this section. Species afforded protection include

members of the following groups as defined by statute or rule: game fish, native rough fish, game birds, big game, small game, fur-bearing animals, minnows, and threatened and endangered animal species. Other animal species may be added by rule of the commissioner as determined after public meetings and notification of the chairs of the environment and natural resources committees in the senate and house of representatives.

Sec. 30. Minnesota Statutes 2022, section 97A.341, subdivision 2, is amended to read:

Subd. 2. **Arrest and charging procedure.** (a) An enforcement officer who arrests a person for killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21 must describe the number, species, and restitution value of wild animals illegally killed, injured, or possessed on the warrant or the notice to appear in court.

(b) As part of the charge against a person arrested for killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21, the prosecuting attorney must include a demand that restitution be made to the state for the value of the wild animal killed, injured, or possessed. The demand for restitution is in addition to the criminal penalties otherwise provided for the violation.

Sec. 31. Minnesota Statutes 2022, section 97A.341, subdivision 3, is amended to read:

Subd. 3. **Sentencing procedure.** If a person is convicted of or pleads guilty to killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21, the court must require the person to pay restitution to the state for replacement of the wild animal as part of the sentence or state in writing why restitution was not imposed. The court may consider the economic circumstances of the person and, in lieu of monetary restitution, order the person to perform conservation work representing the amount of restitution that will aid the propagation of wild animals. If the court does not order a person to pay restitution, the court administrator must send a copy of the court order to the commissioner.

Sec. 32. Minnesota Statutes 2022, section 97A.345, is amended to read:

**97A.345 RESTITUTION VALUE OF WILD ANIMALS.**

(a) The commissioner may, by rules adopted under chapter 14, prescribe the dollar value to the state of species of wild animals. The value may reflect the value to other persons to legally take the wild animal, the replacement cost, or the intrinsic value to the state of the wild animals. Species of wild animals with similar values may be grouped together.

(b) The value of a wild animal under the rules adopted by the commissioner is prima facie evidence of a wild animal's value under section 97A.341.

(c) The commissioner shall report annually to the legislature the amount of restitution collected under section 97A.341 and the manner in which the funds were expended.

(d) When a person kills, injures, or possesses a wild animal in violation of section 343.21, the restitution value prescribed by the commissioner under paragraph (a) is doubled.

Sec. 33. Minnesota Statutes 2023 Supplement, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession:

(1) the proper paper license, if the license has been issued to and received by the person;

(2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19;

(3) the proper paper license identification number or stamp validation, if the license has been sold to the person by electronic means but the actual license has not been issued and received; or

(4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer: (1) the proper paper license if the license has been issued to and received by the person; (2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19; (3) the proper paper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner, if the license has been sold to the person by electronic means but the actual license has not been issued and received; or (4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license. A person charged with violating the license possession requirement shall not be convicted if the person produces in court or the office of the arresting officer, the actual license previously issued to that person, which was valid at the time of arrest, or satisfactory proof that at the time of the arrest the person was validly licensed. Upon request of a conservation officer or peace officer, a licensee shall write the licensee's name in the presence of the officer to determine the identity of the licensee.

(c) Except as provided in paragraph (a), clauses (2) and (4), if the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the

issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) A paper license issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee after purchase of a stamp validation only if the licensee pays an additional fee that covers the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be purchased for a fee that covers the costs of producing and mailing the pictorial stamp. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees for providing the pictorial stamps. The fees must be set in an amount that does not recover significantly more or less than the cost of producing and mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(e) Notwithstanding paragraphs (a), (b), and (c), a person may use a digital image of a paper license issued to and received by the person to meet the requirement to possess the proper paper license under paragraph (a), clause (1), and may exhibit to a conservation officer or peace officer a digital image of a paper license issued to and received by the person to meet the requirements of paragraph (b). This paragraph expires March 1, 2026.

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

Sec. 34. Minnesota Statutes 2022, section 97A.421, subdivision 2, is amended to read:

Subd. 2. **Issuance after conviction; buying and selling wild animals.** A person may not obtain a license to take any wild animal or take wild animals under a lifetime license, issued under section 97A.473 or 97A.474, for a period of three years after being convicted of buying or selling game fish, native rough fish, big game, or small game, and the total amount of the sale is $300 or more.

Sec. 35. Minnesota Statutes 2022, section 97A.425, is amended by adding a subdivision to read:

Subd. 3a. **Waste disposal.** (a) Licensed taxidermists must dispose of all cervid carcasses or cervid parts not returned to the patron, all biosolids resulting from cleaning cervid skulls, and all carrion beetles and beetle waste used to clean cervid skulls. All disposals must be to a disposal facility or transfer station that is permitted to accept it, and proof of the disposal must be retained for inspection.

(b) The following cervid parts are exempt from the disposal requirement:

(1) cervid hides from which all excess tissue has been removed;

(2) if free of brain and muscle tissues, whole or portions of skulls, antlers, or teeth; and

(3) finished taxidermy mounts.

Sec. 36. Minnesota Statutes 2022, section 97A.425, subdivision 4, is amended to read:

Subd. 4. **Rules.** The commissioner may adopt rules, not inconsistent with subdivisions 1 to ~~3~~ 3a, governing record keeping, reporting, and marking of specimens by taxidermists.

Sec. 37. Minnesota Statutes 2022, section 97A.475, subdivision 39, is amended to read:

Subd. 39. **Fish packer.** The fee for a license to prepare dressed game fish or native rough fish for transportation or shipment is $40.

Sec. 38. Minnesota Statutes 2022, section 97A.505, subdivision 8, is amended to read:

Subd. 8. **Importing Cervidae carcasses.** (a) Importing Cervidae carcasses procured by any means into Minnesota is prohibited except for:

(1) cut and wrapped meat~~,~~;

(2) quarters or other portions of meat with no part of the spinal column or head attached~~,~~;

(3) antlers, hides, or teeth~~, finished taxidermy mounts, and~~;

(4) if cleaned of all brain tissue, antlers attached to skull caps ~~that are cleaned of all brain tissue.~~ or whole skulls; and

(5) finished taxidermy mounts.

(b) Cervidae carcasses originating from outside Minnesota may be transported on a direct route through the state by nonresidents.

(c) Heads from cervids with or without the cape and neck attached that originate from outside Minnesota may be transported into Minnesota only if they are delivered to a licensed taxidermist within 48 hours of entering Minnesota.

Sec. 39. Minnesota Statutes 2022, section 97A.551, subdivision 2, is amended to read:

Subd. 2. **Fish transported through state.** A person may not transport game fish or native rough fish taken in another state or country through the state during the closed season or in excess of the possession limit unless the fish are:

(1) transported by common carrier; or

(2) tagged, sealed, or marked as prescribed by the commissioner.

Sec. 40. Minnesota Statutes 2022, section 97B.022, subdivision 2, is amended to read:

Subd. 2. **Requirements.** (a) A resident or nonresident born after December 31, 1979, who is age 12 or over and who does not possess a hunter education firearms safety certificate or a resident or nonresident born after December 31, 1989, who does not possess a trapper education certificate may be issued an apprentice-hunter/trapper validation. An apprentice-hunter/trapper validation may be purchased two license years in a lifetime and used to obtain hunting or trapping licenses during the same license year that the validation is purchased.

(b) An individual in possession of an apprentice-hunter/trapper validation may ~~hunt~~ take small game, deer, and bear only when accompanied by an adult who has a valid license to ~~hunt~~ take the same species of game in Minnesota and whose license was not obtained using an apprentice~~-hunter~~ validation.

(c) When an individual in possession of an apprentice-hunter/trapper validation is hunting turkey or prairie chicken under paragraph (b), the accompanying adult may be licensed for another permit area or time period but must be licensed for the same season as the apprentice hunter. If the accompanying adult is not licensed for the same permit area or time period as the apprentice hunter, the accompanying adult may not shoot or possess a firearm or bow while accompanying the apprentice hunter under this paragraph.

(d) An apprentice-hunter/trapper-validation holder must obtain all required licenses and stamps.

Sec. 41. Minnesota Statutes 2022, section 97B.022, subdivision 3, is amended to read:

Subd. 3. **Apprentice-hunter/trapper validation; fee.** The fee for an apprentice-hunter/trapper validation is $3.50. Fees collected must be deposited in the firearms safety and trapper education training account, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected under section 97A.485, subdivision 6, and are appropriated annually to the Enforcement Division of the Department of Natural Resources for administering the firearm safety course ~~program~~ and trapper education programs.

Sec. 42. Minnesota Statutes 2023 Supplement, section 97B.037, is amended to read:

**97B.037 CROSSBOW HUNTING.**

(a) Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, turkey, common carp, or native rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, common carp, or native rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, turkey, common carp, or native rough fish by crossbow under this section must have a valid license to take the respective game.

(b) This section expires June 30, 2025.

Sec. 43. Minnesota Statutes 2022, section 97B.055, subdivision 2, is amended to read:

Subd. 2. **Restrictions related to motor vehicles.** (a) A person may not take a wild animal with a firearm or by archery from a motor vehicle except as permitted in this section.

(b) A person may not shoot at a decoy of a wild animal that is placed by a licensed peace officer by:

(1) discharging a firearm from a motor vehicle; or

(2) discharging an arrow from a bow from a motor vehicle.

(c) Notwithstanding section 97B.091, a person may transport a bow uncased while in a motorized watercraft and may take native rough fish and common carp while in the boat as provided in section 97C.376, subdivision 3.

Sec. 44. Minnesota Statutes 2023 Supplement, section 97B.071, is amended to read:

**97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.**

(a) Except as provided in rules adopted under paragraph (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person hunting deer in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange material on each side of the blind.

(d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

(e) A violation of paragraph (b) does not result in a penalty, but is punishable only by a safety warning.

Sec. 45. Minnesota Statutes 2022, section 97B.106, is amended to read:

**97B.106 CROSSBOW PERMITS FOR HUNTING AND FISHING.**

Subdivision 1. **Eligibility.** (a) The commissioner may issue a special permit, without a fee, to take big game, small game, ~~or~~ native rough fish, or common carp with a crossbow to a person that is unable to hunt or take native rough fish or common carp by archery because of a permanent or temporary physical disability. A crossbow permit issued under this section also allows the permittee to use a bow with a mechanical device that draws, releases, or holds the bow at full draw as provided in section 97B.035, subdivision 1, paragraph (a).

(b) To qualify for a crossbow permit under this section, a temporary disability must render the person unable to hunt or fish by archery for a minimum of two years after application for the permit is made. The permanent or temporary disability must be established by medical evidence, and the inability to hunt or fish by archery for the required period of time must be verified in writing by (1) a licensed physician, licensed advanced practice registered nurse, or licensed physician assistant; or (2) a licensed chiropractor. A person who has received a special permit under this section because of a permanent disability is eligible for subsequent special permits without providing medical evidence and verification of the disability.

(c) The person must obtain the appropriate license.

Subd. 2. **Equipment requirements.** (a) A crossbow used for hunting under the provisions of this section must:

(1) be fired from the shoulder;

(2) deliver at least 42 foot-pounds of energy at a distance of ten feet;

(3) have a working safety; and

(4) be used with arrows or bolts at least ten inches long.

(b) An arrow or bolt used to take big game or turkey under the provisions of this section must meet the legal arrowhead requirements in section 97B.211, subdivision 2.

(c) An arrow or bolt used to take native rough fish or common carp with a crossbow under the provisions of this section must be tethered or controlled by an attached line.

Sec. 46. Minnesota Statutes 2022, section 97B.318, subdivision 1, is amended to read:

Subdivision 1. **Shotgun use area.** During the regular firearms season in the shotgun use area, only legal shotguns loaded with single-slug shotgun shells, legal muzzle-loading long guns, and legal handguns may be used for taking deer. Legal shotguns include those with rifled barrels. The shotgun use area is that portion of the state ~~lying within the following described boundary: Beginning on the west boundary of the state at the northern boundary of Clay County; thence along the northern boundary of Clay County to State Trunk Highway (STH) 32; thence along STH 32 to STH 34; thence along STH 34 to Interstate Highway 94 (I-94); thence along I-94 to County State-Aid Highway (CSAH) 40, Douglas County; thence along CSAH 40 to CSAH 82, Douglas County; thence along CSAH 82 to CSAH 22, Douglas County; thence along CSAH 22 to CSAH 6, Douglas County; thence along CSAH 6 to CSAH 14, Douglas County; thence along CSAH 14 to STH 29; thence along STH 29 to CSAH 46, Otter Tail County; thence along CSAH 46, Otter Tail County, to CSAH 22, Todd County; thence along CSAH 22 to U.S. Highway 71; thence along U.S. Highway 71 to STH 27; thence along STH 27 to the Mississippi River; thence along the east bank of the Mississippi River to STH 23; thence along STH 23 to STH 95; thence along STH 95 to U.S. Highway 8; thence along U.S. Highway 8 to the eastern boundary of the state; thence along the east, south, and west boundaries of the state to the point of beginning~~ consisting of Blue Earth, Dodge, Nicollet, and Olmsted Counties, until such time as each respective county elects not to be included in the shotgun use area.

Sec. 47. Minnesota Statutes 2022, section 97B.516, is amended to read:

**97B.516 PLAN FOR ELK MANAGEMENT.**

(a) The commissioner of natural resources must adopt an elk management plan that:

(1) recognizes the value and uniqueness of elk;

(2) provides for integrated management of an elk population in harmony with the environment; and

(3) affords optimum recreational opportunities.

~~(b) Notwithstanding paragraph (a), the commissioner must not manage an elk herd in Kittson, Roseau, Marshall, or Beltrami Counties in a manner that would increase the size of the herd, including adoption or implementation of an elk management plan designed to increase an elk herd, unless the commissioner of agriculture verifies that crop and fence damages paid under section 3.7371 and attributed to the herd have not increased for at least two years.~~

~~(c)~~ (b) At least 60 days ~~prior to~~ before implementing a plan to increase an elk herd, the commissioners of natural resources and agriculture must hold a joint public meeting in the county where the elk herd to be increased is located. ~~At the meeting, the commissioners must present evidence that crop and fence damages have not increased in the prior two years and must detail the practices that will be used to reduce elk conflicts with area landowners.~~

Sec. 48. Minnesota Statutes 2022, section 97C.001, subdivision 2, is amended to read:

Subd. 2. **Public notice and ~~meeting~~ comment.** (a) Before the commissioner designates, or vacates or extends the designation of, experimental waters, ~~a public meeting must be held in the county where the largest portion of the waters is located~~ notice of the proposed change must be provided in the county where the largest portion of the waters is located, a virtual or in-person meeting must be held, and opportunity to submit public comment must be offered.

(b) ~~At least 90 days before the public meeting and during the open angling season for fish the taking of which is, or is proposed to be, regulated under subdivision 3 on the waters under consideration,~~ Before the year that the designation is to become effective, the commissioner must give notice of the proposed designation, vacation, or extension ~~must be~~. The notice must summarize the proposed action and invite public comment. Public comments must be accepted at least through September 30, and the commissioner must consider any public comments received in making a final decision. Notice must include:

(1) signs of the proposed changes and instructions for submitting comments posted at publicly maintained access points on the water~~.~~ by June 1;

(2) a list of proposed changes posted on the department's website by June 1, summarizing the proposed actions and inviting public comment; and

(3) a news release issued by the commissioner by July 1, a notice published in a newspaper of general circulation in the area where the waters are located by August 20, and at least one more digital media communication published by August 31.

(c) ~~Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed experimental waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between seven and 30 days before the meeting.~~ A virtual or in-person meeting must be held before September 20 where public comment must be accepted. An in-person meeting, where public comment must be accepted, must be held in the county where the largest portion of the waters is located if:

(1) a water or connected waters to be designated is over 5,000 acres or a stream or river reach is over 10 miles; or

(2) a request for an in-person meeting is submitted to the commissioner by August 20 before the year that the designation is to become effective.

(d) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

~~(e) If a water to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.~~

Sec. 49. Minnesota Statutes 2022, section 97C.005, subdivision 2, is amended to read:

Subd. 2. **Public notice and ~~meeting~~ comment.** (a) Before the commissioner designates special management waters, ~~public comment must be received and, for waters other than those proposed to be designated as trout streams or trout lakes, a public meeting must be held in the county where the largest portion of the waters is located~~ notice of the proposed designation must be given, a virtual or in-person meeting must be held, and opportunity to submit public comment must be offered.

~~(b) For waters previously designated as experimental waters, a proposed change in status to special management waters must be announced before the public meeting by notice published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. The notice must be published at least once between 30 and 60 days before the public meeting, and at least once between seven and 30 days before the meeting. If a water proposed to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.~~

~~(c) For proposed special management waters, other than designated trout lakes and designated trout streams, that were not previously designated as experimental waters, notice of the proposed designation must be given as provided in this paragraph. The notice must be posted at publicly maintained access points at least 90 days before the public meeting and during the open angling season for fish the taking of which on the waters is proposed to be regulated under subdivision 3. Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed special management waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between seven and 30 days before the meeting. If a water to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.~~

(b) For proposed special management waters other than designated trout lakes and designated trout streams, before the year that the designation is to become effective, the commissioner must give notice of the proposed designation. The notice must summarize the proposed action and invite public comment. Public comments must be accepted at least through September 30, and the commissioner must consider any public comments received in making a final decision. Notice must include:

(1) signs of the proposed designation and instructions for submitting comments posted at publicly maintained access points on the water by June 1;

(2) a list of proposed designations posted on the department's website by June 1, summarizing the proposed action and inviting public comment; and

(3) a news release issued by the commissioner by July 1, a notice published in a newspaper of general circulation in the area where the waters are located by August 15, and at least one more digital media communication published by August 31.

(c) A virtual or in-person meeting must be held before September 20 where public comment must be accepted. An in-person meeting, where public comment must be accepted, must be held in the county where the largest portion of the waters is located if:

(1) a water to be designated is a lake over 5,000 acres or is a stream or river reach over 10 miles; or

(2) a request for an in-person meeting is submitted to the commissioner by August 20 before the year that the designation is to become effective.

(d) For waters proposed to be designated as trout streams or trout lakes, notice of the proposed designation must be published at least 90 days before the effective date of the designation in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. In addition, all riparian owners along the waters must be notified at least 90 days before the effective date of the designation.

(e) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

Sec. 50. Minnesota Statutes 2022, section 97C.025, is amended to read:

**97C.025 FISHING AND MOTORBOATS RESTRICTED IN CERTAIN AREAS.**

(a) The commissioner may prohibit or restrict the taking of fish or the operation of motorboats by posting waters that:

(1) are designated as spawning beds or fish preserves;

(2) are being used by the commissioner for fisheries research or management activities; or

(3) are licensed by the commissioner as a private fish hatchery or aquatic farm under section 17.4984, subdivision 1, or 97C.211, subdivision 1.

An area may be posted under this paragraph if necessary to prevent excessive depletion of fish or interference with fisheries research or management activities or private fish hatchery or aquatic farm operations.

(b) The commissioner will consider the following criteria in determining if waters licensed under a private fish hatchery or aquatic farm should be posted under paragraph (a):

(1) the waters contain game fish brood stock or native rough fish brood stock and the brood stock ~~that are~~ is vital to the private fish hatchery or aquatic farm operation;

(2) game fish or native rough fish are present in the licensed waters only as a result of aquaculture activities by the licensee; and

(3) no public access to the waters existed when the waters were first licensed.

(c) A private fish hatchery or aquatic farm licensee may not take fish or authorize others to take fish in licensed waters that are posted under paragraph (a), except as provided in section 17.4983, subdivision 3, and except that if waters are posted to allow the taking of fish under special restrictions, licensees and others who can legally access the waters may take fish under those special restrictions.

(d) Before March 1, 2003, riparian landowners adjacent to licensed waters on April 30, 2002, and riparian landowners who own land adjacent to waters licensed after April 30, 2002, on the date the waters become licensed waters, plus their children and grandchildren, may take two daily limits of fish per month under an angling license subject to the other limits and conditions in the game and fish laws.

(e) Except as provided in paragraphs (c), (d), and (f), a person may not take fish or operate a motorboat if prohibited by posting under paragraph (a).

(f) An owner of riparian land adjacent to an area posted under paragraph (a) may operate a motorboat through the area by the shortest direct route at a speed of not more than five miles per hour.

(g) Postings for water bodies designated under paragraph (a), clause (1), or being used for fisheries research or management under paragraph (a), clause (2), are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 51. Minnesota Statutes 2022, section 97C.035, subdivision 3, is amended to read:

Subd. 3. **Taking fish.** (a) The commissioner may authorize residents to take fish:

(1) in any quantity;

(2) in any manner, except by use of seines, hoop nets, fyke nets, and explosives; and

(3) for personal use only, except ~~rough fish~~ common carp may be sold.

(b) The commissioner may authorize the taking of fish by posting notice conspicuously along the shore of the waters and publishing a news release in a newspaper of general circulation in the area where the waters are located.

Sec. 52. Minnesota Statutes 2023 Supplement, section 97C.041, is amended to read:

**97C.041 COMMISSIONER MAY REMOVE NATIVE ROUGH FISH.**

The commissioner may take native rough fish, common carp, and rainbow smelt with seines, nets, and other devices. The commissioner may hire or contract persons, or issue permits, to take the fish. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work.

Sec. 53. Minnesota Statutes 2022, section 97C.045, is amended to read:

**97C.045 REMOVING COMMMON CARP AND NATIVE ROUGH FISH FROM BOUNDARY WATERS.**

The commissioner may enter into agreements with North Dakota, South Dakota, Wisconsin, and Iowa, relating to the removal of common carp and native rough fish in boundary waters. The agreements may include:

(1) contracting to remove common carp and native rough fish;

(2) inspection of the work;

(3) the division of proceeds; and

(4) regulating the taking of common carp and native rough fish.

Sec. 54. Minnesota Statutes 2022, section 97C.081, subdivision 3a, is amended to read:

Subd. 3a. **No permit required.** A person may conduct a fishing contest without a permit from the commissioner if:

(1) the contest is not limited to specifically named waters;

(2) the contest is limited to ~~rough fish~~ common carp and participants are required to fish with a hook and line; or

(3) the total prize value is $500 or less.

Sec. 55. Minnesota Statutes 2022, section 97C.211, subdivision 5, is amended to read:

Subd. 5. **Price of game fish fry and eggs.** The commissioner may sell or barter game fish or native rough fish fry or eggs for not less than the cost associated with the production of eggs or fry.

Sec. 56. Minnesota Statutes 2023 Supplement, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only common carp, native rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 57. Minnesota Statutes 2022, section 97C.375, is amended to read:

**97C.375 TAKING NATIVE ROUGH FISH AND COMMON CARP BY SPEARING.**

(a) A resident or nonresident may take native rough fish and common carp by spearing according to paragraph (b) and during the times, in waters, and in the manner prescribed by the commissioner.

(b) Suckers may be taken by spearing from ~~the last Saturday in April~~ May 1 through the last ~~Sunday~~ day in February.

Sec. 58. Minnesota Statutes 2022, section 97C.376, subdivision 1, is amended to read:

Subdivision 1. **Season.** (a) The regular bow-fishing season for residents and nonresidents is from ~~the last Saturday in April to~~ May 1 through the last ~~Sunday~~ day in February at any time of the day.

(b) The early bow-fishing season for residents and nonresidents is open only south of State Highway 210 from ~~the Monday after the last Sunday in February to the Friday before~~ March 1 through the last ~~Saturday~~ day in April at any time of the day. During the early season, a person may bow fish:

(1) only from a boat; and

(2) only while on a lake or on the Mississippi, Minnesota, or St. Croix River.

Sec. 59. Minnesota Statutes 2022, section 97C.376, subdivision 5, is amended to read:

Subd. 5. **Returning native rough fish and common carp to waters.** Native rough fish and common carp taken by bow fishing ~~shall~~ must not be returned to the water, and native rough fish and common carp may not be left on the banks of any water of the state.

Sec. 60. Minnesota Statutes 2022, section 97C.381, is amended to read:

**97C.381 HARPOONING NATIVE ROUGH FISH.**

A resident or nonresident may use a rubber powered gun, spring gun, or compressed air gun to take native rough fish and common carp by harpooning. The harpoon must be fastened to a line not more than 20 feet long. The commissioner may prescribe the times, the waters, and the manner for harpooning native rough fish and common carp.

Sec. 61. Minnesota Statutes 2022, section 97C.385, is amended to read:

**97C.385 COMMISSIONER'S AUTHORITY TO REGULATE WINTER FISHING.**

Subdivision 1. **Effect on summer angling season.** If the commissioner closes the statutory open season for ~~the~~ spearing ~~of~~ a game fish or native rough fish species in any waters, the commissioner must, in the same rule, close the following statutory open season for angling for the same species in the waters in the same proportion.

Subd. 2. **Effect on summer angling limits.** If the commissioner reduces the limit of a species of game fish or native rough fish taken by spearing in any waters under section 97A.045, subdivision 2, the commissioner must reduce the limit for taking ~~of~~ the species by angling in the waters during the following open season for angling.

Subd. 3. **Limiting closures by county.** The commissioner may not close the open season for taking game fish or native rough fish through the ice on more than 50 percent of the named lakes or streams of a county under section 97A.045, subdivision 2.

Sec. 62. Minnesota Statutes 2022, section 97C.391, subdivision 1, is amended to read:

Subdivision 1. **General restrictions.** A person may not buy or sell fish taken from the waters of this state, except:

(1) minnows;

(2) ~~rough fish~~ common carp;

(3) smelt taken from Lake Superior and rivers and streams that flow into Lake Superior;

(4) fish taken under licensed commercial fishing operations;

(5) fish that are private aquatic life; and

(6) fish lawfully taken and subject to sale from other states and countries.

Sec. 63. Minnesota Statutes 2022, section 97C.395, as amended by Laws 2023, chapter 60, article 4, section 70, is amended to read:

**97C.395 OPEN SEASONS FOR ANGLING.**

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend through the last Sunday in February;

~~(2) for lake trout, from January 1 through October 31;~~

~~(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 through March 31;~~

~~(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 through March 31;~~

~~(5)~~ (2) for brown trout, brook trout, lake trout, rainbow trout, and splake, between January 1 through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

~~(6)~~ (3) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Subd. 2. **Continuous season for certain species.** For sunfish, white crappie, black crappie, yellow perch, channel catfish, rock bass, white bass, yellow bass, burbot, cisco (tullibee), common carp, lake whitefish, and native rough fish, the open season is continuous.

Sec. 64. Minnesota Statutes 2022, section 97C.411, is amended to read:

**97C.411 STURGEON AND PADDLEFISH.**

Lake sturgeon, shovelnose sturgeon, and paddlefish may not be taken, bought, sold, transported or possessed except as provided by rule of the commissioner. ~~The commissioner~~

~~may only allow the taking of these fish in waters that the state boundary passes through and in tributaries to the St. Croix River.~~

Sec. 65. Minnesota Statutes 2022, section 97C.505, subdivision 8, is amended to read:

Subd. 8. **Possession for minnow dealers.** When nets and traps are lawfully set and tended, minnows ~~and~~, incidentally taken game fish under four inches in length, and incidentally taken native rough fish that are not classified as minnows are not considered to be in possession until the minnows, native rough fish, or game fish are placed on a motor vehicle or trailer for transport on land.

Sec. 66. Minnesota Statutes 2022, section 97C.801, subdivision 2, is amended to read:

Subd. 2. **Commercial fish netting on Mississippi River.** (a) A license is required to commercially take native rough fish with seines in the Mississippi River from the St. Croix River junction to St. Anthony Falls.

(b) A person may take native rough fish in the Mississippi River, from the St. Croix River junction to St. Anthony Falls, only with the following equipment and methods:

(1) operations shall be conducted only in the flowing waters of the river and in tributary backwaters prescribed by the commissioner;

(2) seines may be used only as prescribed by this section and rules adopted by the commissioner;

(3) seines must be hauled to a landing immediately after being placed;

(4) two seines may not be joined together in the water; and

(5) a seine may not be landed between sunset and sunrise.

Sec. 67. Minnesota Statutes 2022, section 97C.805, subdivision 1, is amended to read:

Subdivision 1. **Open season.** (a) The commissioner shall, by rule, prescribe the open season and open state waters for netting lake whitefish and ciscoes. The commissioner may open specific lakes and waters that are otherwise closed if the commissioner posts notice of the date and time in appropriate public places at least 48 hours before the open season begins.

(b) The commissioner may close specific lakes and waters that are otherwise open under this subdivision if the commissioner posts notice of the closing at a minimum of three sites on the shore of the waters, including all public water-access sites. Before closing waters

under this paragraph, the commissioner shall determine that the closure is necessary to protect game fish or native rough fish populations.

Sec. 68. Minnesota Statutes 2022, section 97C.805, subdivision 4, is amended to read:

Subd. 4. **No limit on native rough fish netted.** Lake whitefish and ciscoes taken under this section may be taken and possessed without limit. Native rough fish caught while netting may be retained. All other fish taken while netting must be returned to the water immediately.

Sec. 69. Minnesota Statutes 2022, section 97C.811, subdivision 2, is amended to read:

Subd. 2. **Commercial fish defined.** For purposes of this section and section 97A.475, subdivision 30, "commercial fish" are common carp~~; bowfin; burbot; cisco; goldeye; rainbow smelt; black bullhead, brown bullhead, and yellow bullhead; lake whitefish; members of the sucker family, Catostomidae, including white sucker, redhorse, bigmouth buffalo, and smallmouth buffalo; members of the drum family, Sciaenidae, including sheepshead; and members of the gar family, Lepisosteidae~~ and native rough fish, except for bowfin.

Sec. 70. Minnesota Statutes 2022, section 97C.831, subdivision 1, is amended to read:

Subdivision 1. **Lake whitefish, common carp, and native rough fish.** Lake whitefish and native rough fish may be taken by licensed commercial fishing operators unless otherwise changed by rule of the commissioner, under section 97C.805, subdivision 1, from Namakan Lake and Sand Point Lake.

Sec. 71. Minnesota Statutes 2022, section 97C.835, subdivision 2, is amended to read:

Subd. 2. **Types of fish permitted.** Lake trout, ciscoes, chubs, alewives, lake whitefish, round whitefish, pygmy whitefish, rainbow smelt, common carp, and native rough fish may be taken by licensed commercial fishing operators from Lake Superior, in accordance with this section.

Sec. 72. Minnesota Statutes 2022, section 97C.835, subdivision 3, is amended to read:

Subd. 3. **Pound nets and trap nets.** Pound or trap nets may be used to take lake whitefish, round whitefish, pygmy whitefish, ciscoes, chubs, alewives, rainbow smelt, common carp, and native rough fish in Lake Superior, including St. Louis Bay east of the U.S. Highway 53 bridge, under the rules prescribed by the commissioner.

Sec. 73. Minnesota Statutes 2022, section 97C.865, subdivision 1, is amended to read:

Subdivision 1. **License required; records.** (a) A person engaged in a business providing services to a person taking fish may not prepare dressed game fish or dressed native rough fish for shipment without a fish packer's license. The fish packer must maintain a permanent record of:

(1) the name, address, and license number of the shipper;

(2) the name and address of the consignee; and

(3) the number of each species and net weight of fish in the shipment.

(b) The records of the fish packer must be made available to an enforcement officer upon request.

Sec. 74. Minnesota Statutes 2022, section 103F.211, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** The commissioner shall adopt model standards and criteria for the subdivision, use, and development of shoreland in municipalities and areas outside of a municipality. The authority to adopt model standards and criteria is exempt from section 14.125 and does not expire. The standards and criteria must include:

(1) the area of a lot and length of water frontage suitable for a building site;

(2) the placement of structures in relation to shorelines and roads;

(3) the placement and construction of sanitary and waste disposal facilities;

(4) designation of types of land uses;

(5) changes in bottom contours of adjacent public waters;

(6) preservation of natural shorelands through the restriction of land uses;

(7) variances from the minimum standards and criteria; and

(8) for areas outside of a municipality only, a model ordinance.

Sec. 75. Minnesota Statutes 2023 Supplement, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application and notification fees.** (a) A fee to defray the costs of receiving, recording, and processing must be paid for a permit application authorized under this chapter, except for a general permit application, for each request to amend or transfer an existing permit, and for a notification to request authorization to conduct a project under

a general permit. Fees established under this subdivision, unless specified in paragraph (c), must comply with section 16A.1285.

(b) Proposed projects that require water in excess of 100 million gallons per year must be assessed fees to recover the costs incurred to evaluate the project and the costs incurred for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

(c) The fee to apply for a permit to appropriate water, in addition to any fee under paragraph (b), is $150. The application fee for a permit to construct or repair a dam that is subject to a dam safety inspection, to work in public waters, or to divert waters for mining must be at least $1,200, but not more than $12,000. The fee for a notification to request authorization to conduct a project under a general permit is $400, except that the fee for a notification to request authorization to appropriate water under a general permit is $100.

Sec. 76. Minnesota Statutes 2022, section 103G.315, subdivision 15, is amended to read:

Subd. 15. **Rules.** The commissioner shall adopt rules prescribing standards and criteria for issuing and denying water-use permits and public-waters-work permits. The authority to adopt the rules is exempt from section 14.125 and does not expire.

Sec. 77. Minnesota Statutes 2023 Supplement, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner is given and charged with the following powers and duties:

(1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed

rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and

economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

(x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

(6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan

elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(10) to train water pollution control personnel and charge training fees as are necessary to cover the agency's costs. All such fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs not to exceed $350. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

(12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

(14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; ~~and~~

(15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training~~.~~; and

(16) to encourage practices that enable the recovery and use of waste heat from wastewater treatment operations, in accordance with the federal Clean Water Act, United States Code, title 33, section 1281(e).

(b) The information required in paragraph (a), clause (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 78. **[115A.412] WASTE COMPOSITION; INFORMATION REQUIRED.**

Subdivision 1. **Study required.** (a) Every two years, beginning in ..., the commissioner must direct the owners and operators at 20 percent of each of the following facility types to perform a waste composition study:

(1) mixed municipal solid waste land disposal facilities;

(2) industrial solid waste land disposal facilities;

(3) demolition debris land disposal facilities;

(4) resource recovery facilities;

(5) transfer stations; and

(6) other facilities identified by the commissioner.

(b) The waste composition study must be performed at the sole expense of each owner or operator as directed by the commissioner.

(c) When selecting facilities for waste composition studies, the commissioner must rotate the participants so that, over time, the studies cover the entirety of the facilities identified under paragraph (a). The commissioner must determine the time frame for each study in the two-year cycle. The owner or operator of each selected facility must complete the study within one year of being notified by the commissioner of selection to perform a waste composition study.

Subd. 2. **Study requirements.** (a) The commissioner must:

(1) determine the sampling methods to be used and the categories of materials to be sampled for waste composition studies; and

(2) provide the sampling methods and any additional requirements identified by the commissioner to each owner or operator directed to perform a study.

(b) The sampling methods must include the number of samples to be taken, the size or weight of each sample, the duration of a sampling event, the sampling interval, and any additional methods identified by the commissioner. The categories of materials to be sampled must include categories and subcategories identified by the commissioner to represent the materials present at each facility.

Subd. 3. **Report.** Within six months after completing a waste composition study required under this section, the owner or operator of a facility must submit the raw data and results of the study to the commissioner in a form and manner prescribed by the commissioner.

Subd. 4. **Compilation.** After each two-year cycle, the commissioner must compile and summarize the waste composition data received under subdivision 3. The commissioner must make the summary information available to the public.

Subd. 5. **Additional studies; information.** (a) The commissioner may conduct additional waste composition studies at facilities described in subdivision 1.

(b) Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

(c) The owner or operator of a facility shall allow access upon reasonable notice to authorized agency staff for the purpose of conducting waste composition studies.

Sec. 79. Minnesota Statutes 2022, section 115A.5502, is amended to read:

**115A.5502 PACKAGING PRACTICES; PREFERENCES; GOALS.**

Packaging forms a substantial portion of solid waste and contributes to environmental degradation and the costs of managing solid waste. It is imperative to reduce the amount and toxicity of packaging that must be managed as solid waste. In order to achieve significant reduction of packaging in solid waste ~~and to assist packagers and others to meet the packaging reduction goal in section 115A.5501~~, the goal of the state is that items be distributed without any packaging where feasible and, only when necessary to protect health and safety or product integrity, with the minimal amount of packaging possible. The following categories of packaging are listed in order of preference for use by all persons who find it necessary to package items for distribution or use in the state:

(1) minimal packaging that contains no intentionally introduced toxic materials and that is designed to be and actually is reused for its original purpose at least five times;

(2) minimal packaging that contains no intentionally introduced toxic materials and consists of a significant percentage of postconsumer material;

(3) minimal packaging that contains no intentionally introduced toxic materials, that is recyclable, and is regularly collected through recycling collection programs available to at least 75 percent of the residents of the state;

(4) minimal packaging that does not comply with clause (1), (2), or (3) because it is required under federal or state law and for which there does not exist a commercially feasible alternative that does comply with clause (1), (2), or (3);

(5) packaging that contains no intentionally introduced toxic materials but does not comply with clauses (1) to (4); and

(6) all other packaging.

Sec. 80. Minnesota Statutes 2022, section 116.0711, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** (a) The agency shall not require feedlot permittees to maintain records as to rainfall or snowfall as a condition of a general feedlot permit if the owner directs the commissioner or agent of the commissioner to appropriate data on precipitation maintained by a government agency or educational institution.

(b) A feedlot permittee shall give notice to the agency when the permittee proposes to transfer ownership or control of the feedlot to a new party. The commissioner shall not unreasonably withhold or unreasonably delay approval of any transfer request. This request shall be handled in accordance with sections 116.07 and 15.992.

(c) An animal feedlot in shoreland that has been unused may resume operation after obtaining a permit from the agency or county, regardless of the number of years that the feedlot was unused.

(d) Notwithstanding Minnesota Rules, chapter 7020, a person who applies manure in a Level 2 or higher drinking water supply management area as designated under Minnesota Rules, part 1573.0040, must follow a manure management plan approved by the commissioner. A manure management plan for a Level 2 or higher drinking water supply management area must include the Department of Agriculture's recommended best management practices that are published on the department website for that drinking water supply management area.

Sec. 81. **[116.391] RESILIENT COMMUNITY ASSISTANCE PROGRAM.**

Subdivision 1. **Citation.** This section may be cited as the "Minnesota Resilient Community Act."

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

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Local government unit" means any unit of government other than a state or federal unit of government and includes watershed districts established according to chapter 103D, soil and water conservation districts, watershed management organizations, counties, towns,

cities, port authorities, housing authorities, regional development commissions, school districts, and the Metropolitan Council.

(d) "Tribal government" means any of the Minnesota Tribal governments defined under section 10.65, subdivision 2, clause (4), and includes Tribal organizations designated by any of the Minnesota Tribal governments.

Subd. 3. **Establishment.** (a) The commissioner must establish a resilient community assistance program to:

(1) assist local government units, Tribal governments, and other relevant organizations as determined by the commissioner in adapting to and developing community resilience to impacts of climate change;

(2) help coordinate climate adaptation planning, implementation, and evaluation efforts among state agencies, local government units, Tribal governments, and other relevant organizations; and

(3) address inequities due to social, economic, historical, and political factors that result in some communities having less ability to prepare for, cope with, and recover from impacts of climate change.

(b) To address inequities under paragraph (a), clause (3), the commissioner must seek input and collaboration from disproportionately impacted communities.

Subd. 4. **Program elements.** The resilient community assistance program may include but is not limited to:

(1) developing, assembling, and disseminating information on climate adaptation and resilience;

(2) technical assistance for climate adaptation and resilience;

(3) financial assistance programs that provide grants or loans for resilience planning and for implementing climate adaptation and resilience actions, coordinated with the Public Facilities Authority, as necessary, for state bond-funded projects;

(4) outreach, including seminars, workshops, training programs, and other similar activities, designed to provide education and information on climate adaptation and resilience to local government units, Tribal governments, and other relevant organizations as determined by the commissioner;

(5) coordinating, implementing, and measuring progress on climate adaptation and resilience and measuring local government and Tribal government climate adaptation in Minnesota; and

(6) other efforts needed to support climate adaptation and community resilience in Minnesota as determined by the commissioner.

Subd. 5. **Administration.** (a) In administering the program, the commissioner may coordinate with administrators of other public and private programs that provide technical and financial assistance to local government units, Tribal governments, and other relevant organizations that receive assistance under this section.

(b) The commissioner may make grants to or enter into contracts with public or private entities to operate elements of the program. Grantees under this paragraph must provide the commissioner with periodic reports on their efforts to assist in administering the program.

(c) When operating or participating in elements of the program according to a grant or contract under paragraph (b), a person is an employee of the state who is certified to be acting within the scope of employment for purposes of indemnification under section 3.736, subdivision 9, for claims that arise out of the information, assistance, and recommendations covered by the grant or contract. The state is not obligated to defend or indemnify a grantee or contractor under this subdivision to the extent of the grantee's or contractor's liability insurance. The grantee's or contractor's right to indemnity is not a waiver of limitations, defenses, and immunities available to either the grantee or contractor or the state by law.

Subd. 6. **Award for excellence in community resilience.** The governor or commissioner may issue annual awards in the form of a commendation for excellence in climate adaptation and resilience. The commissioner must administer applications for the awards.

Sec. 82. Minnesota Statutes 2022, section 116D.02, subdivision 2, is amended to read:

Subd. 2. **State responsibilities.** In order to carry out the policy set forth in Laws 1973, chapter 412, it is the continuing responsibility of the state government to use all practicable means, consistent with other essential considerations of state policy, to improve and coordinate state plans, functions, programs and resources to the end that the state may:

(1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;

(2) assure for all people of the state safe, healthful, productive, and aesthetically and culturally pleasing surroundings;

(3) discourage ecologically unsound aspects of population, economic and technological growth, and develop and implement a policy such that growth occurs only in an environmentally acceptable manner;

(4) preserve important historic, cultural, and natural aspects of our national heritage, and maintain, wherever practicable, an environment that supports diversity, and variety of individual choice;

(5) encourage, through education, a better understanding of natural resources management principles that will develop attitudes and styles of living that minimize environmental degradation;

(6) develop and implement land use and environmental policies, plans, and standards for the state as a whole and for major regions thereof through a coordinated program of planning and land use control;

(7) define, designate, and protect environmentally sensitive areas;

(8) establish and maintain statewide environmental information systems sufficient to gauge environmental conditions;

(9) practice thrift in the use of energy and maximize the use of energy efficient systems for ~~the utilization of~~ producing, distributing, and using energy, including recovering and reusing waste heat, and minimize the environmental impact from energy production and use;

(10) preserve important existing natural habitats of rare and endangered species of plants, wildlife, and fish, and provide for the wise use of our remaining areas of natural habitation, including necessary protective measures where appropriate;

(11) reduce wasteful practices which generate solid wastes;

(12) minimize wasteful and unnecessary depletion of nonrenewable resources;

(13) conserve natural resources and minimize environmental impact by encouraging ~~extension of~~ extended product ~~lifetime, by~~ lifetimes; reducing ~~the number of~~ unnecessary and wasteful materials practices~~,~~; and ~~by~~ recycling materials, water, and energy to conserve ~~both materials and energy~~ virgin resources;

(14) improve management of renewable resources in a manner compatible with environmental protection;

(15) provide for reclamation of mined lands and assure that any mining is accomplished in a manner compatible with environmental protection;

(16) reduce the deleterious impact on air and water quality from all sources, including the deleterious environmental impact due to operation of vehicles with internal combustion engines in urbanized areas;

(17) minimize noise, particularly in urban areas;

(18) prohibit, where appropriate, floodplain development in urban and rural areas; and

(19) encourage advanced waste treatment in abating water pollution, including practices that enable the recovery and use of waste heat from wastewater treatment operations, in accordance with the federal Clean Water Act, United States Code, title 33, section 1281(e).

Sec. 83. **REPORT.**

By December 1, 2027, the commissioner of natural resources must report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources on the effect of modifying the shotgun zone on deer hunting and deer populations. The report may include any recommendations for additional statutory or policy changes that the commissioner deems advisable.

Sec. 84. **REQUIRED RULEMAKING.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules to conform with sections 4 to 10, 18, 23 to 26, 28, 29, 34 to 45, and 47 to 75. Minnesota Statutes, section 14.386, does not apply to rules adopted under this section except as provided under Minnesota Statutes, section 14.388.

Sec. 85. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 97A.015, subdivision 32b, as Minnesota Statutes, section 97A.015, subdivision 32d, and must renumber Minnesota Statutes, section 97A.015, subdivision 43, as Minnesota Statutes, section 97A.015, subdivision 32c.

Sec. 86. **REPEALER.**

Minnesota Statutes 2022, section 115A.5501, is repealed.

**97A.015 DEFINITIONS.**

Subd. 27a. **License identification number.** "License identification number" means a verification number issued under the authority of the commissioner in conjunction with the electronic purchase of a license or stamp and valid until the license is received by the purchaser.

**97A.485 ISSUANCE OF LICENSES.**

Subd. 13. **One-day paper fishing licenses.** The commissioner must allow one-day paper fishing licenses to be sold by fishing guides operating charter boats.

**103A.206 SOIL AND WATER CONSERVATION POLICY.**

Maintaining and enhancing the quality of soil and water for the environmental and economic benefits they produce, preventing degradation, and restoring degraded soil and water resources of this state contribute greatly to the health, safety, economic well-being, and general welfare of this state and its citizens. Land occupiers have the responsibility to implement practices that conserve the soil and water resources of the state. Soil and water conservation measures implemented on private lands in this state provide benefits to the general public by reducing erosion, sedimentation, siltation, water pollution, and damages caused by floods. The soil and water conservation policy of the state is to encourage land occupiers to conserve soil, water, and the natural resources they support through the implementation of practices that:

(1) control or prevent erosion, sedimentation, siltation, and related pollution in order to preserve natural resources;

(2) ensure continued soil health, as defined under section 103C.101, subdivision 10a, and soil productivity;

(3) protect water quality;

(4) prevent impairment of dams and reservoirs;

(5) reduce damages caused by floods;

(6) preserve wildlife;

(7) protect the tax base; and

(8) protect public lands and waters.

**103D.315 MANAGERS.**

Subd. 4. **Seal.** The managers must adopt a seal for the watershed district.

**103D.405 REVISED WATERSHED MANAGEMENT PLAN.**

Subd. 2. **Required ten-year revision.** (a) After ten years and six months from the date that the board approved a watershed management plan or the last revised watershed management plan, the managers must consider the requirements under subdivision 1 and adopt a revised watershed management plan outline and send a copy of the outline to the board.

(b) By 60 days after receiving a revised watershed management plan outline, the board must review it, adopt recommendations regarding the revised watershed management plan outline, and send the recommendations to the managers.

(c) After receiving the board's recommendations regarding the revised watershed management plan outline, the managers must complete the revised watershed management plan.

Subd. 3. **Review.** The managers must send a copy of the revised watershed management plan to the board, the county board and county auditor of each county affected by the watershed district, the director, the governing body of each municipality affected by the watershed district, soil and water conservation districts affected by the watershed district, and the Metropolitan Council, if the watershed district is within the metropolitan area.

Subd. 4. **Director's and Metropolitan Council's recommendations.** The director and the Metropolitan Council, if applicable, must review and make recommendations on the revised watershed management plan. By 60 days after receiving the revised watershed management plan unless the time is extended by the board, the director and the council must send the recommendations on the revised watershed management plan to the board, and a copy of the recommendations to the managers, the county auditor of each county affected by the watershed district, the governing body

of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district.

Subd. 5. **Notice.** (a) The board must give notice and hold a revised watershed management plan hearing on the proposed revised watershed management plan by 45 days after receiving the director's and Metropolitan Council's recommendation.

(b) The board must give notice of the revised watershed management plan hearing by publication in a legal newspaper published in counties affected by the watershed district. The last publication must occur at least ten days before the revised watershed management plan hearing.

(c) The board must give notice of the revised watershed management plan hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the watershed district.

(d) The notice must include:

(1) a statement that a copy of the proposed revised watershed management plan has been filed with the board, the Metropolitan Council, where applicable, the auditors of counties affected by the proposed watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and the soil and water conservation districts affected by the watershed district;

(2) a general description of the purpose of the watershed district;

(3) a general description of the property included in the watershed district;

(4) a general description of the proposed revised watershed management plan;

(5) the date, time, and location of the hearing; and

(6) a statement that all persons affected or interested in the watershed district may attend and give statements at the revised watershed management plan hearing.

Subd. 6. **Board order.** After the revised watershed management plan hearing, the board must prescribe a revised watershed management plan for the watershed district. The board must send a copy of the order and approved revised watershed management plan to the managers, the county board of each county affected by the watershed district, the commissioner, the director, the Metropolitan Council, where applicable, and soil and water conservation districts affected by the watershed district. The revised watershed management plan approved by the board is the revised watershed management plan for the watershed district.

**103D.411 AMENDMENT OF WATERSHED MANAGEMENT PLAN AND REVISED WATERSHED MANAGEMENT PLAN.**

The managers may initiate an amendment of a watershed management plan or revised watershed management plan by submitting a petition with the proposed amendment to the board. The board must give notice and hold a hearing on the amendment in the same manner as for the watershed management plan. After the hearing, the board may, by order, approve or prescribe changes in the amendment. The amendment becomes part of the watershed management plan after approval by the board. The board must send the order and approved amendment to the entities that receive an approved watershed management plan under section 103D.401, subdivision 5.

**103D.601 PROJECT INITIATED BY MANAGERS.**

Subdivision 1. **Requirements.** (a) The managers may initiate a project by resolution of at least a majority of the managers if:

(1) the project is financed by grants totaling at least 50 percent of the estimated project cost; and

(2) the engineer's estimate of costs to parties affected by the watershed district, including assessments against benefited properties but excluding state, federal, or other grants, is not more than $750,000 for the project.

(b) A resolution under this subdivision may not be used to establish a project that has drainage as its essential nature and purpose.

Subd. 2. **Preliminary resolution hearing notice.** (a) The managers must set the time and location for a preliminary resolution hearing on the proposed resolution for the project.

(b) The managers must give notice of the preliminary resolution hearing by publication in a legal newspaper published in the counties affected by the watershed district. The last publication must occur at least ten days before the preliminary resolution hearing.

(c) The preliminary resolution hearing notice must contain:

(1) the date, time, and place of hearing;

(2) the substance of the proposed project resolution;

(3) the means of financing the project; and

(4) a statement that all persons who might be affected by the proposed project or who may be interested in the proposed project may appear and be heard.

(d) Defects in the notice do not invalidate the proceedings.

Subd. 3. **Preliminary report and information.** (a) The managers must have the watershed district engineer or another competent person prepare a preliminary report advising the managers whether the proposed project is feasible and estimating the cost of the project. An error or omission in the preliminary report does not invalidate the proceeding.

(b) The managers may have other helpful information prepared that will aid in determining the desirability and feasibility of the project.

Subd. 4. **Unfavorable preliminary report.** If the preliminary report is unfavorable, the managers must set a time and location for a hearing in the manner provided for the preliminary resolution. After the hearing, the project may be referred back to the watershed district engineer or another competent person for further study and report, or the managers may dismiss the proceeding.

Subd. 5. **Final resolution.** If, after the hearing, the managers determine that the proposed project promotes the public interest and welfare and is practicable and in conformity with the watershed management plan of the watershed district, the managers must adopt a final resolution approving the project and identify the proceeding by name and number.

Subd. 6. **Further procedure.** (a) When a final resolution is adopted, the proceeding must continue as provided for a project initiated by a petition.

(b) After the managers file a statement listing the property benefited, damaged, or otherwise affected by a project with the auditors of counties affected by the project, the proceedings for the project must continue under section 103D.901.

**103D.605 PROJECT CONSTRUCTED WITH GOVERNMENT AID OR AS PART OF PLAN.**

Subdivision 1. **Required procedure.** The procedure in this section must be followed if:

(1) a project is to be constructed within the watershed district under an agreement between the managers and the state or federal government and the cost of the project is to be paid for in whole or in part by the state or federal government, but the rights-of-way and the cost of the project are assumed by the watershed district; or

(2) the managers are undertaking all or a portion of the basic water management project as identified in the watershed management plan.

Subd. 2. **Board and director reports.** A copy of the project plan must be transmitted to the board and the director. The board and the director must review the project plan and prepare reports on the project. The reports must be transmitted to the managers.

Subd. 3. **Project hearing notice.** (a) After receiving the board's and the director's reports, the managers must set a time and location for a hearing on the proposed project.

(b) The project hearing notice must state:

(1) the time and location of the project hearing;

(2) the general nature of the proposed project;

(3) the estimated cost of the proposed project; and

(4) the method by which the cost of the proposed project is to be paid, including the cost to be allocated to each affected municipality or the state government.

(c) The managers must give notice by publication before the date of the hearing in a legal newspaper, published in the counties where property is to be improved by the proposed project. The last publication must occur between 30 days and ten days before the project hearing.

(d) At least ten days before the project hearing, notice by mail must be given to the director and the municipalities entirely or partly within the project area.

(e) Failure to give mailed notice or defects in the notice do not invalidate the proceedings.

Subd. 4. **Project hearing.** At the project hearing, the managers must hear all parties interested in the proposed project.

Subd. 5. **Establishment order.** After the project hearing, if the managers find that the project will be conducive to public health, will promote the general welfare, and complies with the watershed management plan and the provisions of this chapter, the managers must, by order, establish the project. The establishment order must include the findings of the managers.

**103D.611 CONSTRUCTION BY GOVERNMENT AGENCIES.**

Subdivision 1. **Project plan to director and board.** If a project is to be constructed within the watershed district under a contract between the watershed district and the state or the federal government, and the cost of construction or implementation is to be paid by the governmental agency but the rights-of-way, legal, and general expenses of the improvement are to be paid by the watershed district, the managers shall forward a copy of the project plan to the board and the director. The director shall prepare a director's advisory report and the board shall prepare a board's advisory report.

Subd. 2. **Hearing notice.** (a) The managers shall hold a public hearing on the proposed contract following publication of the hearing notice.

(b) The hearing notice must be published once each week for two successive weeks before the date of the hearing in a legal newspaper published in the counties where a part or all of the affected waters and lands are located. The last publication must occur at least ten days before the hearing. The notice must state the time and place of hearing, the general nature of the proposed improvement, its estimated cost, and the area proposed to be assessed.

(c) At least ten days before the hearing, notice must be mailed to each resident owner, as shown on the county auditor's most recent records maintained for taxation purposes, within the area proposed to be assessed, and to the director, and to each public body within the area to be assessed and likely to be affected. Failure to give mailed notice or defects in the notice do not invalidate the proceedings.

Subd. 3. **Hearing.** At the time and place specified in the notice, the managers shall hear all interested parties for and against the proposed project. All questions relative to the project must be determined on evidence presented at the hearing. If the managers find that the project will be conducive to public health and will promote the general welfare, and that it complies with this chapter, the managers shall make findings accordingly, authorize the project, and make the proposed contract or other arrangement.

Subd. 4. **Appraisal.** (a) After authorizing the project, the managers shall appoint three disinterested resident owners of the state to act as appraisers.

(b) After the appraisers sign an oath to faithfully and impartially perform their duties, they shall, with or without the engineer, determine the benefits and damages to property affected by the proposed project. The appraisers shall make a detailed statement and file the statement with the managers showing:

(1) the actual damages that have resulted or will result to individuals, property, or corporations from the construction or implementation of the project; and

(2) a list of property, including highways and corporations, receiving actual benefits by way of drainage, control of floodwaters, or other means authorized in this chapter.

Subd. 5. **Hearing on appraisers' report.** (a) After the appraisers' report and the plans and engineering data prepared by the governmental agency are filed with the managers, the managers shall prepare a detailed statement of all costs, including damages, to be incurred by the watershed district in construction or implementation of the project.

(b) The managers shall order a time and place within the watershed district for a hearing on the appraisers' report by 35 days after the detailed statement of costs is prepared. The managers shall

give notice by publication and mailing as provided in subdivision 1 for a hearing on a petition. At the time and place specified in the notice, the managers shall hear all parties interested for and against confirming the appraisers' report.

(c) The managers may order and direct the modification of the assessment of benefits and damages, and amend or change the list of properties reported as benefited or damaged. If the amended reports include property not included in the original report, the managers shall adjourn and publish and mail in the manner for the original notice, the proper notice concerning the property not included in the previous notice.

(d) If upon full hearing the managers find that the benefits resulting from the construction or implementation will be greater than the assessments including damages they shall confirm the appraisers' report.

(e) Persons or political subdivisions affected by the order may appeal the order under this chapter.

Subd. 6. **Assessments and levies.** Proceedings for assessments and levies may be brought under section 103D.901 after the managers file a statement with the auditor of a county that lists the property and corporations benefited or damaged or otherwise affected by a project as found by the appraisers and approved by the managers.

Subd. 7. **Exempt from normal project initiation.** Section 103D.701 relating to project initiation does not apply to projects of the watershed district constructed under contract as provided in this section.

Subd. 8. **Acquiring property.** (a) If the watershed district is required to acquire an interest in real property under this section or convey an interest in real property to the federal government, the managers shall, before the filing of the appraisers' report, record a notice of the pendency of a proceeding initiated by the managers to acquire the lands to be conveyed to the federal government. The notice of pendency must be recorded in the office of the county recorder of the affected county. The notice must state the purpose for which the lands are to be taken.

(b) By 20 days before the hearing on the appraisers' report, in addition to the notice required by subdivision 2, the notice of the hearing must be served on the owners of the property to be acquired, in the same manner as the summons in a civil action. The notice must:

(1) describe the property;

(2) state by whom and for what purpose the property is to be taken;

(3) give the names of all persons appearing of record or known to the managers to be the owners;

(4) state that appraisers have been appointed as provided by subdivision 4, to determine the benefits and damages; and

(5) state that a hearing will be held by the managers on the appraisers' report at the time and place specified in the notice.

(c) After the managers have confirmed the appraisers' report listing the property to be benefited or damaged as provided in subdivision 5, the managers have all rights of possession and entry conferred in other cases of condemnation by chapter 117.

(d) After confirmation of the appraisers' report, the attorney for the managers shall make a certificate describing the property taken and the purpose for the taking, and reciting the fact of payment of all awards determined by the appraisers appointed by the managers or judgments in relation to the land. When approved by the managers, the certificate establishes the right of the watershed district in the property taken. The certificate must be filed for record with the county recorder of the county where the property is located. The filing constitutes notice to all parties of the title of the watershed district to the property described in the certificate.

(e) After the certificate is filed, the managers may convey the property and interests in the property acquired to the federal government, if necessary.

**103F.511 DEFINITIONS.**

Subd. 8b. **Reinvest in Minnesota reserve program.** "Reinvest in Minnesota reserve program" means the program established under section 103F.515.

**103F.950 BEAVER DAMAGE CONTROL GRANTS.**

Subdivision 1. **Establishment.** The Board of Water and Soil Resources shall establish a beaver damage control grant program to provide grants for the control of beaver activities causing damage to public waters, roads, and ditches and adjacent private property. The grants may be made to:

(1) a joint powers board established under section 471.59 by two or more governmental units;

(2) soil and water conservation districts; and

(3) Indian tribal governments.

Subd. 2. **Grant amount.** The board may provide up to 50 percent of the costs of implementing a beaver damage control program by a joint powers board.

Subd. 3. **Awarding grants.** Applications for grants must be made to the board on forms prescribed by the board. The board shall consult with town supervisors and county commissioners representing different areas of the state in developing the application form. A joint powers board seeking a grant may be required to supply information on the beaver control program it has adopted, the extent of the problem in the geographic area covered by the joint powers agreement, and the ability of the joint powers board to match the state grant. The board may prioritize the grant applications based upon the information requested as part of the grant application.

Subd. 4. **Report.** (a) Within one year after receiving a grant under this section, a joint powers board must report to the Board of Water and Soil Resources on the joint powers board's efforts to control beaver in the area.

(b) By December 15 of each even-numbered year, the board shall report to the senate and house of representatives environment and natural resources policy and finance committees on the efforts under this section to control beaver.

**115A.5501 REDUCING PACKAGING IN WASTE.**

Subdivision 1. **Statewide reduction goal.** It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded packaging delivered to facilities by December 31, 1995, based on a reasonable estimate of the amount of packaging that was delivered to facilities in calendar year 1992.

Subd. 2. **Measurement; procedures.** (a) To measure the overall percentage of packaging in the statewide solid waste stream, the commissioner shall conduct annual solid waste composition studies in the nonmetropolitan and metropolitan areas or shall develop an alternative method that is as statistically reliable as a waste composition study to measure the percentage of packaging in the waste stream.

(b) The commissioner shall average the nonmetropolitan and metropolitan results and submit the statewide percentage, along with a statistically reliable margin of error, to the senate and house of representatives committees having jurisdiction over environment and natural resources and environment and natural resources finance by July 1 of each year. The 1994 report must include a discussion of the reliability of data gathered under this subdivision and the methodology used to determine a statistically reliable margin of error.

Subd. 3. **Access; waste composition studies.** The owner or operator of a facility shall allow access upon reasonable notice to authorized agency staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.

Subd. 4. **Report.** The commissioner shall apply the statewide percentage determined under subdivision 2 to the aggregate amount of solid waste determined under subdivision 3 to determine the amount of packaging in the waste stream. By July 1, 1996, the commissioner shall submit to the Legislative Commission on Waste Management an analysis of the extent to which the waste packaging reduction goal in subdivision 1 has been met. In determining whether the goal has been met, the margin of error must be applied in favor of meeting the goal. The commissioner shall use the statistical mean for the data collected in determining whether the goal has been met and shall include in the analysis a discussion of the margin of error and statistical reliability for the data collected.

Subd. 5. **Recommendations for further reduction goals.** If the goal in subdivision 1 is met, the commissioner shall include in the report required in subdivision 4 recommendations for

appropriate goals for further reducing the amount of discarded packaging delivered to facilities. The report must include an analysis of the costs of further reductions.

Subd. 6. **Definition.** For the purposes of this section, "facility" means a composting, incineration, refuse-derived fuel, or disposal facility that accepts mixed municipal solid waste or construction waste.

**8400.3000 AUTHORITY.**

Minnesota Statutes, sections 84.95, 103A.209, and 103F.501 to 103F.531, authorize the state board, in consultation with districts, private groups, and state and federal agencies, to implement a program to acquire easements on land to retire certain marginal agricultural land and protect environmentally sensitive areas to enhance soil and water quality, minimize damage to flood-prone areas, sequester carbon, and support native plant, fish, and wildlife habitats and to reestablish perennial cover and restore wetlands on that land. Parts 8400.3000 to 8400.3930 provide procedures and criteria to be followed by the state board and district boards in implementing Minnesota Statutes, sections 103F.501 to 103F.531. The state board shall implement the reinvest in Minnesota reserve program with district boards when practical, but may also implement the program directly.

**8400.3030 DEFINITIONS.**

Subpart 1. **Scope.** The definitions in this part apply to parts 8400.3000 to 8400.3930.

Subp. 2. **Agricultural crop production.** "Agricultural crop production" means an agricultural activity:

A. including but not limited to tillage, planting, or harvesting operations; and

B. devoted to the production of horticultural, row, close grown, introduced pasture, or introduced hayland crops.

Subp. 3. [Repealed, 14 SR 1928]

Subp. 3a. **Agricultural land.** "Agricultural land" means land devoted for use as pasture or hayland for domestic livestock or dairy animals, or to agricultural crop production, or to growing nursery stocks, or for use as animal feedlots, and may include contiguous land associated with these uses.

Subp. 4. **Annual plan.** "Annual plan" means a plan prepared by the district under Minnesota Statutes, section 103C.331, subdivision 11, and according to the most recent version of the Guidelines for Soil and Water Conservation District Comprehensive and Annual Plans published by the state board. That publication is subject to periodic change. The current version is available at the district office and state board office and is incorporated by reference.

Subp. 5. **Approved practice.** "Approved practice" means a soil and water conservation practice or wildlife habitat enhancement that may be established on an easement area and is described in the easement program practice specifications.

Subp. 6. [Repealed, 37 SR 1277]

Subp. 6a. [Repealed, 37 SR 1277]

Subp. 7. [Repealed, 14 SR 1928]

Subp. 8. [Repealed, 19 SR 550]

Subp. 9. **Conservation agreement.** "Conservation agreement" means a written contract stating the terms and conditions for conveying a conservation easement by the landowner to the state.

Subp. 10. **Conservation easement.** "Conservation easement" has the meaning given for "conservation easement" in Minnesota Statutes, section 84C.01, paragraph (1).

Subp. 10a. [Repealed, 37 SR 1277]

Subp. 10b. **Conservation easement program.** "Conservation easement program" refers to both the RIM reserve program, as defined in subpart 42, and the permanent wetlands preserve program, as defined in subpart 36a.

Subp. 11. **Conservation plan.** "Conservation plan" means a written description and map of the approved practices that must be applied to or that already exist on the easement area.

Subp. 11a. **Cost-shared practice.** "Cost-shared practice" means an approved practice which qualifies for cost-sharing through a conservation easement program administered by the state board.

Subp. 12. [Repealed, 19 SR 550]

Subp. 13. [Repealed, 19 SR 550]

Subp. 14. **District.** "District" means a soil and water conservation district organized under Minnesota Statutes, chapter 103C.

Subp. 15. **District board.** "District board" means the board of supervisors of a soil and water conservation district organized under Minnesota Statutes, chapter 103C.

Subp. 16. [Repealed, 19 SR 550]

Subp. 17. **District technical representative.** "District technical representative" means a district employee or other designee assigned by the district who has expertise in the design and application of approved practices.

Subp. 17a. **Drained wetland.** "Drained wetland" means a former natural wetland that has been altered by draining, dredging, filling, leveling, or other manipulation sufficient to reduce its natural function.

Subp. 17b. **Easement program practice specifications.** "Easement program practice specifications" means the detailed descriptions of the approved practices that are allowed on lands enrolled in the conservation easement programs.

Subp. 18. [Repealed, 19 SR 550]

Subp. 19. [Repealed, 37 SR 1277]

Subp. 20. [Repealed, 37 SR 1277]

Subp. 20a. [Repealed, 37 SR 1277]

Subp. 20b. **Farmed wetland.** "Farmed wetland" means a wetland, as defined in subpart 48, that has been devoted to agricultural crop production, as defined in subpart 2, since December 23, 1985.

Subp. 21. [Repealed, 19 SR 550]

Subp. 22. [Repealed, 19 SR 550]

Subp. 23. **Food plot.** "Food plot" means an area established for the purpose of providing food for wildlife.

Subp. 24. [Repealed, 37 SR 1277]

Subp. 25. [Repealed, 37 SR 1277]

Subp. 26. [Repealed, 37 SR 1277]

Subp. 27. **Individual.** Individual" means a person or legal entity, whether or not a resident of Minnesota.

Subp. 28. [Repealed, 37 SR 1277]

Subp. 29. **Introduced hayland.** "Introduced hayland" means an area devoted to the production of forage that has been cultivated in a rotation of row crops or small grains or interseeded with introduced or native species at least twice during the ten years prior to applying for enrollment in a conservation easement program. These areas must have been harvested by mechanical methods at least two years during the five years prior to applying for enrollment in a conservation easement program.

Subp. 30. **Introduced pasture.** "Introduced pasture" means an area devoted to the production of forage that has been cultivated in a rotation of row crops or small grains or interseeded with introduced or native species at least twice during the ten years prior to applying for enrollment in a conservation easement program. These areas must have been harvested by grazing at least two years during the five years prior to applying for enrollment in a conservation easement program.

Subp. 31. **Landowner.** "Landowner" means an individual or entity that is not prohibited from owning agricultural land under Minnesota Statutes, section 500.24, and who either owns eligible land or is purchasing eligible land under a contract for deed in Minnesota.

Subp. 31a. **Land with crop history.** "Land with crop history" means land that has produced horticultural, row, or close grown crops or that has been enrolled at a cropland rate in a federal or state conservation program at least two of the five years prior to applying for enrollment in a conservation easement program, or land that meets the definition of introduced hayland in subpart 29, or land that meets the definition of introduced pasture in subpart 30. For the purposes of parts 8400.3000 to 8400.3930, land with crop history includes acres devoted to "set aside" or "conserving use" for the United States Department of Agriculture programs.

Subp. 32. [Repealed, 37 SR 1277]

Subp. 33. **Marginal agricultural land.** "Marginal agricultural land" means land that is:

A. composed of class IIIe, IVe, V, VI, VII, or VIII land as identified in the land capability classification system of the United States Department of Agriculture; or

B. similar to land described under item A and identified under a land classification system selected by the board.

Subp. 33a. **Pasture.** "Pasture" means land used for grazing by domestic livestock and land which is not considered land with crop history as defined in subpart 31a.

Subp. 33b. **Pastured hillside.** "Pastured hillside" means land on a hillside that is used for pasture as defined in subpart 33a or used for introduced pasture as defined in subpart 30.

Subp. 34. [Repealed, 19 SR 550]

Subp. 35. [Repealed, 19 SR 550]

Subp. 36. **Perennial cover.** "Perennial cover" means the water area created by restoring a drained wetland or the perennial vegetation established under a conservation easement program, or the perennial vegetation or the water or wetland areas that already exist on the easement area.

Subp. 36a. **Permanent wetlands preserve program.** "Permanent wetlands preserve program" means the program established under Minnesota Statutes, section 103F.516.

Subp. 37. [Repealed, 19 SR 550]

Subp. 38. [Repealed, 19 SR 550]

Subp. 39. [Repealed, 19 SR 550]

Subp. 39a. **Public waters.** "Public waters" means waters as defined in Minnesota Statutes, section 103G.005, subdivision 15, and inventoried under Minnesota Statutes, section 103G.201. A copy of the inventory is available in the district office.

Subp. 39b. **Public waters wetlands.** "Public waters wetlands" means wetlands as defined in Minnesota Statutes, section 103G.005, subdivision 15a.

Subp. 39c. [Repealed, 37 SR 1277]

Subp. 40. [Repealed, 37 SR 1277]

Subp. 41. [Repealed, 19 SR 550]

Subp. 42. **RIM reserve program.** "RIM reserve program" means the program established in Minnesota Statutes, section 103F.515.

Subp. 42a. **Riparian land.** "Riparian land" means land adjacent to public waters, drainage systems, wetlands, or locally designated priority waters.

Subp. 43. **Screening committee.** "Screening committee" means a group established by the district board to assist in implementing the conservation easement programs. The screening committee is chaired by a district board member and is composed of representatives of private, state, and local organizations or clubs, and local, state, and federal agencies with an interest in the conservation easement programs.

Subp. 43a. **Sensitive groundwater area.** "Sensitive groundwater area" means a geographic area defined by natural features where there is a significant risk of groundwater degradation from activities conducted at or near the land surface. These areas may be identified by mapping or other appropriate methods determined by the commissioner of natural resources and the state board. Wellhead protection areas and land that is adjacent and draining to a sinkhole may be designated as a sensitive groundwater area.

Subp. 44. [Repealed, 37 SR 1277]

Subp. 45. **Soil and water conservation practice.** "Soil and water conservation practice" means structural or vegetative practices applied to land for the purposes of controlling soil erosion, sediment, agricultural nutrients or waste, or other water pollutants.

Subp. 46. [Repealed, 37 SR 1277]

Subp. 47. [Repealed, 14 SR 1928]

Subp. 47a. **State board.** "State board" means the Board of Water and Soil Resources.

Subp. 48. **Wetland.** "Wetland" means wetlands as defined in Minnesota Statutes, section 103G.005, subdivision 19.

**8400.3110 DURATION OF CONSERVATION EASEMENTS.**

For purposes of the RIM reserve program, a conservation easement may be permanent or of limited duration. A conservation easement acquired on restorable drained wetlands, replacement wetlands, or land for highway windbreak purposes, must be of permanent duration. A conservation easement of limited duration may be acquired on other eligible land within a district if it is for a period not less than 20 years and only if the state board has approved enrollment of limited duration conservation easements in that district.

All permanent wetlands preserve program conservation easements must be of permanent duration.

**8400.3210 DELEGATION OF PROGRAM TO ANOTHER DISTRICT.**

A district board may enter into an agreement with other district boards as authorized by Minnesota Statutes, section 103C.231, to delegate to another district board the responsibility for administering any conservation easement program of the state board. Where such delegation has been mutually agreed upon, each district board must so notify all landowners in their respective district and each district must so notify the state board.

**8400.3260 LAND IN MORE THAN ONE DISTRICT.**

If an application involves land in more than one district, the participating districts may jointly delegate to one of the districts the responsibility for review and prioritization of that application. If that application is accepted for enrollment, the affected districts may also jointly delegate to one of the districts the responsibility for completing all of the tasks necessary for conveyance of the conservation easement to the state board.

**8400.3300 CRITERIA FOR SCREENING COMMITTEE REVIEW OF APPLICATIONS.**

The state board may direct districts to utilize a local screening process or committee to prioritize local project areas or applications. The criteria for screening committee prioritization are as follows:

A. consistency with the purpose and policy of the respective conservation easement program;

B. the parcel's potential impact on reducing soil erosion and sedimentation, improving water quality, reducing flooding, and enhancing fish and wildlife habitat;

C. compatibility with established priorities of the organizations and agencies participating in the screening process; and

D. highest priority must be given to permanent easements pursuant to Minnesota Statutes, section 103F.515, subdivision 2, paragraph (e).

**8400.3400 CONSERVATION AGREEMENT FOR EASEMENT.**

The district board shall direct its staff or the district technical representative to develop conservation agreements as prescribed by the state board and in a recordable form for all approved applications which incorporate the minimum requirements stated in Minnesota Statutes, section 103F.515, subdivisions 4 and 5. In addition, each conservation agreement must require the landowner to:

A. pay, when due, all taxes and assessments that may be levied against the easement area;

B. remove any existing structures as required by the district board or the state board prior to the conveyance of the conservation easement with all associated costs being the responsibility of the landowner, and not place, erect, or construct any temporary or permanent structures on the easement area;

C. remove any existing hazardous and toxic substances or any pollutants and contaminants prior to the conveyance of the conservation easement with all associated costs being the responsibility of the landowner, and not place such substances, pollutants, or contaminants on the easement area;

D. properly seal all abandoned wells on the easement area prior to the conveyance of the conservation easement, with all associated costs being the responsibility of the landowner; and

E. allow the state board and its employees and agents to enter the easement area for the purposes of inspection and enforcement of the terms and conditions of the conservation easement.

**8400.3460 TITLE REQUIREMENTS.**

The landowner must have good and marketable title that is insurable under a title insurance policy. In addition, the title must not be subject to any prior liens or encumbrances determined to be objectionable by the Attorney General. Objectionable title defects, liens, or encumbrances must be promptly removed or corrected by the landowner prior to easement conveyance.

**8400.3600 RENEWAL AND EXTENSION OF CONSERVATION EASEMENTS.**

A. When a conservation easement of limited duration expires, a new conservation agreement and conservation easement for an additional period of not less than 20 years may be acquired by agreement of the state board and the landowner under the rules in force at that time. The state board may adjust payment rates as a result of renewing a conservation

agreement and conservation easement after examining the condition of the established cover, conservation practices, and land values.

B. The easement duration may be lengthened through mutual agreement of the current landowner with the state board, in consultation with the commissioners of agriculture and natural resources, if the state board determines that the changes are consistent with the purpose of the conservation easement program. When converting limited duration easements to permanent easements, the payment is the difference between the amount that would be paid per acre for the permanent easement as established for the most recent sign-up period and the amount already paid for the limited duration easement on the area.

**8400.3610 ALTERATION, RELEASE, OR TERMINATION OF CONSERVATION EASEMENTS.**

The state board may alter, release, or terminate a conservation easement after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate an easement only if the state board determines that the public interests and general welfare are better served by the alteration, release, or termination.

The state board must be provided the following information at least 30 days prior to a state board meeting, before the state board will consider a request to alter, release, or terminate a conservation easement:

A. a copy of the letter from the landowner to the district board justifying the change and identifying how the public interest and general welfare will be better served;

B. a letter from the district board recommending either approval or disapproval of the proposed change;

C. a letter from the Department of Natural Resources recommending either approval or disapproval of the proposed change; and

D. other supporting documents, including:

(1) an aerial photo identifying the requested change;

(2) a soil survey map of the area;

(3) cropping history information; and

(4) other pertinent documentation that will support the request.

The state board reserves the right to require special provisions to ensure at least equal resource value as a condition of approving the request. The state board must be compensated by the landowner for all damages and loss of benefits to the conservation easement and the state board may also require reimbursement for administrative expenses and costs incurred in the alteration, release, or termination of a conservation easement.

**8400.3630 APPROVED PRACTICES.**

Subpart 1. **Criteria.** Approved practices must have as their primary purpose the control of soil erosion or sedimentation, protection or improvement of water quality, reduction of flooding, or enhancement of fish and wildlife habitat. Approved practices may be further specified in the easement program policies or practice specifications. Practices that do not qualify as approved practices include, but are not limited to, Christmas tree plantations and fruit orchards. Food plots are not eligible for conservation easement program cost-sharing, but are considered an approved practice and, therefore, are allowed on enrolled acres as specified in the easement conservation plan.

Subp. 2. **Establishment of approved practices.** A landowner is responsible for the establishment of all approved practices on the easement area in accordance with the easement program practice specifications. Establishment of approved practices must be monitored by the district board or its delegate to ensure compliance with the conservation plan and the

conservation easement. Upon establishment or partial completion of an approved practice, a district technical representative shall certify whether or not the approved practice, in whole or part, has been satisfactorily performed.

**8400.3700 COST-SHARED PRACTICES.**

Subpart 1. **Approved practices eligible for cost-sharing.** The state board shall determine which approved practices are eligible for conservation easement program cost-sharing, consistent with the criteria as described in part 8400.3630, subpart 1.

Subp. 2. **Eligible costs for cost-shared practices.**

A. Upon satisfactory performance under part 8400.3630, subpart 2, the landowner shall present receipts or invoices to the district board, or its delegate, of the costs incurred in the installation of the cost-shared practice. The district board shall review the receipts or invoices to determine the costs eligible for conservation easement program payment. If the district board determines that the costs requested for reimbursement are reasonable and necessary, it shall recommend payment to the landowner by submitting certification of satisfactory performance and providing documentation of reimbursable practice costs to the state board on forms provided by the state board. If the district board determines that certain costs requested for reimbursement are not eligible or reasonable, it shall notify the landowner in writing of this determination. The landowner may request reconsideration of this determination by the district board within 30 days of receipt of the determination. If additional costs are determined to be eligible and reasonable, the district board shall then recommend payment for the approved amount. The state board reserves the right to approve whether costs requested for reimbursement are eligible and reasonable.

B. Eligible costs for approved practices are limited to those prescribed by the state board as allowed in Minnesota Statutes, section 103F.515, subdivision 6.

C. The state board reserves the right to approve and provide funding for cost-shared practices.

Subp. 3. **Payment for in-kind services.** In-kind services provided by the landowner including, but not limited to, earthwork, seedbed preparation, and seeding, may be credited to the landowner's share of the total cost of establishing the cost-shared practice. The district board shall credit only those costs it determines to be practical and reasonable and may approve receipts or invoices directly or through its delegate.

Subp. 4. **Funds from other sources.** Conservation easement program cost-sharing funds may be augmented by funds from other agencies, organizations, or individuals.

**8400.3730 FAILURE OF APPROVED PRACTICES.**

Subpart 1. **Cost-shared practices.** A landowner is not in violation of the conservation easement if the failure, in whole or part, of a cost-shared practice was caused by reasons beyond the landowner's control such as extreme weather conditions. In these instances, the district board may recommend to the state board that conservation easement program cost-sharing funds be encumbered for reestablishment of the cost-shared practice. The encumbrance must comply with the limits prescribed by the state board. In no case may a district board authorize conservation easement program financial assistance to a landowner for the reestablishment of cost-shared practices that were removed or altered by the landowner, or that have failed due to improper maintenance during the term of the conservation easement.

Subp. 2. **All other approved practices.** A landowner is not in violation of the conservation easement if the failure of approved practices was caused by reasons beyond the landowner's control.

**8400.3800 OPERATION AND MAINTENANCE.**

A landowner is responsible for the operation and maintenance of approved practices designated in the conservation plan.

**8400.3830 VIOLATIONS AND ENFORCEMENT.**

Subpart 1. **District board action.** The district board may take such measures as are necessary to ensure landowner compliance with the conservation agreement, conservation easement, and conservation plan. If the district board is unsuccessful at obtaining landowner compliance, the district board shall notify the state board of the violation and may recommend appropriate measures to be taken to correct violations.

Subp. 2. **State board action.** Upon notification or discovery of a violation of a conservation agreement, conservation easement, or conservation plan, the state board shall take action to resolve the violation.

A landowner who violates the terms of a conservation agreement, conservation easement, or conservation plan under this chapter, or induces, assists, or allows another to do so, is liable to the state for treble damages if the violation is willful or double damages if the violation is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.

If the state board is not successful in resolving the violation, it may request the state attorney general to commence legal action to enforce the conservation agreement, conservation easement, or conservation plan.

Subp. 3. **Attorney general action.** Upon request by the state board, the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney fees, and any other appropriate relief to enforce Minnesota Statutes, sections 103F.501 to 103F.531 in district court in the county where all or part of the violation is alleged to have been committed, or where the landowner resides or has a principal place of business.

Conservation easements remain in effect even if maintenance violations have occurred.

**8400.3930 RECONSIDERATION AND APPEAL.**

Subpart 1. **Reconsideration by district board.** An affected landowner may request the district board to reconsider its:

A. recommendation or determination regarding that landowner's application for enrollment in a conservation easement program;

B. recommendation or determination to cancel that landowner's conservation agreement;

C. determination regarding that landowner's eligible and allowable costs to be reimbursed by the state board;

D. request to that landowner to correct any alleged noncompliant conditions regarding that landowner's enrolled easement area; or

E. recommendation to disapprove that landowner's request to change an enrolled easement area.

Subp. 2. **Time for reconsideration by district board.** A landowner requesting reconsideration under subpart 1 shall mail a written request to the district board within 15 days of receipt of notice of the district board's determination or recommendation of the matters specified in subpart 1. The request for reconsideration shall include the specific reasons for the request and evidence to support the landowner's claims. The district board shall notify the landowner in writing of its final recommendation and the reasons for the recommendation within 60 days of receipt of the landowner's request for reconsideration.

Subp. 3. **Appeal to state board.** An affected landowner may appeal to the state board from a final recommendation made by the district board pursuant to subpart 2. The landowner shall mail a written appeal to the state board within 15 days after receipt of the district board's final recommendation. The appeal shall include the specific reasons for the request and evidence to support the landowner's claims. The state board shall notify in writing the landowner and the district board of its final decision and the reasons for the decision within 60 days of receipt of the landowner's appeal.

Subp. 4. [Repealed, 14 SR 1928]

**Senator Seeberger introduced --**

**Senate Resolution No. 89:** A Senate resolution honoring Gold Cross Ambulance Service, in memory of its founder, John R. Perkins, on the occasion of the premiere of the Gold Cross Ambulance story documentary.

Referred to the Committee on Rules and Administration.

**Senator Abeler introduced --**

**Senate Resolution No. 90:** A Senate resolution congratulating Kolten McClure for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Hawj moved that the appointments withdrawn from the Committee on Environment, Climate, and Legacy and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for March 25, 2024, be returned to the committee from which they were withdrawn.

LESSARD-SAMS OUTDOOR HERITAGE COUNCIL
Tom Saxhaug

The motion prevailed.

Senator Murphy moved that H.F. No. 3454 be taken from the table and referred to the Committee on Rules and Administration for comparison with S.F. No. 4429, now on General Orders. The motion prevailed.

**H.F. No. 3454:** A bill for an act relating to the military; modifying the definition of criminal justice agencies; modifying data that the adjutant general may request from other agencies; modifying powers of the adjutant general; authorizing the adjutant general to establish a referral bonus program; modifying the crime of unauthorized presence at military installations; amending Minnesota Statutes 2022, sections 13.02, subdivision 3a; 13.785; 190.16, subdivisions 3, 6a; 192.25; 192.501, by adding a subdivision; 192.67; 609.396.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4429, now on General Orders.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 3631, H.F. Nos. 3436, 3589, and S.F. No. 4579.

## SPECIAL ORDER

**S.F. No. 3631:** A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law;

requiring reports; making technical corrections; appropriating money; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.7931, by adding a subdivision; 14.386; 16A.125, subdivision 5; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4988, subdivision 4; 17.4992, subdivisions 1, 3; 17.4996; 41A.02, subdivision 6; 84.027, subdivisions 12, 15; 84.0874; 84.0895, subdivisions 1, 8; 84.152, subdivision 3; 84.788, subdivision 11; 84.798, subdivision 10; 84.8035, subdivision 1; 84.82, subdivisions 2a, 11; 84.8205; 84.83, subdivision 2; 84.922, subdivision 12; 84.96, subdivisions 2, 3, 5; 84B.061; 85.41, subdivisions 1, 4; 85.45, subdivision 1; 85.46, subdivision 3; 86B.415, subdivision 11; 88.82; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 97A.015, subdivisions 3a, 3b, 39, 43, by adding subdivisions; 97A.055, subdivision 4b; 97A.075, subdivision 2; 97A.215, by adding a subdivision; 97A.255, subdivision 5; 97A.341, subdivisions 1, 2, 3; 97A.345; 97A.405, subdivisions 3, 4, 4a; 97A.420, as amended; 97A.421, subdivision 2; 97A.425, subdivision 4, by adding a subdivision; 97A.445, by adding a subdivision; 97A.473, subdivisions 1, 3, 4, 5, 5a; 97A.474, subdivision 3; 97A.475, subdivision 39; 97A.481; 97A.485, subdivision 6; 97A.505, subdivision 8; 97A.535, subdivisions 1, 2, 2a, 4; 97A.551, subdivisions 2, 6; 97B.022, subdivisions 2, 3; 97B.055, subdivision 2; 97B.106; 97B.303; 97B.318, subdivision 1; 97B.401; 97B.516; 97B.603; 97B.716, subdivision 2; 97B.721; 97C.001, subdivision 2; 97C.005, subdivision 2; 97C.025; 97C.035, subdivision 3; 97C.045; 97C.081, subdivision 3a; 97C.087; 97C.211, subdivision 5; 97C.301, subdivision 2a; 97C.355, subdivision 2; 97C.375; 97C.376, subdivisions 1, 5; 97C.381; 97C.385; 97C.391, subdivision 1; 97C.395, as amended; 97C.411; 97C.505, subdivision 8; 97C.801, subdivision 2; 97C.805, subdivisions 1, 4; 97C.811, subdivision 2; 97C.831, subdivision 1; 97C.835, subdivisions 2, 3; 97C.865, subdivision 1; 103B.101, subdivision 13; 103C.005; 103C.221; 103C.331, subdivisions 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, by adding subdivisions; 103D.011, subdivision 10; 103D.201, subdivision 2; 103D.205, subdivision 4; 103D.251, subdivisions 5, 6; 103D.255; 103D.261, subdivisions 1, 2; 103D.271, subdivision 7; 103D.301, subdivisions 1, 3; 103D.305, subdivisions 2, 5; 103D.311, subdivision 4; 103D.315, subdivisions 9, 10; 103D.321, subdivision 1; 103D.331, subdivision 2; 103D.335, subdivision 11; 103D.341, subdivision 1; 103D.345, subdivision 4; 103D.355, subdivision 1; 103D.401; 103D.405, subdivision 1; 103D.535, subdivision 3; 103D.701; 103D.705, subdivision 1, by adding a subdivision; 103D.711; 103D.715, subdivision 1; 103D.729, subdivisions 1, 2; 103D.731; 103D.745, subdivision 3; 103D.805; 103D.811, subdivision 3; 103D.901, subdivision 2; 103E.729, subdivision 9; 103F.211, subdivision 1; 103F.48, subdivision 1; 103F.511, by adding subdivisions; 103F.515; 103F.535, subdivision 5; 103G.005, subdivisions 14d, 17b; 103G.222, subdivision 1; 103G.2241, subdivisions 1, 2, 6, 9; 103G.2242, subdivisions 2, 2a, 3; 103G.315, subdivision 15; 115A.5502; 116.0711, subdivision 1; 116D.02, subdivision 2; Minnesota Statutes 2023 Supplement, sections 84.83, subdivision 3; 97A.405, subdivision 2; 97B.037; 97B.071; 97C.041; 97C.371, subdivision 1; 103G.005, subdivision 19; 103G.2242, subdivision 1; 103G.301, subdivision 2; 115.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 103D; 103F; 115A; 116; repealing Minnesota Statutes 2022, sections 97A.015, subdivision 27a; 97A.485, subdivision 13; 103A.206; 103D.315, subdivision 4; 103D.405, subdivisions 2, 3, 4, 5, 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, 4; 103D.611; 103F.511, subdivision 8b; 103F.950; 115A.5501; Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5; Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; 8400.3930.

Senator Hawj moved to amend S.F. No. 3631 as follows:

Page 89, line 20, after "protecting" insert ", restoring, and enhancing fish and wildlife"

Page 89, line 22, after "(iii)" insert "fish and wildlife"

Page 90, line 22, delete "and the vice-chair" and delete "are" and insert "is"

The motion prevailed. So the amendment was adopted.

Senator Putnam moved to amend S.F. No. 3631 as follows:

Page 100, delete section 47

Page 123, after line 14, insert:

"Sec. 83. **MANAGEMENT OF KITTSON CENTRAL ELK HERD.**

Notwithstanding Minnesota Statutes, section 97B.516, the Department of Natural Resources may manage the Kittson Central elk herd population to allow for genetic diversification and herd health. The herd may not be allowed to exceed 130 percent of the estimated 2023 population under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kunesh moved to amend S.F. No. 3631 as follows:

Page 100, after line 18, insert:

"Sec. 48. Minnesota Statutes 2022, section 97B.645, subdivision 9, is amended to read:

Subd. 9. **No open season.** There shall be no open season for wolves ~~until after the wolf is delisted under the federal Endangered Species Act of 1973. After that time, the commissioner may prescribe open seasons and restrictions for taking wolves but must provide opportunity for public comment~~."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Mann | Morrison | Putnam |
| Boldon | Fateh | Marty | Murphy | Rest |
| Carlson | Gustafson | Maye Quade | Oumou Verbeten | Seeberger |
| Champion | Hawj | McEwen | Pappas | Westlin |
| Cwodzinski | Klein | Mitchell | Pha | Wiklund |
| Dibble | Kunesh | Mohamed | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, and Port.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Hoffman | Latz | Pratt |
| Bahr | Eichorn | Howe | Lieske | Rarick |
| Coleman | Farnsworth | Johnson | Limmer | Rasmusson |
| Dahms | Frentz | Koran | Lucero | Utke |
| Dornink | Green | Kreun | Mathews | Weber |
| Draheim | Gruenhagen | Kupec | Miller | Wesenberg |
| Drazkowski | Hauschild | Lang | Nelson | Westrom |

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Draheim, Lang, Miller, Utke, and Weber.

The motion did not prevail. So the amendment was not adopted.

Senator Hauschild moved to amend S.F. No. 3631 as follows:

Page 116, after line 33, insert:

"Sec. 78. **[115.544] REGULATION OF DISCHARGES OF GRAY WATER BY COMMERCIAL HOUSEBOATS IN CERTAIN COUNTIES.**

Notwithstanding chapter 115 or 116 or any other provision of law, the Pollution Control Agency may not regulate the discharge of sewage that does not contain toilet wastes by commercial houseboat operators operating in Saint Louis, Koochiching, or Lake County. Instead, Saint Louis, Koochiching, and Lake Counties must regulate those discharges in their respective counties. A county ordinance adopted under this section must comply with the federal Clean Boating Act of 2008 and all other applicable federal laws."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Hauschild moved to amend S.F. No. 3631 as follows:

Page 87, line 6, after "waters" insert ", frozen waters,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 25, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dornink | Green | Koran | Mann |
| Anderson | Draheim | Gruenhagen | Kreun | Mathews |
| Bahr | Drazkowski | Hauschild | Kupec | Miller |
| Boldon | Duckworth | Hoffman | Lang | Nelson |
| Carlson | Eichorn | Howe | Lieske | Rarick |
| Coleman | Farnsworth | Jasinski | Limmer | Rasmusson |
| Dahms | Frentz | Johnson | Lucero | Rest |

| | | | | |
|---|---|---|---|---|
| Seeberger | Utke | Weber | Wesenberg | Westrom |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Champion | Gustafson | Marty | Morrison | Port |
| Cwodzinski | Hawj | Maye Quade | Murphy | Putnam |
| Dibble | Klein | McEwen | Oumou Verbeten | Westlin |
| Dziedzic | Kunesh | Mitchell | Pappas | Wiklund |
| Fateh | Latz | Mohamed | Pha | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion prevailed. So the amendment was adopted.

Senator Green moved to amend S.F. No. 3631 as follows:

Page 84, delete section 14

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Lucero | Weber |
| Anderson | Duckworth | Johnson | Mathews | Wesenberg |
| Bahr | Eichorn | Koran | Miller | Westrom |
| Coleman | Farnsworth | Kreun | Nelson | |
| Dahms | Green | Lang | Rarick | |
| Dornink | Gruenhagen | Lieske | Rasmusson | |
| Draheim | Howe | Limmer | Utke | |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Wesenberg moved to amend S.F. No. 3631 as follows:

Page 24, after line 31, insert:

"Sec. 42. Minnesota Statutes 2022, section 97A.56, subdivision 2, is amended to read:

Subd. 2. **Prohibited actions; penalty.** (a) A person may not possess or release feral swine or swine that were feral during any part of the swine's lifetime or allow feral swine to run at large.

(b) A person may not hunt or trap feral swine, except as authorized under section 97B.655 or as authorized by the commissioner for feral swine control or eradication. It is not a violation of this section if a person shoots a feral swine and reports the taking to the commissioner within 24 hours. All swine taken in this manner must be surrendered to the commissioner.

(c) A person who violates this subdivision is guilty of a misdemeanor."

Page 25, after line 29, insert:

"Sec. 46. Minnesota Statutes 2022, section 97B.655, subdivision 1, is amended to read:

Subdivision 1. **Owners and occupants may take certain animals.** (a) A person or the person's agent may take bats, snakes, salamanders, lizards, weasel, mink, squirrel, rabbit, hare, raccoon, bobcat, fox, opossum, muskrat, feral swine as defined in section 97A.56, or beaver on land owned or occupied by the person where the animal is causing damage. The person or the person's agent may take the animal without a license and in any manner except by artificial lights in the closed season or by poison. Raccoons may be taken under this subdivision with artificial lights during open season.

(b) Any traps used under this subdivision must be tagged as required under section 97B.928 if placed by an agent of the landowner or occupant.

(c) A person or the person's agent who kills mink, raccoon, bobcat, fox, opossum, muskrat, or beaver under this subdivision must notify a conservation officer or employee of the Fish and Wildlife Division within 24 hours after the animal is killed. A person or the person's agent who kills feral swine under this subdivision must notify a conservation officer or employee of the Fish and Wildlife Division within 48 hours after the animal is killed but is not required to surrender the swine to the commissioner."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dahms | Duckworth | Gruenhagen | Koran |
| Anderson | Dornink | Eichorn | Howe | Kreun |
| Bahr | Draheim | Farnsworth | Jasinski | Lang |
| Coleman | Drazkowski | Green | Johnson | Lieske |

| | | | | |
|---|---|---|---|---|
| Limmer | Miller | Rarick | Utke | Wesenberg |
| Mathews | Nelson | Rasmusson | Weber | Westrom |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Wesenberg moved to amend S.F. No. 3631 as follows:

Page 12, after line 30, insert:

"Sec. 19. Minnesota Statutes 2022, section 89.002, subdivision 3, is amended to read:

Subd. 3. **Forest road policy.** The commissioner shall provide a system of forest roads and trails which provides access to state forest land and other forest land under the commissioner's authority which is adequate to permit the commissioner to manage, protect, and develop those lands and their forest resources consistent with the forest resource management policy, and to meet demands for forest resources. The commissioner must ensure that commercial minnow trappers, leech trappers, fur trappers, and loggers have unimpeded access to forest roads. If the commissioner or any other state agency requires a permit to access state forest roads, the commissioner or state agency must issue a permit to any person seeking access to the forest roads for these purposes."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Wesenberg moved to amend the second Wesenberg amendment to S.F. No. 3631 as follows:

Page 1, line 10, delete "unimpeded"

The motion prevailed. So the amendment to the amendment was adopted.

Senator Hawj moved to amend the second Wesenberg amendment to S.F. No. 3631 as follows:

Page 1, line 11, delete "must" and insert "may"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the second Wesenberg amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Wesenberg moved to amend S.F. No. 3631 as follows:

Page 27, after line 20, insert:

"Sec. 50. Minnesota Statutes 2022, section 97C.515, is amended by adding a subdivision to read:

Subd. 6. **Emergency importation to ensure adequate bait supply.** (a) Notwithstanding subdivisions 1 to 5, section 97C.211 or 97C.341, or any other provision of law, a minnow dealer, minnow retailer, or holder of a private fish hatchery license may import live minnows from other states for use in this state without a permit when the minnow dealer, minnow retailer, or holder of a private fish hatchery is unable to procure an adequate supply of bait from sources in this state. For purposes of this subdivision, a person is unable to procure an adequate supply of bait from sources in this state if the person has an inadequate supply to meet demand for at least one day.

(b) A minnow dealer, minnow retailer, or holder of a private fish hatchery license must notify the commissioner within 48 hours of importing minnows under this subdivision in the manner prescribed by the commissioner.

(c) The commissioner may not require a permit to import minnows under this subdivision but may inspect any minnows imported under this subdivision and related documents to determine the quantity, source, species, and health of the imported minnows.

(d) Section 97C.341 does not apply to minnows imported under this subdivision."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Wesenberg moved to amend the fourth Wesenberg amendment to S.F. No. 3631 as follows:

Page 1, line 16, delete "not"

The question was taken on the adoption of the Wesenberg amendment to the fourth Wesenberg amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Howe | Lieske | Rasmusson |
| Bahr | Duckworth | Jasinski | Limmer | Utke |
| Coleman | Eichorn | Johnson | Lucero | Weber |
| Dahms | Farnsworth | Koran | Mathews | Wesenberg |
| Dornink | Green | Kreun | Miller | Westrom |
| Draheim | Gruenhagen | Lang | Rarick | |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Latz | Murphy | Seeberger |
| Boldon | Gustafson | Mann | Nelson | Westlin |
| Carlson | Hauschild | Marty | Oumou Verbeten | Wiklund |
| Champion | Hawj | Maye Quade | Pappas | Xiong |
| Cwodzinski | Hoffman | McEwen | Pha | |
| Dibble | Klein | Mitchell | Port | |
| Dziedzic | Kunesh | Mohamed | Putnam | |
| Fateh | Kupec | Morrison | Rest | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment to the amendment was not adopted.

Senator Wesenberg withdrew his fourth amendment.

Senator Wesenberg moved to amend S.F. No. 3631 as follows:

Page 25, after line 29, insert:

"Sec. 45. Minnesota Statutes 2022, section 97B.645, subdivision 9, is amended to read:

Subd. 9. **Open season.** ~~There shall be no~~ (a) As authorized by the Tenth Amendment to the United States Constitution, the commissioner must prescribe an annual open season for wolves ~~until~~ after irrespective of whether the wolf is ~~delisted~~ listed under the federal Endangered Species Act of 1973. ~~After that time, the commissioner may prescribe open seasons and restrictions for taking wolves but must provide opportunity for public comment.~~ The season, restrictions, and any other requirements must be consistent with the goals identified in the wolf management plan adopted under section 97B.646.

(b) The commissioner must annually consult with the commissioner of agriculture and the United States Department of Agriculture's Animal and Plant Health Inspection Service before determining the season, restrictions, and other requirements of the open season required under this section. The consultation must include a review of available data on wolf depredation on livestock and pets and other incidents of human conflict."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Dahms | Drazkowski | Farnsworth | Hoffman |
| Bahr | Dornink | Duckworth | Green | Howe |
| Coleman | Draheim | Eichorn | Gruenhagen | Jasinski |

| | | | | |
|---|---|---|---|---|
| Johnson | Lieske | Mathews | Rasmusson | Wesenberg |
| Koran | Limmer | Miller | Utke | Westrom |
| Lang | Lucero | Rarick | Weber | |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Kupec | Mohamed | Port |
| Boldon | Frentz | Latz | Morrison | Putnam |
| Carlson | Gustafson | Mann | Murphy | Rest |
| Champion | Hawj | Marty | Nelson | Seeberger |
| Cwodzinski | Klein | Maye Quade | Oumou Verbeten | Westlin |
| Dibble | Kreun | McEwen | Pappas | Wiklund |
| Dziedzic | Kunesh | Mitchell | Pha | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion did not prevail. So the amendment was not adopted.

Senator Drazkowski moved to amend S.F. No. 3631 as follows:

Page 99, line 31, after the period, insert "By August 1 each year, the board of commissioners of a county that is included in the shotgun use area must vote on whether the county should remain in the shotgun use area after holding a public hearing that is noticed and at which public comments are taken."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Lucero | Weber |
| Anderson | Duckworth | Johnson | Mathews | Wesenberg |
| Bahr | Eichorn | Koran | Miller | Westrom |
| Coleman | Farnsworth | Kreun | Rarick | |
| Dahms | Green | Kupec | Rasmusson | |
| Dornink | Gruenhagen | Lieske | Utke | |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Eichorn, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Limmer | Murphy | Seeberger |
| Carlson | Gustafson | Mann | Nelson | Westlin |
| Champion | Hauschild | Marty | Oumou Verbeten | Wiklund |
| Cwodzinski | Hawj | Maye Quade | Pappas | Xiong |
| Dibble | Hoffman | McEwen | Pha | |
| Draheim | Klein | Mitchell | Port | |
| Dziedzic | Kunesh | Mohamed | Putnam | |
| Fateh | Latz | Morrison | Rest | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senator: Draheim.

The motion did not prevail. So the amendment was not adopted.

Senator Rarick moved to amend S.F. No. 3631 as follows:

Page 116, after line 33, insert:

"Sec. 78. Minnesota Statutes 2022, section 115.55, is amended by adding a subdivision to read:

Subd. 3a. **Repaired drainage holes.** A precast reinforced concrete tank that has one or more openings in the exterior walls or tank bottom below the tank liquid level meets minimum standards and criteria for subsurface sewage treatment systems if:

(1) the openings have been repaired or sealed; and

(2) all other requirements of the rules adopted under subdivision 3 are met."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Hoffman | Lang | Rarick |
| Anderson | Duckworth | Howe | Lieske | Rasmusson |
| Bahr | Eichorn | Jasinski | Limmer | Utke |
| Coleman | Farnsworth | Johnson | Lucero | Weber |
| Dahms | Green | Koran | Mathews | Wesenberg |
| Dornink | Gruenhagen | Kreun | Miller | Westrom |
| Draheim | Hauschild | Kupec | Nelson | |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Eichorn, Lang, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Marty | Oumou Verbeten | Westlin |
| Carlson | Gustafson | Maye Quade | Pappas | Wiklund |
| Champion | Hawj | McEwen | Pha | Xiong |
| Cwodzinski | Klein | Mitchell | Port | |
| Dibble | Kunesh | Mohamed | Putnam | |
| Dziedzic | Latz | Morrison | Rest | |
| Fateh | Mann | Murphy | Seeberger | |

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

The motion prevailed. So the amendment was adopted.

Senator Dornink moved to amend S.F. No. 3631 as follows:

Page 99, line 30, after "Dodge," insert "Freeborn, Mower,"

The motion prevailed. So the amendment was adopted.

Senator Wesenberg moved to amend S.F. No. 3631 as follows:

Page 123, after line 8, insert:

"Sec. 83. Laws 2023, chapter 60, article 4, section 109, is amended to read:

Sec. 109. **ENSURING ADEQUATE BAIT SUPPLY.**

(a) Notwithstanding Minnesota Statutes, sections 97C.211, 97C.341, and 97C.515, or any other provision of law, the commissioner of natural resources may adopt emergency rules in accordance with Minnesota Statutes, section 84.027, subdivision 13, including by the expedited emergency process described in Minnesota Statutes, section 84.027, subdivision 13, paragraph (b), to alleviate a shortage of bait in this state, including by allowing importation of live minnows into the state. Only minnows harvested from waters in states that are adjacent to Minnesota may be imported under this section.

(b) By January 15, 2024, the commissioner, in consultation with bait producers, bait harvesters, retailers, and other fishing interest groups, must submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources to ensure a viable Minnesota-grown bait supply and sustainable bait industry for anglers of Minnesota that minimizes the risk of spreading aquatic invasive species or fish disease in Minnesota.

~~(c) This section expires June 30, 2025.~~"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 3631 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 14, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dornink | Hawj | Latz | Mitchell |
| Boldon | Draheim | Hoffman | Lieske | Mohamed |
| Carlson | Duckworth | Jasinski | Limmer | Morrison |
| Champion | Dziedzic | Klein | Mann | Murphy |
| Coleman | Fateh | Koran | Marty | Nelson |
| Cwodzinski | Frentz | Kreun | Maye Quade | Oumou Verbeten |
| Dahms | Gustafson | Kunesh | McEwen | Pappas |
| Dibble | Hauschild | Kupec | Miller | Pha |

| | | | |
|---|---|---|---|
| Port | Rest | Weber | Wiklund |
| Putnam | Seeberger | Wesenberg | Xiong |
| Rarick | Utke | Westlin | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Port, and Putnam.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Draheim, Miller, Utke, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Eichorn | Gruenhagen | Lang | Rasmusson |
| Bahr | Farnsworth | Howe | Lucero | Westrom |
| Drazkowski | Green | Johnson | Mathews | |

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Eichorn, and Lang.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3436:** A bill for an act relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation notices, and greater Minnesota transit; establishing criminal penalties; modifying prior appropriations; making technical changes; appropriating money; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.685, subdivisions 4, 5, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivision 2; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 216D.01, subdivision 12, by adding subdivisions; 216D.03, by adding a subdivision; 216D.04; 216D.05; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 360.075, subdivision 1; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 161.045, subdivision 3; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.12, subdivisions 5c, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 1, section 2, subdivision 4; article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70;

# 032. HF 3454

**Vote:** 2024-04-18 | **Workbook row:** 37
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 2 nays

**Workbook subject:** Adjutant general powers expanded, veterans home provisions modified, armories provisions modified, veterans policy provisions amended, and veterans Meals on Wheels program grant availability extended.

## Included complete bill documents

**1. 1st Engrossment, posted 2024-03-20** - 5 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3454/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2024-04-18** - 20 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2024/0/HF/3454/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 482-486. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240418103.pdf#page=486

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3454/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 3454

02/12/2024 Authored by Norris
The bill was read for the first time and referred to the Committee on Veterans and Military Affairs Finance and Policy
03/20/2024 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/04/2024 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to the military; modifying the definition of criminal justice agencies; modifying data that the adjutant general may request from other agencies; modifying powers of the adjutant general; authorizing the adjutant general to establish a referral bonus program; modifying the crime of unauthorized presence at military installations; amending Minnesota Statutes 2022, sections 13.02, subdivision 3a; 13.785; 190.16, subdivisions 3, 6a; 192.25; 192.501, by adding a subdivision; 192.67; 609.396.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 13.02, subdivision 3a, is amended to read:

Subd. 3a. **Criminal justice agencies.** "Criminal justice agencies" means all state and local prosecution authorities, all state and local law enforcement agencies, the Sentencing Guidelines Commission, the Bureau of Criminal Apprehension, the Department of Corrections, the Minnesota National Guard, and all probation officers who are not part of the judiciary.

Sec. 2. Minnesota Statutes 2022, section 13.785, is amended to read:

**13.785 VETERANS OR MILITARY AFFAIRS DATA CODED ELSEWHERE.**

Subdivision 1. **Scope.** The sections referred to in this section are codified outside this chapter. Those sections classify veterans or military affairs data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Department of Veterans Affairs.** (a) **Certain veterans benefits and military certificates of discharge.** Access to military certificates of discharge and to files pertaining to claims for certain veterans benefits is governed by section 196.08.

(b) **Environmental Hazards Information and Assistance Act.** Disclosure of summary data and of the identity of a veteran about whom information is received under sections 196.19 to 196.26, is governed by section 196.25.

Subd. 3. **Veterans rewards and privileges; service officers.** Data maintained by county veterans service officers are classified under section 197.603.

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

Subd. 5. **Veterans stable housing.** Data maintained for purposes of the veterans stable housing initiative is classified under section 196.081.

Subd. 6. **Service member data; disclosure to adjutant general.** Access to data on a service member of the military forces by the adjutant general of the Minnesota National Guard is governed by section 192.67, subdivision 2.

Sec. 3. Minnesota Statutes 2022, section 190.16, subdivision 3, is amended to read:

Subd. 3. **Contracts; agreements.** ~~When prescribed or required by the laws of the United States and any rules or regulations made thereunder, and~~ Notwithstanding any state law to the contrary, the adjutant general shall be the contracting authority and officer for any construction, improvement or maintenance program or project, or any other program or project financed either in whole or in part by moneys made available by the federal government and may execute agreements and contracts for and in behalf of the state therefor, including a dedication of the primary use and purpose of such buildings, air bases, roads, utilities or other structures or facilities required in the training, housing, and maintenance of the military forces of the state for periods up to and including 25 years.

Sec. 4. Minnesota Statutes 2022, section 190.16, subdivision 6a, is amended to read:

Subd. 6a. **Rental of ~~Camp Ripley~~ military facilities.** The adjutant general or the adjutant general's designee may rent buildings or other facilities ~~at Camp Ripley~~ of the Minnesota National Guard to persons under terms and conditions specified by the adjutant general or designee. Subject to any prohibitions or restrictions in any agreement between the United States and the state of Minnesota, proceeds of rentals under this subdivision must be applied as follows:

(1) payment of increased utilities, maintenance, or other costs directly attributable to the rental;

(2) other operating and maintenance or repair costs for the building or facility being rented; and

(3) maintenance and improvement of buildings or other facilities at Camp Ripley.

Rentals under this subdivision must be made under terms and conditions that do not conflict with the use of ~~Camp Ripley~~ the facilities for military purposes.

Sec. 5. Minnesota Statutes 2022, section 192.25, is amended to read:

**192.25 EXEMPTION FROM PROCESS; TRANSFER TO CIVIL AUTHORITIES.**

Subdivision 1. **Exemption from process.** No member of the guard shall be arrested, or served with any summons, order, warrant or other civil process after having been ordered to any duty or while going to, attending or returning from any place to which the member is required to go for military duty; but nothing herein shall prevent an arrest by order of a military officer or for a felony or breach of the peace committed while not in the actual performance of assigned duties. The articles of equipment personally owned by such members shall be exempt from seizure or sale for debt.

Subd. 2. **Transfer to civil authorities.** When probable cause exists that a criminal offense, other than a crime designated as a purely military offense in section 192A.021, has been committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member may be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for adjudication of such crime, to include imposition of pretrial restraint, but trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court-martial for any military offense resulting from the commission of said crime.

Sec. 6. Minnesota Statutes 2022, section 192.501, is amended by adding a subdivision to read:

Subd. 1e. **Referral bonus program.** (a) The adjutant general may establish a program to provide a bonus for referrals leading to enlistment in or commissioning into the Minnesota National Guard.

(b) The adjutant general may determine eligibility criteria for the bonus. The adjutant general must specify all criteria for the bonus in regulations and publish changes as necessary.

(c) The referral bonus payments must be made on a schedule that is determined and published in department regulations by the adjutant general.

(d) If the adjutant general determines that a referral bonus was paid to an individual who was ineligible, the adjutant general may seek to recoup the bonus.

(e) If the adjutant general implements a referral bonus program, the adjutant general must:

(1) notify the legislative committees with jurisdiction over the Minnesota National Guard;

(2) develop internal controls for the referral bonus program aimed at preventing fraud, waste, and abuse of government resources, and publish these internal controls in regulation;

(3) by January 16 each year, submit regulations developed under this subdivision to the legislative committees with jurisdiction over the Minnesota National Guard; and

(4) maintain an accurate record of the recipients and benefits paid under this subdivision and summarize this information in the agency performance report, including information regarding the rank and unit locations of bonus recipients.

Sec. 7. Minnesota Statutes 2022, section 192.67, is amended to read:

**192.67 ~~OFFENDERS; TRANSFER TO CIVIL AUTHORITIES;~~ SERVICE MEMBER DATA.**

~~Subdivision 1. **Transfer to civil authorities.** When any criminal offense is committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member shall be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for punishment for such crime, but such trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court-martial for any military offense resulting from the commission of said crime.~~

Subd. 2. **Service member data.** Notwithstanding any provision of chapter 13 or other state law, all confidential data on individuals and private data on individuals, as defined by section 13.02, subdivisions 3 and 12, pertaining to any service member of the military forces and maintained by any government entity, including but not limited to investigative reports and law enforcement data~~, including but not limited to all data~~ collected and defined under section 13.82 ~~pertaining to any service member of the military forces~~, must be made accessible to the adjutant general of the Minnesota National Guard upon request of the Office of the State Judge Advocate. All information, data, and records obtained under this subdivision may be accessed, copied, transmitted, or provided to the adjutant general without a court order or request from the subject of the data when the matter involves any officer or enlisted member of the military forces. ~~The adjutant general may only use data made~~

~~accessible under this subdivision in support of military justice and Minnesota National Guard administrative and disciplinary actions.~~

Sec. 8. Minnesota Statutes 2022, section 609.396, is amended to read:

**609.396 UNAUTHORIZED PRESENCE ~~AT CAMP RIPLEY~~ ON MILITARY INSTALLATIONS.**

Subdivision 1. **Misdemeanor.** A person is guilty of a misdemeanor if the person intentionally and without the authorization of the adjutant general or a duly appointed commander in accordance with federal regulations enters or is present on ~~the Camp Ripley Military Reservation~~ or in any campground, any military reservation, any armory, any installation, or any facility owned or controlled by the state or federal government for military purposes.

Subd. 2. **Felony.** A person is guilty of a felony and may be sentenced to not more than five years imprisonment or to payment of a fine of not more than $10,000, or both, if~~:~~

~~(1)~~ the person intentionally enters or is present in an area ~~at the Camp Ripley Military Reservation~~ that is posted by order of the adjutant general as restricted for weapon firing or other hazardous military activity~~; and~~.

~~(2) the person knows that doing so creates a risk of death, bodily harm, or serious property damage.~~

A bill for an act

relating to veterans and military affairs; expanding the powers of the adjutant general; modifying veterans home provisions; modifying provisions related to armories; amending policy provisions related to veterans; extending the availability of a grant for the veterans Meals on Wheels program; amending Minnesota Statutes 2022, sections 13.02, subdivision 3a; 13.785; 190.16, subdivisions 3, 6a; 192.25; 192.501, by adding a subdivision; 192.67; 193.143; 193.29, subdivisions 1, 4; 193.36, subdivisions 2, 3, by adding subdivisions; 197.63, subdivision 1; 198.005; 198.006; 375.34; 375.35; 609.396; Laws 2010, chapter 333, article 2, section 23, as amended; Laws 2023, chapter 38, article 1, section 3, subdivisions 2, 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 13.02, subdivision 3a, is amended to read:

Subd. 3a. **Criminal justice agencies.** "Criminal justice agencies" means all state and local prosecution authorities, all state and local law enforcement agencies, the Sentencing Guidelines Commission, the Bureau of Criminal Apprehension, the Department of Corrections, the Minnesota National Guard, and all probation officers who are not part of the judiciary.

Sec. 2. Minnesota Statutes 2022, section 13.785, is amended to read:

**13.785 VETERANS OR MILITARY AFFAIRS DATA CODED ELSEWHERE.**

Subdivision 1. **Scope.** The sections referred to in this section are codified outside this chapter. Those sections classify veterans or military affairs data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Department of Veterans Affairs.** (a) **Certain veterans benefits and military certificates of discharge.** Access to military certificates of discharge and to files pertaining to claims for certain veterans benefits is governed by section 196.08.

(b) **Environmental Hazards Information and Assistance Act.** Disclosure of summary data and of the identity of a veteran about whom information is received under sections 196.19 to 196.26, is governed by section 196.25.

Subd. 3. **Veterans rewards and privileges; service officers.** Data maintained by county veterans service officers are classified under section 197.603.

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

Subd. 5. **Veterans stable housing.** Data maintained for purposes of the veterans stable housing initiative is classified under section 196.081.

Subd. 6. **Service member data; disclosure to adjutant general.** Access to data on a service member of the military forces by the adjutant general of the Minnesota National Guard is governed by section 192.67, subdivision 2.

Sec. 3. Minnesota Statutes 2022, section 190.16, subdivision 3, is amended to read:

Subd. 3. **Contracts; agreements.** ~~When prescribed or required by the laws of the United States and any rules or regulations made thereunder, and~~ Notwithstanding any state law to the contrary, the adjutant general shall be the contracting authority and officer for any construction, improvement or maintenance program or project, or any other program or project financed either in whole or in part by moneys made available by the federal government and may execute agreements and contracts for and in behalf of the state therefor, including a dedication of the primary use and purpose of such buildings, air bases, roads, utilities or other structures or facilities required in the training, housing, and maintenance of the military forces of the state for periods up to and including 25 years.

Sec. 4. Minnesota Statutes 2022, section 190.16, subdivision 6a, is amended to read:

Subd. 6a. **Rental of ~~Camp Ripley~~ military facilities.** The adjutant general or the adjutant general's designee may rent buildings or other facilities ~~at Camp Ripley~~ of the Minnesota National Guard to persons under terms and conditions specified by the adjutant general or designee. Subject to any prohibitions or restrictions in any agreement between the United States and the state of Minnesota, proceeds of rentals under this subdivision must be applied as follows:

(1) payment of increased utilities, maintenance, or other costs directly attributable to the rental;

(2) other operating and maintenance or repair costs for the building or facility being rented; and

(3) maintenance and improvement of buildings or other facilities at Camp Ripley.

Rentals under this subdivision must be made under terms and conditions that do not conflict with the use of ~~Camp Ripley~~ the facilities for military purposes.

Sec. 5. Minnesota Statutes 2022, section 192.25, is amended to read:

**192.25 EXEMPTION FROM PROCESS; TRANSFER TO CIVIL AUTHORITIES.**

Subdivision 1. **Exemption from process.** No member of the guard shall be arrested, or served with any summons, order, warrant or other civil process after having been ordered to any duty or while going to, attending or returning from any place to which the member is required to go for military duty; but nothing herein shall prevent an arrest by order of a military officer or for a felony or breach of the peace committed while not in the actual performance of assigned duties. The articles of equipment personally owned by such members shall be exempt from seizure or sale for debt.

Subd. 2. **Transfer to civil authorities.** When probable cause exists that a criminal offense, other than a crime designated as a purely military offense in section 192A.021, has been committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member may be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for adjudication of such crime, to include imposition of pretrial restraint, but trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court-martial for any military offense resulting from the commission of said crime.

Sec. 6. Minnesota Statutes 2022, section 192.501, is amended by adding a subdivision to read:

Subd. 1e. **Referral bonus program.** (a) The adjutant general may establish a program to provide a bonus for referrals leading to enlistment in or commissioning into the Minnesota National Guard.

(b) The adjutant general may determine eligibility criteria for the bonus. The adjutant general must specify all criteria for the bonus in regulations and publish changes as necessary.

(c) The referral bonus payments must be made on a schedule that is determined and published in department regulations by the adjutant general.

(d) If the adjutant general determines that a referral bonus was paid to an individual who was ineligible, the adjutant general may seek to recoup the bonus.

(e) If the adjutant general implements a referral bonus program, the adjutant general must:

(1) notify the legislative committees with jurisdiction over the Minnesota National Guard;

(2) develop internal controls for the referral bonus program aimed at preventing fraud, waste, and abuse of government resources, and publish these internal controls in regulation;

(3) by January 16 each year, submit regulations developed under this subdivision to the legislative committees with jurisdiction over the Minnesota National Guard; and

(4) maintain an accurate record of the recipients and benefits paid under this subdivision and summarize this information in the agency performance report, including information regarding the rank and unit locations of bonus recipients.

Sec. 7. Minnesota Statutes 2022, section 192.67, is amended to read:

**192.67 ~~OFFENDERS; TRANSFER TO CIVIL AUTHORITIES;~~ SERVICE MEMBER DATA.**

~~Subdivision 1. **Transfer to civil authorities.** When any criminal offense is committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member shall be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for punishment for such crime, but such trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court-martial for any military offense resulting from the commission of said crime.~~

Subd. 2. **Service member data.** Notwithstanding any provision of chapter 13 or other state law, all confidential data on individuals and private data on individuals, as defined by section 13.02, subdivisions 3 and 12, pertaining to any service member of the military forces and maintained by any government entity, including but not limited to investigative reports and law enforcement data~~, including but not limited to all data~~ collected and defined under section 13.82 ~~pertaining to any service member of the military forces~~, must be made accessible to the adjutant general of the Minnesota National Guard upon request of the Office of the State Judge Advocate, except for data under chapter 5B. All information, data,

and records obtained under this subdivision may be accessed, copied, transmitted, or provided to the adjutant general without a court order or request from the subject of the data when the matter involves any officer or enlisted member of the military forces. ~~The adjutant general may only use data made accessible under this subdivision in support of military justice and Minnesota National Guard administrative and disciplinary actions.~~

Sec. 8. Minnesota Statutes 2022, section 193.143, is amended to read:

**193.143 STATE ARMORY BUILDING COMMISSION, POWERS.**

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the power of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of $15,000,000.

(4) To provide partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

(6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

(7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

(8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

(9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) to pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) to pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) if any further excess money remains, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized, provided that any bonds so purchased shall thereupon be canceled.

(10) To adopt and use a corporate seal.

(11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

(12) Such corporation shall issue no stock.

(13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

(14) The Minnesota State Armory Building Commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota State Armory Building Commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, ~~and~~ debt service, and other obligations reasonable and necessary, of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

(15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

(16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota State Armory Building Commission is designated as the agency of the state to receive such grants and to

use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 9. Minnesota Statutes 2022, section 193.29, subdivision 1, is amended to read:

Subdivision 1. **Armory board.** The adjutant general may delegate authority for the control, operation, and use of each armory building and grounds occupied by any of the military forces of the state ~~shall be vested in~~ to an armory board consisting of officers, warrant officers, or enlisted personnel representing the organization or organizations quartered therein, as hereinafter provided, except that the commission-owned armories which have been or may be constructed or acquired and operated under the provisions of sections 193.139 to 193.149, and acts supplementary thereto shall be controlled and operated as provided therein.

Sec. 10. Minnesota Statutes 2022, section 193.29, subdivision 4, is amended to read:

Subd. 4. **Rentals; proceeds.** The armory board may rent an armory to entities or individuals under terms and conditions ~~the board determines~~ as determined by the adjutant general, but rentals may not conflict with the use of the armory for military purposes. The proceeds of rentals and all other income accruing to each armory constitutes the armory fund and must be applied by the armory board of each armory, as the adjutant general shall direct, for its maintenance, extension, improvement, and equipment, but all armory funds and all allowances from the state accruing to commission-owned armories must be paid to the commission.

Sec. 11. Minnesota Statutes 2022, section 193.36, subdivision 2, is amended to read:

Subd. 2. **May sell and convey property ~~in certain cases~~.** In any case when the adjutant general finds it advantageous for military training, the adjutant general may sell and convey property to the municipality or county in which the property is located at a price to be determined by an appraiser to be selected by the adjutant general. The money received must be credited to the general fund and is appropriated to the adjutant general to be used: (1) as a contribution for the construction or acquisition of an armory, armories, or armory facilities to replace the one sold; or (2) for the maintenance, operation, repair, rehabilitation, or improvement of existing armory facilities. The money may also be transferred to the Minnesota State Armory Commission: (1) for the replacement of an armory, armories, or armory facilities constructed or acquired by the commission; or (2) for the maintenance, operation, repair, rehabilitation, or improvement of facilities owned by the commission. If the money received is not expended for the purposes stated in this subdivision within ten

years after the old armory has been sold, the appropriation to the adjutant general as provided in this subdivision lapses. In the event that both the municipality and the county desire to purchase the armory, the municipality must be given first priority to purchase the armory. In addition to money, the adjutant general may consider local government contributions to include the donation of land, provision of utilities to provide for a new armory, or other expenditures by the municipality or county.

If the municipality or county does not purchase the property after a reasonable opportunity, the adjutant general may sell and convey it to any person after a public sale of the property by first advertising for bids or proposals for three consecutive weeks in a newspaper of general circulation in the area that the property is located and accepting the proposal most favorable to the department. The adjutant general may reject all proposals. The proceeds of the sale must be credited as provided in this subdivision. The adjutant general may lease any armory remaining unsold to the municipality for public purposes.

Sec. 12. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to read:

Subd. 2a. **May sell and convey property in certain cases to limited resource municipalities.** The adjutant general may sell and convey property to a municipality at a price to be determined by the adjutant general with the condition that the property remain in public use by the municipality for no less than 25 years, if the adjutant general:

(1) finds it advantageous for military training;

(2) intends to sell and convey property located in a municipality; and

(3) determines that the municipality in which the property is located lacks sufficient property tax base or other resources to purchase the property at the appraised value.

Sec. 13. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to read:

Subd. 2b. **Exchange of property.** The adjutant general with the approval of the Land Exchange Board may exchange any property for any publicly or privately held property without regard for value when the adjutant general finds it advantageous for military training, operations, or reduction of management costs.

Sec. 14. Minnesota Statutes 2022, section 193.36, subdivision 3, is amended to read:

Subd. 3. **Disposition of unsuitable armory sites and buildings.** The adjutant general with the approval of the governor, may sell and convey on behalf of the state any state armory sites and buildings which in the judgment of the adjutant general are unsuitable for military purposes or which have been condemned by proper authority as unsafe. Money received from the sale of such armories shall be paid into the state treasury and credited to the ~~general fund~~ maintenance appropriation of the Department of Military Affairs or the Minnesota State Armory Building Commission as determined by the adjutant general.

Sec. 15. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to read:

Subd. 4. **Bond financed property.** Notwithstanding a provision to the contrary in this section, all conveyances, sales, or exchanges under this section of state bond financed property, as defined in section 16A.695, subdivision 1, are subject to section 16A.695, subdivision 3.

Sec. 16. Minnesota Statutes 2022, section 197.63, subdivision 1, is amended to read:

Subdivision 1. **Issuance without charge.** A certified copy of a birth, death, marriage, divorce, dissolution of marriage record, or certified copy of veteran's discharge recorded pursuant to section 386.20, shall be issued promptly by the officer charged with the keeping of the records upon the request of, and without any charge to, any veteran, the surviving spouse or next of kin of the veteran, a county veteran service officer appointed pursuant to section 197.60, or a service ~~officers~~ officer of any veterans organization chartered by the Congress of the United States~~,~~ or the Department of Veterans Affairs~~,~~ for use in the presentation of claims to the United States Veterans Administration or in connection with any veterans organization or the Department of Veterans Affairs. The word "veteran" as used in this section means any man or woman who is a veteran as defined in section 197.447, and who is a citizen of the United States or resident alien.

Sec. 17. Minnesota Statutes 2022, section 198.005, is amended to read:

**198.005 ADMINISTRATORS.**

The commissioner shall appoint an administrator for each of the veterans homes. The administrators act as the administrative head for their respective veterans homes. The administrators shall have a current Minnesota nursing home administrator's license and shall serve in the unclassified service. The salaries of the administrators are not subject to section

43A.17, subdivision 1. ~~The administrators serve at the pleasure of the commissioner and report directly to the commissioner.~~

Sec. 18. Minnesota Statutes 2022, section 198.006, is amended to read:

**198.006 SUPPLEMENTAL PROGRAMS.**

(a) The commissioner must work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

(b) The commissioner may work with federal, state, local, and private entities to make available appropriate dental services for veterans homes residents. The commissioner may engage with the United States Department of Veterans Affairs to support the dental benefits program authorized under this paragraph.

(c) The commissioner may provide adult day care center programs that offer therapeutic and rehabilitation health care services to veterans and support services for caregivers of veterans. If the commissioner provides adult day care center programs, the commissioner may collect fees from program participants. The commissioner is authorized to apply for and accept federal funding for purposes of this paragraph.

(d) The commissioner may operate a central pharmacy to provide any veterans home resident with pharmaceuticals prescribed as part of the resident's care plan. Any pharmacy established under this paragraph must comply with state and federal law, including any applicable rules. The commissioner may engage with the United States Department of Veterans Affairs to support the central pharmacy authorized under this paragraph.

Sec. 19. Minnesota Statutes 2022, section 375.34, is amended to read:

**375.34 MEMORIAL DAY AND VETERANS DAY, APPROPRIATION FOR OBSERVANCE.**

The county board of each county may appropriate funds from the revenue fund of the county ~~not more than $3,500 annually~~ to aid in the observance of Memorial Day in commemoration of the noble and valiant deeds of the nation's soldier dead and Veterans Day.

Sec. 20. Minnesota Statutes 2022, section 375.35, is amended to read:

**375.35 ~~$300~~ APPROPRIATIONS TO MILITARY SERVICE ORGANIZATIONS FOR MEMORIAL DAY AND VETERANS DAY.**

A county board may also appropriate funds annually ~~not more than $300~~ to each post of a recognized military service persons' organization or society, holding charter from Congress or incorporated in this state, organized and existing in the county, to defray the expenses of Memorial Day and Veterans Day exercises.

Sec. 21. Minnesota Statutes 2022, section 609.396, is amended to read:

**609.396 UNAUTHORIZED PRESENCE ~~AT CAMP RIPLEY~~ ON MILITARY INSTALLATIONS.**

Subdivision 1. **Misdemeanor.** A person is guilty of a misdemeanor if the person intentionally and without the authorization of the adjutant general or a duly appointed commander in accordance with federal regulations enters or is present on ~~the Camp Ripley Military Reservation~~ or in any campground, any military reservation, any armory, any installation, or any facility owned or controlled by the state or federal government for military purposes.

Subd. 2. **Felony.** A person is guilty of a felony and may be sentenced to not more than five years imprisonment or to payment of a fine of not more than $10,000, or both, if:

(1) the person intentionally enters or is present in an area ~~at the Camp Ripley Military Reservation~~ that is posted by order of the adjutant general as restricted for weapon firing or other hazardous military activity; and

(2) the person knows that doing so creates a risk of death, bodily harm, or serious property damage.

Sec. 22. Laws 2010, chapter 333, article 2, section 23, as amended by Laws 2011, First Special Session chapter 12, section 47, is amended to read:

Sec. 23. **PLANNING NEW VETERANS CEMETERIES.**

(a) The commissioner of veterans affairs shall determine a suitable site and plan for ~~three~~ four new state veterans cemeteries, one to be located in northeastern Minnesota, one to be located in northwestern Minnesota, one to be located in southeastern Minnesota, and one to be located in southwestern Minnesota. In determining the site for a cemetery, the commissioner shall consider available public land options and shall seek proposals for

donated land from interested counties, local communities, civic organizations, veterans service organizations, and individuals.

(b) For determining the veterans cemetery site in southeastern Minnesota, the commissioner shall give priority consideration to land owned and proposed for donation by the county of Fillmore.

(c) The commissioner's planning process for a state veterans cemetery must include, at a minimum, the following actions:

(1) determining the need for the cemetery;

(2) investigating the availability of suitable land for the cemetery;

(3) assessment of impacts of the cemetery;

(4) encouragement of support from veteran service organizations and local governments; and

(5) preparation and submission of a preapplication for a grant from the United States Department of Veterans Affairs for commitment of funding for establishing the cemetery.

(d) By January 15, 2011, the commissioner shall report to the chair and ranking minority member of the house of representatives and senate committees having responsibility for veterans affairs with a report of the commissioner's progress in implementing this section.

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

Sec. 23. Laws 2023, chapter 38, article 1, section 3, subdivision 2, is amended to read:

| | | |
|---|---|---|
| Subd. 2. **Veterans Programs and Services** | 56,523,000 | 31,214,000 |
| The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $30,258,000 in fiscal year 2026 and each fiscal year thereafter. | | |
| (a) **State's Veterans Cemeteries.** $4,282,000 each year is for the operation of the state's veterans cemeteries. The base for this appropriation is $3,782,000 in fiscal year 2026 and each fiscal year thereafter. | | |
| (b) **Veterans Service Organizations.** $500,000 each year is for grants to the | | |

following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** $1,550,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(g) **Camp Bliss**. $150,000 each year is for a grant to Camp Bliss as provided under article 2, section 9.

(h) **Veterans on the Lake.** $50,000 each year is for a grant to Veterans on the Lake for expenses related to retreats for veterans,

including therapy, transportation, and activities customized for veterans. These are onetime appropriations.

(i) **Veteran Resilience Project.** $300,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation is $200,000 in fiscal year 2026 and each fiscal year thereafter.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(j) **CORE Program.** $1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(k) **LinkVet Call Center.** $369,000 each year is for the operation of the state's LinkVet Call Center.

(l) **Recently Separated Veterans Program.** $350,000 each year is for operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that were provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

(m) **Homeless Veterans and SOAR Program.** $1,035,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation is $1,344,000 in fiscal year 2026 and each fiscal year thereafter.

(n) **Minnesota Assistance Council for Veterans.** $7,865,000 the first year and $1,075,000 the second year are for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and veterans' families who are homeless or in danger of homelessness, including assistance with:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs;

(5) transportation;

(6) the acquisition and creation of permanent supportive housing; and

(7) property management of permanent supportive housing.

Of these amounts, $6,350,000 the first year is for the establishment of permanent supportive housing options for homeless veterans and former service members. This is a onetime appropriation and is available until June 30, 2026. $440,000 the first year is for the direct veteran assistance grant. This is a onetime appropriation. Any unencumbered balance remaining in this subdivision in the first year for grants to the Minnesota Assistance Council for Veterans does not cancel and is available for the second year. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(o) **Veterans Bonus Program.** $15,000,000 the first year is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2024.

(p) **Metro Meals on Wheels.** $540,000 each year is for a grant to Metro Meals on Wheels to provide: (1) home-delivered meals to veterans; and (2) technical, enrollment, outreach, and volunteer recruitment assistance to member programs. Metro Meals on Wheels must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by September 1 each year with a detailed explanation of how the grant money was used and the number of veterans and service members served by the program. This is a onetime appropriation. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(q) **Minnesota Military and Veterans Museum.** $225,000 the second year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

(r) **Every Third Saturday.** $100,000 each year is for a grant to Every Third Saturday to provide veterans with emergency assistance and internships. Every Third Saturday must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance no later than September 1, 2024, and by September 1 of each subsequent year. Each report must include, at a minimum, a detailed

explanation of how the grant money was used and the number of veterans served by the program. These are onetime appropriations.

(s) **Veteran Homelessness Initiative.** $4,311,000 the first year and $1,311,000 the second year are for an initiative to prevent and end veteran homelessness.

(t) **Veterans Campground Wastewater System Upgrades.** $744,000 the first year is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

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

Sec. 24. Laws 2023, chapter 38, article 1, section 3, subdivision 3, is amended to read:

| | | |
|---|---|---|
| Subd. 3. **Veterans Health Care** | 90,025,000 | 100,797,000 |

(a) The base for this appropriation in fiscal year 2026 is $93,387,000 and $94,435,000 in fiscal year 2027 and each fiscal year thereafter.

(b) $88,885,000 the first year and $99,847,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. If the amount available in fiscal year 2024 is insufficient, the amount appropriated in fiscal year 2025 is available

in fiscal year 2024. The base for this transfer is $92,437,000 in fiscal year 2026 and $93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) $400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(e) $190,000 the first year is for the working group established under article 2, section 8.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Port |
| Carlson | Gustafson | Latz | Morrison | Putnam |
| Champion | Hauschild | Mann | Murphy | Rest |
| Cwodzinski | Hawj | Marty | Nelson | Seeberger |
| Dibble | Hoffman | Maye Quade | Oumou Verbeten | Westlin |
| Dziedzic | Klein | McEwen | Pappas | Wiklund |
| Fateh | Kunesh | Mitchell | Pha | Xiong |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, Port, and Putnam.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Utke |
| Anderson | Duckworth | Jasinski | Lucero | Weber |
| Bahr | Eichorn | Johnson | Mathews | Wesenberg |
| Coleman | Farnsworth | Koran | Miller | Westrom |
| Dahms | Green | Kreun | Pratt | |
| Dornink | Gruenhagen | Lang | Rarick | |
| Draheim | Housley | Lieske | Rasmusson | |

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3454:** A bill for an act relating to the military; modifying the definition of criminal justice agencies; modifying data that the adjutant general may request from other agencies; modifying powers of the adjutant general; authorizing the adjutant general to establish a referral bonus program; modifying the crime of unauthorized presence at military installations; amending Minnesota Statutes 2022, sections 13.02, subdivision 3a; 13.785; 190.16, subdivisions 3, 6a; 192.25; 192.501, by adding a subdivision; 192.67; 609.396.

President Champion resumed the Chair.

Senator Mitchell moved to amend H.F. No. 3454, as amended pursuant to Rule 45, adopted by the Senate April 15, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 4429.)

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 2022, section 13.02, subdivision 3a, is amended to read:

Subd. 3a. **Criminal justice agencies.** "Criminal justice agencies" means all state and local prosecution authorities, all state and local law enforcement agencies, the Sentencing Guidelines Commission, the Bureau of Criminal Apprehension, the Department of Corrections, the Minnesota National Guard, and all probation officers who are not part of the judiciary.

Sec. 2. Minnesota Statutes 2022, section 13.785, is amended to read:

**13.785 VETERANS OR MILITARY AFFAIRS DATA CODED ELSEWHERE.**

Subdivision 1. **Scope.** The sections referred to in this section are codified outside this chapter. Those sections classify veterans or military affairs data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Department of Veterans Affairs.** (a) **Certain veterans benefits and military certificates of discharge.** Access to military certificates of discharge and to files pertaining to claims for certain veterans benefits is governed by section 196.08.

(b) **Environmental Hazards Information and Assistance Act.** Disclosure of summary data and of the identity of a veteran about whom information is received under sections 196.19 to 196.26, is governed by section 196.25.

Subd. 3. **Veterans rewards and privileges; service officers.** Data maintained by county veterans service officers are classified under section 197.603.

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

Subd. 5. **Veterans stable housing.** Data maintained for purposes of the veterans stable housing initiative is classified under section 196.081.

Subd. 6. **Service member data; disclosure to adjutant general.** Access to data on a service member of the military forces by the adjutant general of the Minnesota National Guard is governed by section 192.67, subdivision 2."

Page 2, after line 10, insert:

"Sec. 5. Minnesota Statutes 2022, section 192.25, is amended to read:

**192.25 EXEMPTION FROM PROCESS; TRANSFER TO CIVIL AUTHORITIES.**

Subdivision 1. **Exemption from process.** No member of the guard shall be arrested, or served with any summons, order, warrant or other civil process after having been ordered to any duty or while going to, attending or returning from any place to which the member is required to go for military duty; but nothing herein shall prevent an arrest by order of a military officer or for a felony or breach of the peace committed while not in the actual performance of assigned duties. The articles of equipment personally owned by such members shall be exempt from seizure or sale for debt.

Subd. 2. **Transfer to civil authorities.** When probable cause exists that a criminal offense, other than a crime designated as a purely military offense in section 192A.021, has been committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member may be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for adjudication of such crime, to include imposition of pretrial restraint, but trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court-martial for any military offense resulting from the commission of said crime."

Page 2, after line 31, insert:

"Sec. 7. Minnesota Statutes 2022, section 192.67, is amended to read:

**192.67 ~~OFFENDERS; TRANSFER TO CIVIL AUTHORITIES;~~ SERVICE MEMBER DATA.**

~~Subdivision 1. **Transfer to civil authorities.** When any criminal offense is committed by any officer or enlisted member of the military forces while on duty status other than federal duty, the officer or enlisted member shall be turned over by superior officers to the proper civil authorities of the county or municipality in which the offense occurred for punishment for such crime, but such trial and punishment by the civil authorities shall not preclude trial and additional punishment or dismissal from the service by court-martial for any military offense resulting from the commission of said crime.~~

Subd. 2. **Service member data.** Notwithstanding any provision of chapter 13 or other state law, all confidential data on individuals and private data on individuals, as defined by section 13.02, subdivisions 3 and 12, pertaining to any service member of the military forces and maintained by any government entity, including but not limited to investigative reports and law enforcement data~~, including but not limited to all data~~ collected and defined under section 13.82 ~~pertaining to any service member of the military forces~~, must be made accessible to the adjutant general of the Minnesota National Guard upon request of the Office of the State Judge Advocate, except for data under chapter 5B. All information, data, and records obtained under this subdivision may be accessed, copied, transmitted, or provided to the adjutant general without a court order or request from the subject of the data when the matter involves any officer or enlisted member of the military forces. ~~The adjutant general may only use data made accessible under this subdivision in support of military justice and Minnesota National Guard administrative and disciplinary actions.~~"

Page 9, after line 28, insert:

"Sec. 21. Minnesota Statutes 2022, section 609.396, is amended to read:

**609.396 UNAUTHORIZED PRESENCE ~~AT CAMP RIPLEY~~ ON MILITARY INSTALLATIONS.**

Subdivision 1. **Misdemeanor.** A person is guilty of a misdemeanor if the person intentionally and without the authorization of the adjutant general or a duly appointed commander in accordance with federal regulations enters or is present on ~~the Camp Ripley Military Reservation~~ or in any campground, any military reservation, any armory, any installation, or any facility owned or controlled by the state or federal government for military purposes.

Subd. 2. **Felony.** A person is guilty of a felony and may be sentenced to not more than five years imprisonment or to payment of a fine of not more than $10,000, or both, if:

(1) the person intentionally enters or is present in an area ~~at the Camp Ripley Military Reservation~~ that is posted by order of the adjutant general as restricted for weapon firing or other hazardous military activity; and

(2) the person knows that doing so creates a risk of death, bodily harm, or serious property damage."

Page 16, after line 28, insert:

"Sec. 24. Laws 2023, chapter 38, article 1, section 3, subdivision 3, is amended to read:

| | | |
|---|---|---|
| Subd. 3. **Veterans Health Care** | 90,025,000 | 100,797,000 |

(a) The base for this appropriation in fiscal year 2026 is $93,387,000 and $94,435,000 in fiscal year 2027 and each fiscal year thereafter.

(b) $88,885,000 the first year and $99,847,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. If the amount available in fiscal year 2024 is insufficient, the amount appropriated in fiscal year 2025 is available in fiscal year 2024. The base for this transfer is $92,437,000 in fiscal year 2026 and $93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) $400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(e) $190,000 the first year is for the working group established under article 2, section 8."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3454 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Mathews | Pratt |
| Anderson | Eichorn | Klein | Maye Quade | Putnam |
| Boldon | Farnsworth | Koran | McEwen | Rarick |
| Carlson | Fateh | Kreun | Miller | Rasmusson |
| Champion | Frentz | Kunesh | Mitchell | Rest |
| Coleman | Green | Kupec | Mohamed | Seeberger |
| Cwodzinski | Gruenhagen | Lang | Morrison | Utke |
| Dahms | Gustafson | Latz | Murphy | Weber |
| Dibble | Hauschild | Lieske | Nelson | Wesenberg |
| Dornink | Hawj | Limmer | Oumou Verbeten | Westlin |
| Draheim | Hoffman | Lucero | Pappas | Westrom |
| Drazkowski | Housley | Mann | Pha | Wiklund |
| Duckworth | Jasinski | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, Pha, Port, and Putnam.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Draheim, Housley, and Jasinski.

Those who voted in the negative were:

| | |
|---|---|
| Bahr | Howe |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3204:** A bill for an act relating to state government; public employees insurance program modifications; amending Minnesota Statutes 2022, section 43A.316, subdivision 5.

S.F. No. 3204 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 22, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dibble | Frentz | Jasinski | Limmer |
| Boldon | Draheim | Gustafson | Klein | Mann |
| Carlson | Duckworth | Hauschild | Kreun | Marty |
| Champion | Dziedzic | Hawj | Kunesh | Maye Quade |
| Coleman | Farnsworth | Hoffman | Kupec | McEwen |
| Cwodzinski | Fateh | Housley | Latz | Miller |

# 033. HF 3925

**Vote:** 2024-04-18 | **Workbook row:** 38
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Property insurance provided for grantee beneficiaries of transfer on death deeds; and technical, clarifying, and conforming changes made to transfer on death deeds.

## Included complete bill documents

**1. Introduction, posted 2024-02-16** - 12 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3925/versions/0/pdf/

## Original Senate journal context

PDF pages 517-518. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240418103.pdf#page=518

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3925/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 3925

02/19/2024 Authored by Feist, Scott and Dotseth
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
03/07/2024 Adoption of Report: Placed on the General Register
Read for the Second Time
03/25/2024 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/18/2024 Passed by the Senate and returned to the House
04/25/2024 Presented to Governor
04/26/2024 Governor Approval

A bill for an act

relating to real property; providing for property insurance for grantee beneficiaries of transfer on death deeds; making technical, clarifying, and conforming changes to transfer on death deeds; amending Minnesota Statutes 2022, section 507.071; proposing coding for new law in Minnesota Statutes, chapter 507.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 507.071, is amended to read:

**507.071 TRANSFER ON DEATH DEEDS.**

Subdivision 1. **Definitions.** For the purposes of this section the following terms have the meanings given:

(a) "Beneficiary" or "grantee beneficiary" means a person or entity named as a grantee beneficiary in a transfer on death deed, including a successor grantee beneficiary.

(b) "County agency" means the county department or office designated to recover medical assistance benefits from the estates of decedents.

(c) "Grantor owner" means an owner, whether individually, as a joint tenant, or as a tenant in common, named as a grantor in a transfer on death deed upon whose death the conveyance or transfer of the described real property is conditioned. Grantor owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(d) "Owner" means a person having an ownership or other interest in all or part of the real property to be conveyed or transferred by a transfer on death deed either at the time the

deed is executed or at the time the transfer becomes effective. Owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(e) "Property" and "interest in real property" mean any interest in real property located in this state which is transferable on the death of the owner and includes, without limitation, an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security interest in, or a security pledge of, an interest in real property, including the rights to payments of the indebtedness secured by the security instrument, a judgment, a tax lien, both the seller's and purchaser's interest in a contract for deed, land contract, purchase agreement, or earnest money contract for the sale and purchase of real property, including the rights to payments under such contracts, or any other lien on, or interest in, real property.

(f) "Recorded" means recorded in the office of the county recorder or registrar of titles, as appropriate for the real property described in the instrument to be recorded.

(g) "State agency" means the Department of Human Services or any successor agency.

(h) "Transfer on death deed" means a deed authorized under this section.

Subd. 2. **Effect of transfer on death deed.** A deed that conveys or assigns an interest in real property, to a grantee beneficiary and that expressly states that the deed is only effective on the death of one or more of the grantor owners, transfers the interest to the grantee beneficiary upon the death of the grantor owner upon whose death the conveyance or transfer is stated to be effective, but subject to the survivorship provisions and requirements of section 524.2-702. Until a transfer on death deed becomes effective, it has no effect on title to the real property described in the deed, but it does create an insurable interest in the real property in favor of the designated grantee beneficiary or beneficiaries for purposes of insuring the real property against loss or damage that occurs on or after the transfer on death deed becomes effective. A transfer on death deed must comply with all provisions of Minnesota law applicable to deeds of real property including, but not limited to, the provisions of sections 507.02, 507.24, 507.34, 508.48, and 508A.48. If a spouse who is neither a grantor owner nor an owner joins in the execution of, or consents in writing to, the transfer on death deed, such joinder or consent shall be conclusive proof that upon the transfer becoming effective, the spouse no longer has or can claim any statutory interest or other marital interest in the interest in real property transferred by the transfer on death deed. However, such transfer shall remain an interest as identified in section 256B.15 for purposes of complying with and satisfying any claim or lien as authorized by subdivision 3.

Subd. 3. **Rights of creditors and rights of state and county under sections 246.53, 256B.15, 256D.16, 261.04, and 514.981.** The interest transferred to a beneficiary under a transfer on death deed after the death of a grantor owner is transferred subject to all effective conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, judgments, tax liens, and any other matters or encumbrances to which the interest was subject on the date of death of the grantor owner, upon whose death the transfer becomes effective including, but not limited to, any claim by a surviving spouse who did not join in the execution of, or consent in writing to, the transfer on death deed, and any claim or lien by the state or county agency authorized by sections 246.53, 256B.15, 256D.16, 261.04, and 514.981, if other assets of the deceased grantor's estate are insufficient to pay the amount of any such claim. A beneficiary to whom the interest is transferred after the death of a grantor owner shall be liable to account to the state or county agency with a claim or lien authorized by section 246.53, 256B.15, 256D.16, 261.04, or 514.981, to the extent necessary to discharge any such claim remaining unpaid after application of the assets of the deceased grantor owner's estate, but such liability shall be limited to the value of the interest transferred to the beneficiary. To establish compliance with this subdivision and subdivision 23, the beneficiary must record a clearance certificate issued in accordance with subdivision 23 in each county in which the real property described in the transfer on death deed is located.

Subd. 4. **Multiple grantee beneficiaries.** A transfer on death deed may designate multiple grantee beneficiaries to take title as joint tenants, as tenants in common or in any other form of ownership or tenancy that is valid under the laws of this state. If a grantee joint tenant dies before the grantor owner upon whose death the transfer occurs and no successor beneficiary for the deceased grantee is designated in the transfer on death deed, the surviving joint tenants are the successors and no interest lapses.

Subd. 5. **Successor grantee beneficiaries.** A transfer on death deed may designate one or more successor grantee beneficiaries or a class of successor grantee beneficiaries, or both. If the transfer on death deed designates successor grantee beneficiaries or a class of successor grantee beneficiaries, the deed shall state the condition under which the interest of the successor grantee beneficiaries would vest.

Subd. 6. **Multiple joint tenant grantors.** If an interest in real property is owned as joint tenants, a transfer on death deed executed by all of the owners and, if required by section 507.02, their respective spouses, if any, that conveys an interest in real property to one or more grantee beneficiaries transfers the interest to the grantee beneficiary or beneficiaries effective only after the death of the last surviving grantor owner. If the last surviving joint tenant owner did not execute the transfer on death deed, the deed is ineffective to transfer

any interest and the deed is void. An estate in joint tenancy is not severed or affected by the subsequent execution of a transfer on death deed and the right of a surviving joint tenant owner who did not execute the transfer on death deed shall prevail over a grantee beneficiary named in a transfer on death deed unless the deed specifically states that it severs the joint tenancy ownership.

Subd. 7. **Execution by attorney-in-fact.** A transfer on death deed may be executed by a duly appointed attorney-in-fact pursuant to a power of attorney which grants the attorney-in-fact the authority to execute deeds.

Subd. 8. **Recording requirements and authorization.** A transfer on death deed is valid if the deed is recorded in a county in which at least a part of the real property described in the deed is located and is recorded before the death of the grantor owner upon whose death the conveyance or transfer is effective. Notwithstanding the definition of recorded under subdivision 1, if the real property is registered property, a transfer on death deed that was recorded incorrectly or incompletely is valid if the deed was recorded before the death of the grantor owner in the office of the county recorder or the registrar of titles in a county in which at least part of the real property is located, and is memorialized on the certificate of title after death. A transfer on death deed is not effective for purposes of section 507.34, 508.47, or 508A.47 until the deed is properly recorded in the county in which the real property is located. When a transfer on death deed is presented for recording, no certification by the county auditor as to transfer of ownership and current and delinquent taxes shall be required or made and the transfer on death deed shall not be required to be accompanied by a certificate of real estate value. A transfer on death deed that otherwise satisfies all statutory requirements for recording may be recorded and shall be accepted for recording in the county in which the property described in the deed is located. If any part of the property described in the transfer on death deed is registered property, the registrar of titles shall accept the transfer on death deed for recording only if at least one of the grantors who executes the transfer on death deed appears of record to have an ownership interest or other interest in the real property described in the deed. No certification or approval of a transfer on death deed shall be required of the examiner of titles prior to recording of the deed in the office of the registrar of titles.

Subd. 9. **Deed to trustee or other entity.** A transfer on death deed may transfer an interest in real property to the trustee of an inter vivos trust even if the trust is revocable, to the trustee of a testamentary trust or to any other entity legally qualified to hold title to real property under the laws of this state.

Subd. 10. **Revocation or modification of transfer on death deed.** (a) A transfer on death deed may be revoked at any time by the grantor owner or, if there is more than one grantor owner, by any of the grantor owners. A revocation revokes the transfer on death deed in its entirety. To be effective, the revocation must be recorded in a county in which at least a part of the real property is located before the death of the grantor owner or owners who execute the revocation. Notwithstanding the definition of recorded under subdivision 1, if the real property is registered property, a revocation that was recorded incorrectly or incompletely is effective if it was recorded before the death of the grantor owner in the office of the county recorder or the registrar of titles in a county in which at least part of the real property is located, and is memorialized on the certificate of title after death. The revocation is not effective for purposes of section 507.34, 508.47, or 508A.47 until the revocation is properly recorded in a county in which the real property is located.

(b) If a grantor owner conveys to a third party, subsequent to the recording of the transfer on death deed, by means other than a transfer on death deed, all or a part of such grantor owner's interest in the property described in the transfer on death deed, no transfer of the conveyed interest shall occur on such grantor owner's death and the transfer on death deed shall be ineffective as to the conveyed or transferred interests, but the transfer on death deed remains effective with respect to the conveyance or transfer on death of any other interests described in the transfer on death deed owned by the grantor owner at the time of the grantor owner's death.

(c) A transfer on death deed is a "governing instrument" within the meaning of section 524.2-804 and, except as may otherwise be specifically provided for in the transfer on death deed, is subject to the same provisions as to revocation, revival, and nonrevocation set forth in section 524.2-804.

Subd. 11. **Antilapse; deceased beneficiary; words of survivorship.** (a) Except when a successor grantee beneficiary is designated in the transfer on death deed for the grantee beneficiary who did not survive the grantor owner, if a grantee beneficiary who is a grandparent or lineal descendant of a grandparent of the grantor owner fails to survive the grantor owner, the issue of the deceased grantee beneficiary who survive the grantor owner take in place of the deceased grantee beneficiary. If they are all of the same degree of kinship to the deceased grantee beneficiary, they take equally. If they are of unequal degree, those of more remote degree take by right of representation.

(b) For the purposes of this subdivision, words of survivorship such as, in a conveyance to an individual, "if he or she survives me," or, in a class gift, to "my surviving children,"

are a sufficient indication of intent to condition the conveyance or transfer upon the beneficiary surviving the grantor owner.

(c) When issue of a deceased grantee beneficiary or members of a class take in place of the named grantee beneficiary pursuant to subdivision 5 or paragraph (a) or (b) or when a beneficiary dies and has no issue under paragraph (a), an affidavit of survivorship stating the names and shares of the beneficiaries or stating that a deceased beneficiary had no issue is not conclusive and a court order made in accordance with Minnesota probate law determining the beneficiaries and shares must also be recorded.

Subd. 12. **Lapse.** If all beneficiaries and all successor beneficiaries, if any, designated in a transfer on death deed, and also all successor beneficiaries who would take under the antilapse provisions of subdivision 11, fail to survive the grantor owner or the last survivor of the grantor owners if there are multiple grantor owners, if the beneficiary is a trust which has been revoked prior to the grantor owner's death, or if the beneficiary is an entity no longer in existence at the grantor owner's death, no transfer shall occur and the transfer on death deed is void.

Subd. 13. **Multiple transfer on death deeds.** If a grantor owner executes and records more than one transfer on death deed conveying the same interest in real property or a greater interest in the real property, or conveying part of the property in the earlier transfer on death deed, the transfer on death deed that has the latest acknowledgment date and that is recorded before the death of the grantor owner upon whose death the conveyance or transfer is conditioned is the effective transfer on death deed and all other transfer on death deeds, if any, executed by the grantor owner or the grantor owners are ineffective to transfer any interest and are void, except that if the later transfer on death deed included only part of the land of the earlier deed, the earlier deed is effective for the lands not included in the subsequent deed, absent language to the contrary in the subsequent deed.

Subd. 14. **Nonademption; unpaid proceeds of sale, condemnation, or insurance; sale by conservator or guardian.** If at the time of the death of the grantor owner upon whose death the conveyance or transfer is stated to be effective, the grantor owner did not own a part or all of the real property described in the transfer on death deed, no conveyance or transfer to the beneficiary of the nonowned part of the real property shall occur upon the death of the grantor owner and the transfer on death deed is void as to the nonowned part of the real property, but the beneficiary shall have the same rights to unpaid proceeds of sale, condemnation or insurance, and, if sold by a conservator or guardian of the grantor owner during the grantor owner's lifetime, the same rights to a general pecuniary devise, as that of a specific devisee as set forth in section 524.2-606.

Subd. 15. **Nonexoneration.** Except as otherwise provided in subdivision 3, a conveyance or transfer under a transfer on death deed passes the described property subject to any mortgage or security interest existing at the date of death of the grantor owner, without right of exoneration, regardless of any statutory obligations to pay the grantor owner's debts upon death and regardless of a general directive in the grantor owner's will to pay debts.

Subd. 16. **Disclaimer by beneficiary.** A grantee beneficiary's interest under a transfer on death deed may be disclaimed as provided in sections 524.2-1101 to 524.2-1116, or as otherwise provided by law.

Subd. 17. **Effect on other conveyances.** This section does not prohibit other methods of conveying property that are permitted by law and that have the effect of postponing ownership or enjoyment of an interest in real property until the death of the owner. This section does not invalidate any deed that is not a transfer on death deed and that is otherwise effective to convey title to the interests and estates described in the deed that is not recorded until after the death of the owner.

Subd. 18. **Notice, consent, and delivery not required.** The signature, consent or agreement of, or notice to, a grantee beneficiary under a transfer on death deed, or delivery of the transfer on death deed to the grantee beneficiary, is not required for any purpose during the lifetime of the grantor owner.

Subd. 19. **Nonrevocation by will.** A transfer on death deed that is executed, acknowledged, and recorded in accordance with this section is not revoked by the provisions of a will.

Subd. 20. **Proof of survivorship and clearance from public assistance claims and liens; recording.** An affidavit of identity and survivorship with a certified copy of a record of death as an attachment may be combined with a clearance certificate under this section and the combined documents may be recorded separately or as one document in each county in which the real estate described in the clearance certificate is located. The affidavit must include the name and mailing address of the person to whom future property tax statements should be sent. The affidavit, record of death, and clearance certificate, whether combined or separate, shall be prima facie evidence of the facts stated in each, and the registrar of titles may rely on the statements to transfer title to the property described in the clearance certificate, except in cases where a court order is required pursuant to the provisions of subdivision 11, paragraph (c).

Subd. 21. **After-acquired property.** Except as provided in this subdivision, a transfer on death deed is not effective to transfer any interest in real property acquired by a grantor

owner subsequent to the date of signing of a transfer on death deed. A grantor owner may provide by specific language in a transfer on death deed that the transfer on death deed will apply to any interest in the described property acquired by the grantor owner after the signing or recording of the deed.

Subd. 22. **Anticipatory alienation prohibited.** The interest of a grantee beneficiary under a transfer on death deed which has not yet become effective is not subject to alienation; assignment; encumbrance; appointment or anticipation by the beneficiary; garnishment; attachment; execution or bankruptcy proceedings; claims for alimony, support, or maintenance; payment of other obligations by any person against the beneficiary; or any other transfer, voluntary or involuntary, by or from any beneficiary.

Subd. 23. **Clearance for public assistance claims and liens.** Any person claiming an interest in real property conveyed or transferred by a transfer on death deed, or the person's attorney or other agent, may apply to the county agency in the county in which the real property is located for a clearance certificate for the real property described in the transfer on death deed. The application for a clearance certificate and the clearance certificate must contain the legal description of each parcel of property covered by the clearance certificate. The county agency shall provide a sufficient number of clearance certificates to allow a clearance certificate to be recorded in each county in which the real property described in the transfer on death deed is located. The real property described in the clearance certificate is bound by any conditions or other requirements imposed by the county agency as specified in the clearance certificate. If the real property is registered property, a new certificate of title must not be issued until the clearance certificate is recorded. If the clearance certificate shows the continuation of a medical assistance claim or lien after issuance of the clearance certificate, the real property remains subject to the claim or lien. If the real property is registered property, the clearance certificate must be carried forward as a memorial in any new certificate of title. The application shall contain the same information and shall be submitted, processed, and resolved in the same manner and on the same terms and conditions as provided in section 525.313 for a clearance certificate in a decree of descent proceeding, except that a copy of a notice of hearing does not have to accompany the application. The application may contain a statement that the applicant, after reasonably diligent inquiry, is not aware of the existence of a predeceased spouse or the existence of a claim which could be recovered under section 246.53, 256B.15, 256D.16, 261.04, or 514.981. If the county agency determines that a claim or lien exists under section 246.53, 256B.15, 256D.16, 261.04, or 514.981, the provisions of section 525.313 shall apply to collection, compromise, and settlement of the claim or lien. A person claiming an interest in real property transferred

or conveyed by a transfer on death deed may petition or move the district court, as appropriate, in the county in which the real property is located or in the county in which a probate proceeding affecting the estate of the grantor of the transfer on death deed is pending, for an order allowing sale of the real property free and clear of any public assistance claim or lien but subject to disposition of the sale proceeds as provided in section 525.313. On a showing of good cause and subject to such notice as the court may require, the court without hearing may issue an order allowing the sale free and clear of any public assistance claim or lien on such terms and conditions as the court deems advisable to protect the interests of the state or county agency.

Subd. 24. **Form of transfer on death deed.** A transfer on death deed may be substantially in the following form:

Transfer on Death Deed

I (we) ..... (grantor owner or owners and spouses, if any, with marital status designated), grantor(s), hereby convey(s) and quitclaim(s) to ..... (grantee beneficiary, whether one or more) effective (check only one of the following)

.... on the death of the grantor owner, if only one grantor is named above, or on the death of the last of the grantor owners to die, if more than one grantor owner is named above, or

.... on the death of (name of grantor owner)

..... (must be one of the grantor owners named above), the following described real property:

(Legal description)

If checked, the following optional statement applies:

....When effective, this instrument conveys any and all interests in the described real property acquired by the grantor owner(s) before, on, or after the date of this instrument.

.....

(Signature of grantor(s))

(acknowledgment)

Subd. 25. **Form of instrument of revocation.** An instrument of revocation may be substantially in the following form:

Revocation of Transfer on Death Deed

The undersigned hereby revokes the transfer on death deed recorded on ....., ...., as Document No. ..... (or in Book ..... of ....., Page .....) in the office of the (County Recorder) (Registrar of Titles) of ..... County, Minnesota, affecting real property legally described as follows:

(legal description)

Dated:

.....

Signature

(acknowledgment)

Subd. 26. **Jurisdiction.** In counties where the district court has a probate division, the application of subdivision 11 or other issues of interpretation or validity of the transfer on death deed, and actions to enforce a medical assistance lien or claim against real property described in a transfer on death deed and any matter raised in connection with enforcement shall be determined in the probate division. ~~Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525.~~ In other counties, the district court shall have jurisdiction to determine any matter affecting real property purporting to be transferred by a transfer on death deed. Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525.

Sec. 2. **[507.072] PROPERTY INSURANCE FOR GRANTEE BENEFICIARIES OF TRANSFER ON DEATH DEEDS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply unless the context indicates otherwise.

(b) "Grantee beneficiary" has the meaning given in section 507.071, subdivision 1.

(c) "Insurance policy" means an insurance policy governed by chapter 65A.

(d) "Transfer on death deed" means a deed described in section 507.071.

(e) "Grantor owner" has the meaning given in section 507.071, subdivision 1.

(f) "Extended coverage" or "temporary extended coverage" means insurance coverage continuing beyond the death of the named insured.

Subd. 2. **Insurance policy to include grantee beneficiary.** An insurer providing an insurance policy on real property transferred by a transfer on death deed shall provide temporary extended coverage on the real property to the designated grantee beneficiary for a period commencing on the date of death of the grantor owner and ending when the grantee beneficiary replaces the insurance policy on the insured property with an insurance policy or the expiration of the time limitations set forth in subdivision 4, whichever is sooner.

Subd. 3. **Notice to the insurer.** To obtain temporary extended coverage for a transfer on death deed as provided in this section, the grantor owner must notify the insurer of the existence of a transfer on death deed. The notice shall include the names and contact information of all designated grantee beneficiaries.

Subd. 4. **Coverage extended.** The coverage to be extended under this section applies only with respect to the insurance policy insuring the real property of the grantor owner. The period of extended coverage shall not exceed 30 days from the date of the grantor owner's death or the expiration date of the insurance policy, whichever is less. An insurer is not required to provide notice to the grantee beneficiary for cancellation of coverage following the shorter of the 30 days or expiration date of the policy or the placement of replacement insurance coverage.

Subd. 5. **Proof demanded; policy conditions.** Before making any payment for a claim under this section, the insurer may require proof that the claimant is a grantee beneficiary under a transfer on death deed, the transfer on death deed was recorded as provided in section 507.071, and that an affidavit of survivorship and death certificate of the grantor owner was recorded as provided in section 507.071. The grantee beneficiary shall comply with the conditions of the policy.

Subd. 6. **Insurable interest.** A grantee beneficiary does not hold an insurable interest in the real property described in a transfer on death deed prior to the death of the grantor owner. Any claim on the insured real property described in a transfer on death deed initiated before the death of the grantor owner or the death benefits associated with the policy prior to the death of the grantor owner shall be settled with the estate of the grantor owner, not with the grantee beneficiary. A grantee beneficiary is not entitled to recover benefits under an insurance policy extended as provided in this section in an amount greater than the grantee beneficiary's insurable interest at the time of loss or damage. A grantee beneficiary is not entitled to any amounts paid out in prior claims on the property. If the transfer on death deed designates multiple grantee beneficiaries, nothing in this section requires the insurer to pay an amount for loss or damage to the insured real property that exceeds the amount

that would be owed to the grantor owner if the grantor owner was living at the time of loss or damage.

Subd. 7. **Warnings on transfer on death deeds.** On or after August 1 of the year of the effective date of this section, a transfer on death deed shall contain the following warnings in substantially the following form:

"Warning to Grantor Owner: Temporary extended coverage of any fire and casualty insurance policy on the property under Minnesota Statutes, chapter 65A, will exist only if the grantor owner has given notice to the insurer under Minnesota Statutes, section 507.072, subdivision 3, including the existence of a transfer on death deed and the names and contact information of all designated grantee beneficiaries. Any temporary extended coverage terminates on the earlier of (1) 30 days after the date of the grantor owner's death, (2) the expiration date of the policy, or (3) upon placement of a replacement insurance policy.

Warning to Grantee Beneficiary: A grantee beneficiary shall not presume insurance coverage continues after the death of the grantor owner. Upon the death of the grantor owner, the grantee beneficiary should determine whether the provisions of Minnesota Statutes, section 507.072, apply and consult with an insurance agent or attorney."

The failure to include warnings in a transfer on death deed in accordance with this subdivision shall not invalidate the transfer on death deed or affect recording of the transfer on death deed.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective on the day following final enactment and apply to insurance policies issued or renewed in Minnesota on or after August 1 of the year of final enactment. Sections 1 and 2 do not apply to insurance policies issued or renewed prior to August 1 of the year of final enactment or to transfer on death deeds recorded prior to that date unless the grantor owner provides the notice specified by section 2, subdivision 3.

| | | | |
|---|---|---|---|
| Seeberger | Westlin | Wiklund | Xiong |

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic, Hawj, McEwen, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 4784 was read the third time, as amended, and placed on its final passage.

## CALL OF THE SENATE

Senator Rasmusson imposed a call of the Senate for the balance of the proceedings on S.F. No. 4784. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the passage of S.F. No. 4784, as amended.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Kunesh | Mitchell | Port |
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Hawj, McEwen, Pha, and Port.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |
| Drazkowski | Howe | Limmer | Rasmusson | |

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Housley, and Jasinski.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3925:** A bill for an act relating to real property; providing for property insurance for grantee beneficiaries of transfer on death deeds; making technical, clarifying, and conforming changes to transfer on death deeds; amending Minnesota Statutes 2022, section 507.071; proposing coding for new law in Minnesota Statutes, chapter 507.

H.F. No. 3925 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Maye Quade | Rarick |
| Anderson | Eichorn | Klein | McEwen | Rasmusson |
| Bahr | Farnsworth | Koran | Miller | Rest |
| Boldon | Fateh | Kreun | Mitchell | Seeberger |
| Carlson | Frentz | Kunesh | Mohamed | Utke |
| Champion | Green | Kupec | Morrison | Weber |
| Coleman | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Lucero | Pha | Xiong |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Hawj, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Housley, and Jasinski.

So the bill passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## APPOINTMENTS

Senator Murphy from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 4097: Senators Klein, Seeberger, Frentz, Dahms, and Rasmusson.

S.F. No. 4399: Senators Hoffman, Mann, and Utke.

H.F. No. 4024: Senators Fateh, Putnam, and Duckworth.

Senator Murphy moved that the foregoing appointments be approved. The motion prevailed.

# 034. SF 3766

**Vote:** 2024-04-29 | **Workbook row:** 39
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Mayor Dave Smiglewski Memorial Bridge establishment

## Included complete bill documents

**1. Introduction, posted 2024-02-14** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/SF/3766/versions/0/pdf/

## Original Senate journal context

PDF pages 118-118. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240429107.pdf#page=118

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/SF/3766/

# SENATE
## STATE OF MINNESOTA
## NINETY-THIRD SESSION

# S.F. No. 3766

**(SENATE AUTHORS: DAHMS)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/15/2024 | 11611 | Introduction and first reading<br>Referred to Transportation |
| 02/26/2024 | 11735 | Comm report: To pass |
| | 11795 | Second reading |
| 04/29/2024 | 15562 | Special Order |
| | 15562 | Third reading Passed<br>See HF3436 |

A bill for an act

relating to transportation; designating the bridge on marked U.S. Highway 212 over the Minnesota River in the city of Granite Falls as "Mayor Dave Smiglewski Memorial Bridge"; amending Minnesota Statutes 2022, section 161.14, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 104. **Mayor Dave Smiglewski Memorial Bridge.** The bridge on marked U.S. Highway 212 over the Minnesota River in the city of Granite Falls is designated as "Mayor Dave Smiglewski Memorial Bridge." Subject to section 161.139, the commissioner must adopt a suitable design to mark the bridge and erect appropriate signs.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Anderson.

So the decision of the President was sustained.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 3766, H.F. Nos. 3868, 3376, 1989, and S.F. No. 5289.

## SPECIAL ORDER

**S.F. No. 3766:** A bill for an act relating to transportation; designating the bridge on marked U.S. Highway 212 over the Minnesota River in the city of Granite Falls as "Mayor Dave Smiglewski Memorial Bridge"; amending Minnesota Statutes 2022, section 161.14, by adding a subdivision.

S.F. No. 3766 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Eichorn | Johnson | Maye Quade | Putnam |
| Anderson | Farnsworth | Klein | McEwen | Rarick |
| Boldon | Fateh | Koran | Miller | Rasmusson |
| Carlson | Frentz | Kreun | Mitchell | Rest |
| Champion | Green | Kunesh | Mohamed | Seeberger |
| Coleman | Gruenhagen | Kupec | Morrison | Utke |
| Cwodzinski | Gustafson | Lang | Murphy | Weber |
| Dahms | Hauschild | Latz | Nelson | Wesenberg |
| Dibble | Hawj | Limmer | Oumou Verbeten | Westlin |
| Dornink | Hoffman | Lucero | Pappas | Westrom |
| Draheim | Housley | Mann | Pha | Wiklund |
| Drazkowski | Howe | Marty | Port | Xiong |
| Dziedzic | Jasinski | Mathews | Pratt | |

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Anderson.

So the bill passed and its title was agreed to.

# 035. SF 3881

**Vote:** 2024-05-01 | **Workbook row:** 40
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Designating a portion of marked U.S. Highway 169 between Marble and Mountain Iron as "Senator David J. Tomassoni Memorial Cross Range Expressway"

## Included complete bill documents

**1. 1st Engrossment, posted 2024-02-26** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/SF/3881/versions/1/pdf/

## Original Senate journal context

PDF pages 183-184. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240501109.pdf#page=184

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/SF/3881/

# SENATE
## STATE OF MINNESOTA
## NINETY-THIRD SESSION

# S.F. No. 3881

**(SENATE AUTHORS: FARNSWORTH, Eichorn, Hoffman, Jasinski and Dziedzic)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/19/2024 | 11640 | Introduction and first reading |
| | | Referred to Transportation |
| 02/20/2024 | 11676 | Author added Dziedzic |
| 02/26/2024 | 11734a | Comm report: To pass as amended |
| | 11795 | Second reading |
| 05/01/2024 | 15777 | Special Order |
| | 15778 | Third reading Passed |
| 05/02/2024 | 15782 | Returned from House |
| | | Presentment date 05/01/24 |
| | 16316 | Governor's action Approval 05/02/24 |
| | 16316 | Secretary of State Chapter 98 05/02/24 |
| | | Effective date 05/03/2024 |

A bill for an act

relating to transportation; designating a portion of marked U.S. Highway 169 between Marble and Mountain Iron as "Senator David J. Tomassoni Memorial Cross Range Expressway"; amending Minnesota Statutes 2022, section 161.14, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 104. **Senator David J. Tomassoni Memorial Cross Range Expressway.** That segment of marked U.S. Highway 169 from Itasca County State-Aid Highway 69 in the city of Marble to Saint Louis County State-Aid Highway 7 in the city of Mountain Iron is designated as "Senator David J. Tomassoni Memorial Cross Range Expressway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

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

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the negative vote on behalf of the following Senator: Dziedzic.

The motion did not prevail.

## MOTIONS AND RESOLUTIONS - CONTINUED

Senator Latz moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4271. The motion prevailed.

Senator Latz moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 5337. The motion prevailed.

Senator Dornink moved that S.F. No. 5468 be withdrawn from the Committee on Capital Investment and returned to its author. The motion prevailed.

**Senator Gustafson introduced --**

**Senate Resolution No. 96:** A Senate resolution congratulating Alice Lee on winning the 2024 Women's American Cup in chess.

Referred to the Committee on Rules and Administration.

**Senator Howe introduced --**

**Senate Resolution No. 97:** A Senate resolution congratulating the Rocori High School Drumline on winning the 2024 Percussion Scholastic Regional A Class state championship.

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 3881, H.F. Nos. 4310 and 3438.

## SPECIAL ORDER

**S.F. No. 3881:** A bill for an act relating to transportation; designating a portion of marked U.S. Highway 169 between Marble and Mountain Iron as "Senator David J. Tomassoni Memorial Cross Range Expressway"; amending Minnesota Statutes 2022, section 161.14, by adding a subdivision.

S.F. No. 3881 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Jasinski | Mathews | Pratt |
| Anderson | Eichorn | Johnson | Maye Quade | Putnam |
| Boldon | Farnsworth | Klein | McEwen | Rarick |
| Carlson | Fateh | Koran | Miller | Rasmusson |
| Champion | Frentz | Kreun | Mitchell | Rest |
| Coleman | Green | Kunesh | Mohamed | Seeberger |
| Cwodzinski | Gruenhagen | Kupec | Morrison | Utke |
| Dahms | Gustafson | Lang | Murphy | Weber |
| Dibble | Hauschild | Latz | Nelson | Wesenberg |
| Dornink | Hawj | Limmer | Oumou Verbeten | Westlin |
| Draheim | Hoffman | Lucero | Pappas | Westrom |
| Drazkowski | Housley | Mann | Pha | Wiklund |
| Duckworth | Howe | Marty | Port | Xiong |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Dziedzic.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson and Kreun.

So the bill passed and its title was agreed to.

The Senate paused for a moment of silence in recognition of Senator David J. Tomassoni.

## SPECIAL ORDER

**H.F. No. 4310:** A bill for an act relating to state government; ratifying certain compensation plans.

H.F. No. 4310 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 29, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Latz | Morrison | Seeberger |
| Boldon | Gustafson | Mann | Murphy | Westlin |
| Carlson | Hauschild | Marty | Oumou Verbeten | Wiklund |
| Champion | Hawj | Maye Quade | Pappas | Xiong |
| Cwodzinski | Hoffman | McEwen | Pha | |
| Dibble | Klein | Miller | Port | |
| Dziedzic | Kunesh | Mitchell | Putnam | |
| Fateh | Kupec | Mohamed | Rest | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Dziedzic.

# 036. HF 4109

**Vote:** 2024-05-07 | **Workbook row:** 41
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Human rights law provided, and civil penalties and other remedies provided.

## Included complete bill documents

**1. Introduction, posted 2024-02-21** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/4109/versions/0/pdf/

**2. 1st Unofficial Engrossment, posted 2024-05-07** - 10 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2024/0/HF/4109/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 58-66. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240507113.pdf#page=65

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/4109/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

## H. F. No. 4109

02/22/2024 Authored by Frederick and Edelson
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
03/11/2024 Adoption of Report: Placed on the General Register
Read for the Second Time
03/25/2024 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to judiciary; amending name of competency attainment board; amending Minnesota Statutes 2023 Supplement, sections 611.55, subdivision 1; 611.56, subdivisions 1, 6; 611.57, subdivisions 1, 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2023 Supplement, section 611.55, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "board" means the ~~State~~ Minnesota Competency Attainment Board established in section 611.56.

Sec. 2. Minnesota Statutes 2023 Supplement, section 611.56, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) The ~~State~~ Minnesota Competency Attainment Board is established in the judicial branch. The board is not subject to the administrative control of the judiciary. The board shall consist of seven members, including:

(1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and

(2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency attainment.

(b) The appointing authorities may not appoint an active judge to be a member of the board, but may appoint a retired judge.

(c) All members must demonstrate an interest in maintaining a high quality, independent forensic navigator program and a thorough process for certification of competency attainment programs. Members shall be familiar with the Minnesota Rules of Criminal Procedure, particularly rule 20; chapter 253B; and sections 611.40 to 611.59. Following the initial terms of appointment, at least one member appointed by the supreme court must have previous experience working as a forensic navigator. At least three members of the board shall live outside the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect the chair from among the membership for a term of two years.

Sec. 3. Minnesota Statutes 2023 Supplement, section 611.56, subdivision 6, is amended to read:

Subd. 6. **Fees and costs; civil actions on contested case.** Sections 15.039 and 15.471 to 15.474 apply to the ~~State~~ Minnesota Competency Attainment Board.

Sec. 4. Minnesota Statutes 2023 Supplement, section 611.57, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Certification Advisory Committee is established to provide the ~~State~~ Minnesota Competency Attainment Board with advice and expertise related to the certification of competency attainment programs, including jail-based programs.

Sec. 5. Minnesota Statutes 2023 Supplement, section 611.57, subdivision 4, is amended to read:

Subd. 4. **Duties.** The Certification Advisory Committee shall consult with the Department of Human Services, the Department of Health, and the Department of Corrections; make recommendations to the ~~State~~ Minnesota Competency Attainment Board regarding competency attainment curriculum, certification requirements for competency attainment programs including jail-based programs, and certification of individuals to provide competency attainment services; and provide information and recommendations on other issues relevant to competency attainment as requested by the board.

A bill for an act

relating to human rights; providing for certain human rights law; providing for civil penalties and other remedies; amending Minnesota Statutes 2022, sections 363A.03, subdivisions 12, 13, 18, 29; 363A.06, subdivision 4; 363A.07, subdivision 4; 363A.19; 363A.20, subdivision 2; 363A.26; 363A.28, subdivision 5; 363A.29, subdivisions 1, 2; 363A.33, subdivisions 1, 6, by adding subdivisions; Minnesota Statutes 2023 Supplement, sections 363A.02, subdivision 1; 363A.04; 363A.16, subdivision 1; repealing Minnesota Statutes 2022, section 363A.03, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2023 Supplement, section 363A.02, subdivision 1, is amended to read:

Subdivision 1. **Freedom from discrimination.** (a) It is the public policy of this state to secure for persons in this state, freedom from discrimination:

(1) in employment because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, familial status, and age;

(2) in housing and real property because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and familial status;

(3) in public accommodations because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, sexual orientation, and disability;

(4) in public services because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, and status with regard to public assistance; and

(5) in education because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and age.

(b) Such discrimination threatens the rights and privileges of the inhabitants of this state and menaces the institutions and foundations of democracy. It is also the public policy of this state to protect all persons from wholly unfounded charges of discrimination. Nothing in this chapter shall be interpreted as restricting the implementation of positive action programs to combat discrimination.

Sec. 2. Minnesota Statutes 2022, section 363A.03, subdivision 12, is amended to read:

Subd. 12. **Disability.** "Disability" means any condition or characteristic that renders a person a disabled person. A disabled person is any person who (1) has a physical, sensory, or mental impairment which materially limits one or more major life activities; (2) has a record of such an impairment; ~~or~~ (3) is regarded as having such an impairment; or (4) has an impairment that is episodic or in remission and would materially limit a major life activity when active.

Sec. 3. Minnesota Statutes 2022, section 363A.03, subdivision 13, is amended to read:

Subd. 13. **Discriminate.** The term "discriminate" includes segregate ~~or~~, separate ~~and, for purposes of discrimination based on sex, it includes sexual~~, or harassment.

Sec. 4. Minnesota Statutes 2022, section 363A.03, subdivision 18, is amended to read:

Subd. 18. **Familial status.** "Familial status" means the condition of one or more minors ~~being domiciled~~ having legal status or custody with (1) ~~their~~ the minor's parent or parents or the minor's legal guardian or guardians or (2) the designee of the parent or parents or guardian or guardians with the written permission of the parent or parents or guardian or guardians. Familial status also means residing with and caring for one or more individuals who lack the ability to meet essential requirements for physical health, safety, or self-care because the individual or individuals are unable to receive and evaluate information or make or communicate decisions. The protections afforded against discrimination on the basis of family status apply to any person who is pregnant or is in the process of securing legal custody of an individual who has not attained the age of majority.

Sec. 5. Minnesota Statutes 2022, section 363A.03, subdivision 29, is amended to read:

Subd. 29. **Party in interest.** "Party in interest" means the complainant, respondent, or commissioner ~~or board member~~.

Sec. 6. Minnesota Statutes 2023 Supplement, section 363A.04, is amended to read:

**363A.04 CONSTRUCTION AND EXCLUSIVITY.**

The provisions of this chapter shall be construed liberally for the accomplishment of the purposes thereof. Nothing contained in this chapter shall be deemed to repeal any of the provisions of the civil rights law or of any other law of this state relating to discrimination because of race, creed, color, religion, sex, gender identity, age, disability, marital status, status with regard to public assistance, national origin, sexual orientation, or familial status; but, as to acts declared unfair by sections 363A.08 to 363A.19, and 363A.28, subdivision 10, the administrative procedure herein provided shall, while pending, be exclusive. The rights and remedies herein provided are in addition to, and shall not preclude, those available at law or in equity.

Sec. 7. Minnesota Statutes 2022, section 363A.06, subdivision 4, is amended to read:

Subd. 4. **Publication of case account.** The commissioner may publish an account of a case in which the complaint has been dismissed or the terms of settlement of a case that has been voluntarily ~~adjusted~~ resolved with the Department of Human Rights. ~~Except as provided in other sections of this chapter, the commissioner shall not disclose any information concerning efforts in a particular case to eliminate an unfair discriminatory practice through education, conference, conciliation and persuasion.~~

Sec. 8. Minnesota Statutes 2022, section 363A.07, subdivision 4, is amended to read:

Subd. 4. **Withdrawal from local commission.** Notwithstanding the provisions of any law or ordinance to the contrary, a person who has filed a charge with a local commission may bring a civil action as provided in section 363A.34 at the following times:

(1) within ~~45~~ 90 days after receipt of notice that the local commission has determined that there is no probable cause to credit the allegations contained in the charge; receipt of notice is presumed to be five days from the date of service by mail of the written notice; or

(2) after 45 days from the filing of the charge if a hearing has not been held or if the local commission has not entered into a conciliation agreement to which the charging party

is a signator. The charging party shall notify the local commission of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the local commission and upon their receipt the local commission shall terminate all proceedings before the local commission relating to the charge. No charge shall be filed or reinstituted with the local commission after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Sec. 9. Minnesota Statutes 2023 Supplement, section 363A.16, subdivision 1, is amended to read:

Subdivision 1. **Personal or commercial credit.** It is an unfair discriminatory practice to discriminate in the extension of personal or commercial credit to a person, or in the requirements for obtaining credit, because of race, color, creed, religion, disability, national origin, sex, gender identity, sexual orientation, familial status, or marital status, or due to the receipt of federal, state, or local public assistance including medical assistance.

Sec. 10. Minnesota Statutes 2022, section 363A.19, is amended to read:

**363A.19 DISCRIMINATION AGAINST ~~BLIND, DEAF, OR OTHER~~ PERSONS WITH ~~PHYSICAL OR SENSORY~~ DISABILITIES PROHIBITED.**

(a) It is an unfair discriminatory practice for an owner, operator, or manager of a hotel, restaurant, public conveyance, or other public place to prohibit a ~~blind or deaf person or a~~ person with a ~~physical or sensory~~ disability from taking a service animal into the public place or conveyance to aid ~~blind or deaf persons or~~ persons with ~~physical or sensory~~ disabilities, and if the service animal is properly harnessed or leashed so that the ~~blind or deaf person or a~~ person with a ~~physical or sensory~~ disability may maintain control of the service animal.

(b) No person shall require a ~~blind, physically disabled, or deaf~~ person with a disability to make an extra payment or pay an additional charge when taking a service animal into any of the public places referred to in paragraph (a).

(c) For purposes of this section, "service animal" means a service animal as defined by the federal Americans with Disabilities Act, as amended.

Sec. 11. Minnesota Statutes 2022, section 363A.20, subdivision 2, is amended to read:

Subd. 2. **~~Religious or~~ Fraternal organization.** The provisions of section 363A.08 shall not apply to a ~~religious or~~ fraternal corporation, association, or society, with respect to qualifications based on religion ~~or sexual orientation~~, when religion ~~or sexual orientation shall be~~ is a bona fide occupational qualification for employment.

Sec. 12. Minnesota Statutes 2022, section 363A.26, is amended to read:

**363A.26 EXEMPTION BASED ON RELIGIOUS ASSOCIATION.**

Nothing in this chapter prohibits any religious association, religious corporation, or religious society that is not organized for private profit, or any institution organized for educational purposes that is operated, supervised, or controlled by a religious association, religious corporation, or religious society that is not organized for private profit, consistent with the protections or privileges of the First Amendment of the United States Constitution and article I, section 16, of the Minnesota Constitution, including ministerial exceptions provided therein, from:

(1) limiting admission to or giving preference to persons of the same religion or denomination;

(2) ~~in matters relating to sexual orientation,~~ taking any action with respect to education, employment, housing and real property, or use of facilities~~. This clause shall not apply to secular business activities engaged in by the religious association, religious corporation, or religious society, the conduct of which is unrelated to the religious and educational purposes for which it is organized~~; or

(3) taking any action with respect to the provision of goods, services, facilities, or accommodations directly related to the solemnization or celebration of a civil marriage that is in violation of its religious beliefs.

This section shall not apply to secular business activities engaged in by the religious association, religious corporation, religious society, or any institution organized for educational purposes that is operated, supervised, or controlled by a religious association, religious corporation, or religious society that is not organized for private profit, the conduct of which is unrelated to the religious and educational purposes for which it is organized.

Sec. 13. Minnesota Statutes 2022, section 363A.28, subdivision 5, is amended to read:

Subd. 5. **Alternative dispute resolution.** Charging parties and respondents shall be offered and may request an opportunity to resolve a charge through mediation or another

alternative dispute resolution process. Neutrals providing mediation and alternative dispute resolution processes for parties are bound by the Code of Ethics for Court-Annexed ADR Neutrals. The running of the 12-month period during which the commissioner must make a determination of probable cause to credit allegations is suspended during a period of time specified by the commissioner during which the parties are involved in mediation or other alternative dispute resolution process that has been sanctioned by the commissioner.

Sec. 14. Minnesota Statutes 2022, section 363A.29, subdivision 1, is amended to read:

Subdivision 1. **Conduct of hearings.** A ~~complaint~~ determination issued by the commissioner ~~shall~~ may be heard as a contested case, except that the report of the administrative law judge shall be binding on all parties to the proceeding and if appropriate shall be implemented by an order as provided for in subdivision 3. The party contesting the determination issued by the commissioner may file a request with the commissioner to appear at a hearing on the party's own behalf or through a private attorney. The commissioner shall forward the request for hearing to the Office of Administrative Hearings, which shall promptly set the matter for hearing. The hearing shall be conducted at a place designated by the commissioner, within the county where the unfair discriminatory practice occurred or where the respondent resides or has a principal place of business. The hearing shall be conducted in accordance with sections 14.57 to 14.62, and is subject to appeal in accordance with sections 14.63 to 14.68.

Sec. 15. Minnesota Statutes 2022, section 363A.29, subdivision 2, is amended to read:

Subd. 2. ~~**Hearings 180 days after charge**~~ **Tolling during investigation.** ~~At any time after 180 days from the filing of a charge, if there has been neither a finding of probable cause nor of no probable cause, the charging party may file a request with the commissioner to appear at a hearing on the party's own behalf or through a private attorney.~~ The commissioner shall make a determination of probable cause or no probable cause within one year of the filing of a case in which the time has not been tolled. The amount of time during which a case is involved in significant settlement negotiations, is being investigated by another enforcement agency under a work sharing agreement, or has been referred to mediation or to a local human rights commission for no fault grievance processing is ~~not counted in computing the 180 days~~ tolled. Tolling of the time during settlement negotiations requires written approval of the charging party or the party's attorney. ~~The right of a charging party to file a request for hearing does not apply in cases that have been certified as complex by the commissioner within 60 days of the filing of the charge. A case may not be certified as complex unless it involves multiple parties or issues, presents complex issues of law or~~

~~fact, or presents substantially new issues of law in the discrimination area. Within five days of certifying a case as complex, the commissioner shall give notice of the certification to the charging party and the respondent. The commissioner shall make a determination of probable cause or no probable cause within one year of the filing of a case in which the time has not been counted or a case certified as complex. Upon receipt of the request, the commissioner shall review the documents and information held in the department's files concerning the charge and shall release to the charging party and respondent all documents and information that are accessible to the charging party and respondent under chapter 13. The commissioner shall forward the request for hearing to the Office of Administrative Hearings, which shall promptly set the matter for hearing. If the charging party prevails at this hearing, the administrative law judge may require the respondent to reimburse the charging party for reasonable attorney's fees.~~

Sec. 16. Minnesota Statutes 2022, section 363A.33, subdivision 1, is amended to read:

Subdivision 1. **Court actions, suits by private parties, intervention.** The commissioner or a person may bring a civil action seeking redress for an unfair discriminatory practice directly to district court. In addition, a person may bring a civil action:

(1) within ~~45~~ 90 days after receipt of notice that the commissioner has dismissed a charge because it is frivolous or without merit, because the charging party has failed to provide required information, because the commissioner has determined that further use of department resources is not warranted, or because the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner;

(2) within ~~45~~ 90 days after receipt of notice that the commissioner has reaffirmed a determination of no probable cause if the charging party requested a reconsideration of the no probable cause determination, or has decided not to reopen a dismissed case that the charging party has asked to be reopened; or

(3) after 45 days from the filing of a charge pursuant to section 363A.28, subdivision 1, if a hearing has not been held pursuant to section 363A.29 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

For purposes of clauses (1) and (2), receipt of notice is presumed to be five days from the date of service by mail of the written notice.

Sec. 17. Minnesota Statutes 2022, section 363A.33, subdivision 6, is amended to read:

Subd. 6. **District court jurisdiction.** Any action brought pursuant to this section shall be filed in the district court of the county wherein the unlawful discriminatory practice is alleged to have been committed or where the respondent resides or has a principal place of business.

A person bringing a civil action seeking redress for an unfair discriminatory practice or a respondent is entitled to a jury trial.

If the court or jury finds that the respondent has engaged in an unfair discriminatory practice, it shall issue an order or verdict directing appropriate relief as provided by this section ~~363A.29, subdivisions 3 to 6~~.

When the court issues an order providing for payment to the state of a civil penalty pursuant to this section ~~363A.29, subdivisions 3 to 6~~, it shall serve a copy of that order upon the attorney general at the same time as it makes service upon the parties.

Sec. 18. Minnesota Statutes 2022, section 363A.33, is amended by adding a subdivision to read:

Subd. 8. **Civil penalty; punitive damages.** (a) The court shall order any respondent found to be in violation of any provision of sections 363A.08 to 363A.19 and 363A.28, subdivision 10, to pay a civil penalty to the state. This penalty is in addition to all damages recoverable at law and punitive damages to be paid to an aggrieved party. The court shall determine the amount of the civil penalty to be paid, taking into account the seriousness and extent of the violation, the public harm occasioned by the violation, whether the violation was intentional, and the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases where the court finds that the respondent has engaged in an unfair discriminatory practice, the court shall order the respondent to pay an aggrieved party who has suffered discrimination compensatory damages, including mental anguish or suffering, in an amount up to three times the actual damages sustained. In all cases, the court may also order the respondent to pay an aggrieved party punitive damages pursuant to section 549.20. In any case under this chapter that is decided by a jury, the jury shall determine the amount of all damages to be awarded.

(b) In any case where a political subdivision is a respondent, the total of punitive damages awarded an aggrieved party may not exceed $25,000 and if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular

or ex officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this section.

Sec. 19. Minnesota Statutes 2022, section 363A.33, is amended by adding a subdivision to read:

Subd. 9. **Other remedies.** In addition to the remedies in subdivision 8, where a case involves discrimination in:

(1) employment, the court may order: (i) the hiring, reinstatement, or upgrading of an aggrieved party who has suffered discrimination, with or without back pay; (ii) admission or restoration to membership in a labor organization; (iii) admission to or participation in an apprenticeship training program, on-the-job training program, or other retraining program; or (iv) any other relief the court deems just and equitable; or

(2) housing, the court may order: (i) the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party who has suffered discrimination; (ii) the sale, lease, or rental of a like accommodation or other real property owned by or under the control of the person against whom the complaint was filed, according to the terms as listed with a real estate broker, or if no such listing has been made, as advertised or offered by the vendor or lessor; or (iii) any other relief the court deems just and equitable.

Sec. 20. **REPEALER.**

Minnesota Statutes 2022, section 363A.03, subdivision 3, is repealed.

**363A.03 DEFINITIONS.**

Subd. 3. **Board.** "Board" means the state Board of Human Rights.

| | | | | |
|---|---|---|---|---|
| Weber | Westlin | Westrom | Wiklund | Xiong |

Pursuant to Rule 40, Senator Oumou Veberten cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Duckworth | Johnson | Lucero | Rasmusson |
| Drazkowski | Eichorn | Lieske | Mathews | Wesenberg |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4109:** A bill for an act relating to judiciary; amending name of competency attainment board; amending Minnesota Statutes 2023 Supplement, sections 611.55, subdivision 1; 611.56, subdivisions 1, 6; 611.57, subdivisions 1, 4.

Senator Westlin moved to amend H.F. No. 4109 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 363A.02, subdivision 1, is amended to read:

Subdivision 1. **Freedom from discrimination.** (a) It is the public policy of this state to secure for persons in this state, freedom from discrimination:

(1) in employment because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, familial status, and age;

(2) in housing and real property because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and familial status;

(3) in public accommodations because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, sexual orientation, and disability;

(4) in public services because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, and status with regard to public assistance; and

(5) in education because of one or more of the following: race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and age.

(b) Such discrimination threatens the rights and privileges of the inhabitants of this state and menaces the institutions and foundations of democracy. It is also the public policy of this state to protect all persons from wholly unfounded charges of discrimination. Nothing in this chapter shall be interpreted as restricting the implementation of positive action programs to combat discrimination.

Sec. 2. Minnesota Statutes 2022, section 363A.03, subdivision 12, is amended to read:

Subd. 12. **Disability.** "Disability" means any condition or characteristic that renders a person a disabled person. A disabled person is any person who (1) has a physical, sensory, or mental impairment which materially limits one or more major life activities; (2) has a record of such an impairment; ~~or~~ (3) is regarded as having such an impairment; or (4) has an impairment that is episodic or in remission and would materially limit a major life activity when active.

Sec. 3. Minnesota Statutes 2022, section 363A.03, subdivision 13, is amended to read:

Subd. 13. **Discriminate.** The term "discriminate" includes segregate ~~or~~, separate ~~and, for purposes of discrimination based on sex, it includes sexual~~, or harassment.

Sec. 4. Minnesota Statutes 2022, section 363A.03, subdivision 18, is amended to read:

Subd. 18. **Familial status.** "Familial status" means the condition of one or more minors ~~being domiciled~~ having legal status or custody with (1) ~~their~~ the minor's parent or parents or the minor's legal guardian or guardians or (2) the designee of the parent or parents or guardian or guardians with the written permission of the parent or parents or guardian or guardians. Familial status also means residing with and caring for one or more individuals who lack the ability to meet essential requirements for physical health, safety, or self-care because the individual or individuals are unable to receive and evaluate information or make or communicate decisions. The protections afforded against discrimination on the basis of family status apply to any person who is pregnant or is in the process of securing legal custody of an individual who has not attained the age of majority.

Sec. 5. Minnesota Statutes 2022, section 363A.03, subdivision 29, is amended to read:

Subd. 29. **Party in interest.** "Party in interest" means the complainant, respondent, or commissioner ~~or board member~~.

Sec. 6. Minnesota Statutes 2023 Supplement, section 363A.04, is amended to read:

**363A.04 CONSTRUCTION AND EXCLUSIVITY.**

The provisions of this chapter shall be construed liberally for the accomplishment of the purposes thereof. Nothing contained in this chapter shall be deemed to repeal any of the provisions of the civil rights law or of any other law of this state relating to discrimination because of race, creed, color, religion, sex, gender identity, age, disability, marital status, status with regard to public assistance, national origin, sexual orientation, or familial status; but, as to acts declared unfair by sections 363A.08 to 363A.19, and 363A.28, subdivision 10, the administrative procedure herein provided shall, while pending, be exclusive. The rights and remedies herein provided are in addition to, and shall not preclude, those available at law or in equity.

Sec. 7. Minnesota Statutes 2022, section 363A.06, subdivision 4, is amended to read:

Subd. 4. **Publication of case account.** The commissioner may publish an account of a case in which the complaint has been dismissed or the terms of settlement of a case that has been voluntarily ~~adjusted~~ resolved with the Department of Human Rights. ~~Except as provided in other sections of this chapter, the commissioner shall not disclose any information concerning efforts in a particular~~

~~case to eliminate an unfair discriminatory practice through education, conference, conciliation and persuasion.~~

Sec. 8. Minnesota Statutes 2022, section 363A.07, subdivision 4, is amended to read:

Subd. 4. **Withdrawal from local commission.** Notwithstanding the provisions of any law or ordinance to the contrary, a person who has filed a charge with a local commission may bring a civil action as provided in section 363A.34 at the following times:

(1) within ~~45~~ 90 days after receipt of notice that the local commission has determined that there is no probable cause to credit the allegations contained in the charge; receipt of notice is presumed to be five days from the date of service by mail of the written notice; or

(2) after 45 days from the filing of the charge if a hearing has not been held or if the local commission has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the local commission of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the local commission and upon their receipt the local commission shall terminate all proceedings before the local commission relating to the charge. No charge shall be filed or reinstituted with the local commission after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Sec. 9. Minnesota Statutes 2023 Supplement, section 363A.16, subdivision 1, is amended to read:

Subdivision 1. **Personal or commercial credit.** It is an unfair discriminatory practice to discriminate in the extension of personal or commercial credit to a person, or in the requirements for obtaining credit, because of race, color, creed, religion, disability, national origin, sex, gender identity, sexual orientation, familial status, or marital status, or due to the receipt of federal, state, or local public assistance including medical assistance.

Sec. 10. Minnesota Statutes 2022, section 363A.19, is amended to read:

**363A.19 DISCRIMINATION AGAINST ~~BLIND, DEAF, OR OTHER~~ PERSONS WITH ~~PHYSICAL OR SENSORY~~ DISABILITIES PROHIBITED.**

(a) It is an unfair discriminatory practice for an owner, operator, or manager of a hotel, restaurant, public conveyance, or other public place to prohibit a ~~blind or deaf person or a~~ person with a ~~physical or sensory~~ disability from taking a service animal into the public place or conveyance to aid ~~blind or deaf persons or~~ persons with ~~physical or sensory~~ disabilities, and if the service animal is properly harnessed or leashed so that the ~~blind or deaf person or a~~ person with a ~~physical or sensory~~ disability may maintain control of the service animal.

(b) No person shall require a ~~blind, physically disabled, or deaf~~ person with a disability to make an extra payment or pay an additional charge when taking a service animal into any of the public places referred to in paragraph (a).

(c) For purposes of this section, "service animal" means a service animal as defined by the federal Americans with Disabilities Act, as amended.

Sec. 11. Minnesota Statutes 2022, section 363A.28, subdivision 5, is amended to read:

Subd. 5. **Alternative dispute resolution.** Charging parties and respondents shall be offered and may request an opportunity to resolve a charge through mediation or another alternative dispute resolution process. Neutrals providing mediation and alternative dispute resolution processes for parties are bound by the Code of Ethics for Court-Annexed ADR Neutrals. The running of the 12-month period during which the commissioner must make a determination of probable cause to credit allegations is suspended during a period of time specified by the commissioner during which the parties are involved in mediation or other alternative dispute resolution process that has been sanctioned by the commissioner.

Sec. 12. Minnesota Statutes 2022, section 363A.29, subdivision 1, is amended to read:

Subdivision 1. **Conduct of hearings.** A ~~complaint~~ determination issued by the commissioner ~~shall~~ may be heard as a contested case, except that the report of the administrative law judge shall be binding on all parties to the proceeding and if appropriate shall be implemented by an order as provided for in subdivision 3. The party contesting the determination issued by the commissioner may file a request with the commissioner to appear at a hearing on the party's own behalf or through a private attorney. The commissioner shall forward the request for hearing to the Office of Administrative Hearings, which shall promptly set the matter for hearing. The hearing shall be conducted at a place designated by the commissioner, within the county where the unfair discriminatory practice occurred or where the respondent resides or has a principal place of business. The hearing shall be conducted in accordance with sections 14.57 to 14.62, and is subject to appeal in accordance with sections 14.63 to 14.68.

Sec. 13. Minnesota Statutes 2022, section 363A.29, subdivision 2, is amended to read:

Subd. 2. ~~**Hearings 180 days after charge**~~ **Tolling during investigation.** ~~At any time after 180 days from the filing of a charge, if there has been neither a finding of probable cause nor of no probable cause, the charging party may file a request with the commissioner to appear at a hearing on the party's own behalf or through a private attorney.~~ The commissioner shall make a determination of probable cause or no probable cause within one year of the filing of a case in which the time has not been tolled. The amount of time during which a case is involved in significant settlement negotiations, is being investigated by another enforcement agency under a work sharing agreement, or has been referred to mediation or to a local human rights commission for no fault grievance processing is ~~not counted in computing the 180 days~~ tolled. Tolling of the time during settlement negotiations requires written approval of the charging party or the party's attorney. ~~The right of a charging party to file a request for hearing does not apply in cases that have been certified as complex by the commissioner within 60 days of the filing of the charge. A case may not be certified as complex unless it involves multiple parties or issues, presents complex issues of law or fact, or presents substantially new issues of law in the discrimination area. Within five days of certifying a case as complex, the commissioner shall give notice of the certification to the charging party and the respondent. The commissioner shall make a determination of probable cause or no probable cause within one year of the filing of a case in which the time has not been counted or a case certified as complex. Upon receipt of the request, the commissioner shall review the documents and~~

~~information held in the department's files concerning the charge and shall release to the charging party and respondent all documents and information that are accessible to the charging party and respondent under chapter 13. The commissioner shall forward the request for hearing to the Office of Administrative Hearings, which shall promptly set the matter for hearing. If the charging party prevails at this hearing, the administrative law judge may require the respondent to reimburse the charging party for reasonable attorney's fees.~~

Sec. 14. Minnesota Statutes 2022, section 363A.33, subdivision 1, is amended to read:

Subdivision 1. **Court actions, suits by private parties, intervention.** The commissioner or a person may bring a civil action seeking redress for an unfair discriminatory practice directly to district court. In addition, a person may bring a civil action:

(1) within ~~45~~ 90 days after receipt of notice that the commissioner has dismissed a charge because it is frivolous or without merit, because the charging party has failed to provide required information, because the commissioner has determined that further use of department resources is not warranted, or because the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner;

(2) within ~~45~~ 90 days after receipt of notice that the commissioner has reaffirmed a determination of no probable cause if the charging party requested a reconsideration of the no probable cause determination, or has decided not to reopen a dismissed case that the charging party has asked to be reopened; or

(3) after 45 days from the filing of a charge pursuant to section 363A.28, subdivision 1, if a hearing has not been held pursuant to section 363A.29 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

For purposes of clauses (1) and (2), receipt of notice is presumed to be five days from the date of service by mail of the written notice.

Sec. 15. Minnesota Statutes 2022, section 363A.33, subdivision 6, is amended to read:

Subd. 6. **District court jurisdiction.** Any action brought pursuant to this section shall be filed in the district court of the county wherein the unlawful discriminatory practice is alleged to have been committed or where the respondent resides or has a principal place of business.

A person bringing a civil action seeking redress for an unfair discriminatory practice or a respondent is entitled to a jury trial.

If the court or jury finds that the respondent has engaged in an unfair discriminatory practice, it shall issue an order or verdict directing appropriate relief as provided by this section ~~363A.29, subdivisions 3 to 6~~.

When the court issues an order providing for payment to the state of a civil penalty pursuant to this section ~~363A.29, subdivisions 3 to 6~~, it shall serve a copy of that order upon the attorney general at the same time as it makes service upon the parties.

Sec. 16. Minnesota Statutes 2022, section 363A.33, is amended by adding a subdivision to read:

Subd. 8. **Civil penalty; punitive damages.** (a) The court shall order any respondent found to be in violation of any provision of sections 363A.08 to 363A.19 and 363A.28, subdivision 10, to pay a civil penalty to the state. This penalty is in addition to all damages recoverable at law and punitive damages to be paid to an aggrieved party. The court shall determine the amount of the civil penalty to be paid, taking into account the seriousness and extent of the violation, the public harm occasioned by the violation, whether the violation was intentional, and the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases where the court finds that the respondent has engaged in an unfair discriminatory practice, the court shall order the respondent to pay an aggrieved party who has suffered discrimination compensatory damages, including mental anguish or suffering, in an amount up to three times the actual damages sustained. In all cases, the court may also order the respondent to pay an aggrieved party punitive damages pursuant to section 549.20. In any case under this chapter that is decided by a jury, the jury shall determine the amount of all damages to be awarded.

(b) In any case where a political subdivision is a respondent, the total of punitive damages awarded an aggrieved party may not exceed $25,000 and if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or ex officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this section.

Sec. 17. Minnesota Statutes 2022, section 363A.33, is amended by adding a subdivision to read:

Subd. 9. **Other remedies.** In addition to the remedies in subdivision 8, where a case involves discrimination in:

(1) employment, the court may order: (i) the hiring, reinstatement, or upgrading of an aggrieved party who has suffered discrimination, with or without back pay; (ii) admission or restoration to membership in a labor organization; (iii) admission to or participation in an apprenticeship training program, on-the-job training program, or other retraining program; or (iv) any other relief the court deems just and equitable; or

(2) housing, the court may order: (i) the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party who has suffered discrimination; (ii) the sale, lease, or rental of a like accommodation or other real property owned by or under the control of the person against whom the complaint was filed, according to the terms as listed with a real estate broker, or if no such listing has been made, as advertised or offered by the vendor or lessor; or (iii) any other relief the court deems just and equitable.

Sec. 18. **REPEALER.**

Minnesota Statutes 2022, section 363A.03, subdivision 3, is repealed."

Amend the title accordingly

Senator Limmer moved to amend the Westlin amendment to H.F. No. 4109 as follows:

Page 4, after line 15, insert:

"Sec. 11. Minnesota Statutes 2022, section 363A.20, subdivision 2, is amended to read:

Subd. 2. **~~Religious or~~ Fraternal organization.** The provisions of section 363A.08 shall not apply to a ~~religious or~~ fraternal corporation, association, or society, with respect to qualifications based on religion ~~or sexual orientation~~, when religion ~~or sexual orientation shall be~~ is a bona fide occupational qualification for employment.

Sec. 12. Minnesota Statutes 2022, section 363A.26, is amended to read:

**363A.26 EXEMPTION BASED ON RELIGIOUS ASSOCIATION.**

Nothing in this chapter prohibits any religious association, religious corporation, or religious society that is not organized for private profit, or any institution organized for educational purposes that is operated, supervised, or controlled by a religious association, religious corporation, or religious society that is not organized for private profit, consistent with the protections or privileges of the First Amendment of the United States Constitution and article I, section 16, of the Minnesota Constitution, including ministerial exceptions provided therein, from:

(1) limiting admission to or giving preference to persons of the same religion or denomination;

(2) ~~in matters relating to sexual orientation,~~ taking any action with respect to education, employment, housing and real property, or use of facilities~~. This clause shall not apply to secular business activities engaged in by the religious association, religious corporation, or religious society, the conduct of which is unrelated to the religious and educational purposes for which it is organized~~; or

(3) taking any action with respect to the provision of goods, services, facilities, or accommodations directly related to the solemnization or celebration of a civil marriage that is in violation of its religious beliefs.

This section shall not apply to secular business activities engaged in by the religious association, religious corporation, religious society, or any institution organized for educational purposes that is operated, supervised, or controlled by a religious association, religious corporation, or religious society that is not organized for private profit, the conduct of which is unrelated to the religious and educational purposes for which it is organized."

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the Limmer amendment to the Westlin amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Cwodzinski | Duckworth | Green | Housley |
| Anderson | Dahms | Dziedzic | Gruenhagen | Howe |
| Bahr | Dibble | Eichorn | Gustafson | Jasinski |
| Boldon | Dornink | Farnsworth | Hauschild | Johnson |
| Champion | Draheim | Fateh | Hawj | Klein |
| Coleman | Drazkowski | Frentz | Hoffman | Koran |

| | | | | |
|---|---|---|---|---|
| Kreun | Mann | Morrison | Putnam | Westlin |
| Kunesh | Marty | Murphy | Rarick | Westrom |
| Kupec | Mathews | Nelson | Rasmusson | Wiklund |
| Lang | Maye Quade | Oumou Verbeten | Rest | Xiong |
| Latz | McEwen | Pappas | Seeberger | |
| Lieske | Miller | Pha | Utke | |
| Limmer | Mitchell | Port | Weber | |
| Lucero | Mohamed | Pratt | Wesenberg | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Abeler and Anderson.

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Westlin amendment, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Klein | McEwen | Rasmusson |
| Anderson | Eichorn | Koran | Miller | Rest |
| Bahr | Farnsworth | Kreun | Mitchell | Seeberger |
| Boldon | Frentz | Kunesh | Mohamed | Utke |
| Carlson | Green | Kupec | Morrison | Weber |
| Champion | Gruenhagen | Lang | Murphy | Wesenberg |
| Coleman | Gustafson | Latz | Nelson | Westlin |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dahms | Hawj | Limmer | Pappas | Wiklund |
| Dibble | Hoffman | Lucero | Pha | Xiong |
| Dornink | Housley | Mann | Port | |
| Draheim | Howe | Marty | Pratt | |
| Drazkowski | Jasinski | Mathews | Putnam | |
| Duckworth | Johnson | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Abeler and Anderson.

The motion prevailed. So the amendment, as amended, was adopted.

H.F. No. 4109 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Dahms | Drazkowski | Farnsworth |
| Anderson | Champion | Dibble | Duckworth | Frentz |
| Bahr | Coleman | Dornink | Dziedzic | Green |
| Boldon | Cwodzinski | Draheim | Eichorn | Gruenhagen |

| | | | | |
|---|---|---|---|---|
| Gustafson | Kreun | Mathews | Pappas | Weber |
| Hauschild | Kunesh | Maye Quade | Pha | Wesenberg |
| Hawj | Kupec | McEwen | Port | Westlin |
| Hoffman | Lang | Miller | Pratt | Westrom |
| Housley | Latz | Mitchell | Putnam | Wiklund |
| Howe | Lieske | Mohamed | Rarick | Xiong |
| Jasinski | Limmer | Morrison | Rasmusson | |
| Johnson | Lucero | Murphy | Rest | |
| Klein | Mann | Nelson | Seeberger | |
| Koran | Marty | Oumou Verbeten | Utke | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Abeler and Anderson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4247:** A bill for an act relating to health; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; appropriating money; amending Minnesota Statutes 2022, sections 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 149A; 156; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 148D.061, subdivision 9; 156.12, subdivision 6.

Senator Nelson moved to amend H.F. No. 4247, the first unofficial engrossment, as follows:

Page 94, after line 6, insert:

"Sec. 11. **BOARD OF NURSING; NURSING LICENSURE COMPACT.**

$157,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Nursing for the purposes of implementing Minnesota Statutes, section 148.2855. The base for this appropriation is $6,000 in fiscal year 2026 and $6,000 in fiscal year 2027."

Page 250, after line 13, insert:

# 037. HF 4247

**Vote:** 2024-05-07 | **Workbook row:** 42
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Transfer care specialist registration established; modifying or establishing licensure for occupations including behavior analysts, veterinary technicians, specialty dentists, dental assistants, social workers, and marriage and family therapists; pharmacy provisions modified; and money appropriated.

## Included complete bill documents

**1. 2nd Engrossment, posted 2024-04-29** - 47 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/4247/versions/2/pdf/

**2. 1st Unofficial Engrossment, posted 2024-05-03** - 252 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2024/0/HF/4247/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 66-85. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240507113.pdf#page=84

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/4247/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 4247**

02/26/2024 Authored by Liebling, Bierman and Xiong
The bill was read for the first time and referred to the Committee on Health Finance and Policy
04/02/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/04/2024 Adoption of Report: Placed on the General Register
Read for the Second Time
04/29/2024 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/07/2024 Returned to the House as Amended by the Senate
Refused to concur and a Conference Committee was appointed
05/19/2024 Conference Committee Report Adopted
Read Third Time as Amended by Conference and repassed by the House

A bill for an act

relating to health; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; appropriating money; amending Minnesota Statutes 2022, sections 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 149A; 156; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 148D.061, subdivision 9; 156.12, subdivision 6.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## TRANSFER CARE SPECIALISTS

Section 1. Minnesota Statutes 2022, section 149A.01, subdivision 3, is amended to read:

Subd. 3. **Exceptions to licensure.** (a) Except as otherwise provided in this chapter, nothing in this chapter shall in any way interfere with the duties of:

(1) an anatomical bequest program located within an accredited school of medicine or an accredited college of mortuary science;

(2) a person engaged in the performance of duties prescribed by law relating to the conditions under which unclaimed dead human bodies are held subject to anatomical study;

(3) authorized personnel from a licensed ambulance service in the performance of their duties;

(4) licensed medical personnel in the performance of their duties; or

(5) the coroner or medical examiner in the performance of the duties of their offices.

(b) This chapter does not apply to or interfere with the recognized customs or rites of any culture or recognized religion in the ceremonial washing, dressing, casketing, and public transportation of their dead, to the extent that all other provisions of this chapter are complied with.

(c) Noncompensated persons with the right to control the dead human body, under section 149A.80, subdivision 2, may remove a body from the place of death; transport the body; prepare the body for disposition, except embalming; or arrange for final disposition of the body, provided that all actions are in compliance with this chapter.

(d) Persons serving internships pursuant to section 149A.20, subdivision 6~~, or~~; students officially registered for a practicum or clinical through a program of mortuary science accredited by the American Board of Funeral Service Education; or transfer care specialists registered pursuant to section 149A.47 are not required to be licensed, provided that the persons ~~or~~, students, or transfer care specialists are registered with the commissioner and act under the direct and exclusive supervision of a person holding a current license to practice mortuary science in Minnesota.

(e) Notwithstanding this subdivision, nothing in this section shall be construed to prohibit an institution or entity from establishing, implementing, or enforcing a policy that permits only persons licensed by the commissioner to remove or cause to be removed a dead body or body part from the institution or entity.

(f) An unlicensed person may arrange for and direct or supervise a memorial service if that person or that person's employer does not have charge of the dead human body. An unlicensed person may not take charge of the dead human body, unless that person has the right to control the dead human body under section 149A.80, subdivision 2, or is that person's noncompensated designee.

Sec. 2. Minnesota Statutes 2022, section 149A.02, subdivision 13a, is amended to read:

Subd. 13a. **Direct supervision.** "Direct supervision" means overseeing the performance of an individual. For the purpose of a clinical, practicum, or internship, direct supervision means that the supervisor is available to observe and correct, as needed, the performance of the trainee. For the purpose of a transfer care specialist, direct supervision means that the supervisor is available by being physically present or by telephone to advise and correct, as needed, the performance of the transfer care specialist. The supervising mortician ~~supervisor~~ is accountable for the actions of the clinical student, practicum student, or intern throughout the course of the training. The supervising mortician is accountable for any violations of law or rule, in the performance of their duties, by the clinical student, practicum student, ~~or~~ intern, or transfer care specialist.

Sec. 3. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 37d. **Transfer care specialist.** "Transfer care specialist" means an individual who is registered with the commissioner in accordance with section 149A.47 and is authorized to perform the removal of a dead human body from the place of death under the direct supervision of a licensed mortician.

Sec. 4. Minnesota Statutes 2022, section 149A.03, is amended to read:

**149A.03 DUTIES OF COMMISSIONER.**

The commissioner shall:

(1) enforce all laws and adopt and enforce rules relating to the:

(i) removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies;

(ii) licensure, registration, and professional conduct of funeral directors, morticians, interns, practicum students, ~~and~~ clinical students, and transfer care specialists;

(iii) licensing and operation of a funeral establishment;

(iv) licensing and operation of an alkaline hydrolysis facility; and

(v) licensing and operation of a crematory;

(2) provide copies of the requirements for licensure, registration, and permits to all applicants;

(3) administer examinations and issue licenses, registrations, and permits to qualified persons and other legal entities;

(4) maintain a record of the name and location of all current licensees ~~and~~, interns, and transfer care specialists;

(5) perform periodic compliance reviews and premise inspections of licensees;

(6) accept and investigate complaints relating to conduct governed by this chapter;

(7) maintain a record of all current preneed arrangement trust accounts;

(8) maintain a schedule of application, examination, permit, registration, and licensure fees, initial and renewal, sufficient to cover all necessary operating expenses;

(9) educate the public about the existence and content of the laws and rules for mortuary science licensing and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies to enable consumers to file complaints against licensees and others who may have violated those laws or rules;

(10) evaluate the laws, rules, and procedures regulating the practice of mortuary science in order to refine the standards for licensing and to improve the regulatory and enforcement methods used; and

(11) initiate proceedings to address and remedy deficiencies and inconsistencies in the laws, rules, or procedures governing the practice of mortuary science and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies.

Sec. 5. Minnesota Statutes 2022, section 149A.09, is amended to read:

**149A.09 DENIAL; REFUSAL TO REISSUE; REVOCATION; SUSPENSION; LIMITATION OF LICENSE, REGISTRATION, OR PERMIT.**

Subdivision 1. **Denial; refusal to renew; revocation; and suspension.** The regulatory agency may deny, refuse to renew, revoke, or suspend any license, registration, or permit applied for or issued pursuant to this chapter when the person subject to regulation under this chapter:

(1) does not meet or fails to maintain the minimum qualification for holding a license, registration, or permit under this chapter;

(2) submits false or misleading material information to the regulatory agency in connection with a license, registration, or permit issued by the regulatory agency or the application for a license, registration, or permit;

(3) violates any law, rule, order, stipulation agreement, settlement, compliance agreement, license, registration, or permit that regulates the removal, preparation, transportation, arrangements for disposition, or final disposition of dead human bodies in Minnesota or any other state in the United States;

(4) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States. "Conviction," as used in this subdivision, includes a conviction for an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned, but the adjudication of guilt is either withheld or not entered;

(5) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States that the regulatory agency determines is reasonably related to the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or the practice of mortuary science;

(6) is adjudicated as mentally incompetent, mentally ill, developmentally disabled, or mentally ill and dangerous to the public;

(7) has a conservator or guardian appointed;

(8) fails to comply with an order issued by the regulatory agency or fails to pay an administrative penalty imposed by the regulatory agency;

(9) owes uncontested delinquent taxes in the amount of $500 or more to the Minnesota Department of Revenue, or any other governmental agency authorized to collect taxes anywhere in the United States;

(10) is in arrears on any court ordered family or child support obligations; or

(11) engages in any conduct that, in the determination of the regulatory agency, is unprofessional as prescribed in section 149A.70, subdivision 7, or renders the person unfit to practice mortuary science or to operate a funeral establishment or crematory.

Subd. 2. **Hearings related to refusal to renew, suspension, or revocation of license, registration, or permit.** If the regulatory agency proposes to deny renewal, suspend, or revoke a license, registration, or permit issued under this chapter, the regulatory agency

must first notify, in writing, the person against whom the action is proposed to be taken and provide an opportunity to request a hearing under the contested case provisions of sections 14.57 to 14.62. If the subject of the proposed action does not request a hearing by notifying the regulatory agency, by mail, within 20 calendar days after the receipt of the notice of proposed action, the regulatory agency may proceed with the action without a hearing and the action will be the final order of the regulatory agency.

Subd. 3. **Review of final order.** A judicial review of the final order issued by the regulatory agency may be requested in the manner prescribed in sections 14.63 to 14.69. Failure to request a hearing pursuant to subdivision 2 shall constitute a waiver of the right to further agency or judicial review of the final order.

Subd. 4. **Limitations or qualifications placed on license, registration, or permit.** The regulatory agency may, where the facts support such action, place reasonable limitations or qualifications on the right to practice mortuary science ~~or~~, to operate a funeral establishment or crematory, or to perform activities or actions permitted under this chapter.

Subd. 5. **Restoring license, registration, or permit.** The regulatory agency may, where there is sufficient reason, restore a license, registration, or permit that has been revoked, reduce a period of suspension, or remove limitations or qualifications.

Sec. 6. Minnesota Statutes 2022, section 149A.11, is amended to read:

**149A.11 PUBLICATION OF DISCIPLINARY ACTIONS.**

The regulatory agencies shall report all disciplinary measures or actions taken to the commissioner. At least annually, the commissioner shall publish and make available to the public a description of all disciplinary measures or actions taken by the regulatory agencies. The publication shall include, for each disciplinary measure or action taken, the name and business address of the licensee ~~or~~, intern, or transfer care specialist; the nature of the misconduct~~,~~; and the measure or action taken by the regulatory agency.

Sec. 7. **[149A.47] TRANSFER CARE SPECIALIST.**

Subdivision 1. **General.** A transfer care specialist may remove a dead human body from the place of death under the direct supervision of a licensed mortician if the transfer care specialist is registered with the commissioner in accordance with this section. A transfer care specialist is not licensed to engage in the practice of mortuary science and shall not engage in the practice of mortuary science except as provided in this section. A transfer care specialist must be an employee of a licensed funeral establishment.

Subd. 2. **Registration.** (a) To be eligible for registration as a transfer care specialist, an applicant must submit to the commissioner:

(1) a completed application on a form provided by the commissioner that includes at a minimum:

(i) the applicant's name, home address and telephone number, business name, business address and telephone number, and email address; and

(ii) the name, license number, business name, and business address and telephone number of the supervising licensed mortician;

(2) proof of completion of a training program that meets the requirements specified in subdivision 4; and

(3) the appropriate fee specified in section 149A.65.

(b) All transfer care specialist registrations are valid for one calendar year, beginning on January 1 and ending on December 31 regardless of the date of issuance. Fees shall not be prorated.

Subd. 3. **Duties.** (a) A transfer care specialist registered under this section is authorized to perform the removal of a dead human body from the place of death in accordance with this chapter to a licensed funeral establishment. A transfer care specialist must comply with the universal precaution requirements in section 149A.91, subdivision 1, when handling a dead human body.

(b) A transfer care specialist must work under the direct supervision of a licensed mortician. The supervising mortician is responsible for the work performed by the transfer care specialist. A licensed mortician may supervise up to four transfer care specialists at any one time.

Subd. 4. **Training program and continuing education.** (a) Each transfer care specialist must complete a training program prior to initial registration. A training program must be at least seven hours long and must cover, at a minimum, the following:

(1) ethical care and transportation procedures for a deceased person;

(2) health and safety concerns to the public and the individual performing the transfer of the deceased person and the use of universal precautions and other reasonable precautions to minimize the risk for transmitting communicable diseases; and

(3) all relevant state and federal laws and regulations related to the transfer and transportation of deceased persons.

(b) A transfer care specialist must complete three hours of continuing education annually on content described in paragraph (a), clauses (1) to (3), and submit evidence of completion with the individual's registration renewal.

Subd. 5. **Renewal.** (a) A registration issued under this section expires on December 31 of the calendar year in which the registration was issued and must be renewed to remain valid.

(b) To renew a registration, a transfer care specialist must submit to the commissioner a completed renewal application as provided by the commissioner. The renewal application must include proof of completion of the continuing education requirements in subdivision 4.

Sec. 8. Minnesota Statutes 2022, section 149A.60, is amended to read:

**149A.60 PROHIBITED CONDUCT.**

The regulatory agency may impose disciplinary measures or take disciplinary action against a person whose conduct is subject to regulation under this chapter for failure to comply with any provision of this chapter or laws, rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, and permits adopted~~,~~ or issued for the regulation of the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or for the regulation of the practice of mortuary science.

Sec. 9. Minnesota Statutes 2022, section 149A.61, subdivision 4, is amended to read:

Subd. 4. **Licensees ~~and~~, interns, and transfer care specialists.** A licensee ~~or~~, intern, or transfer care specialist regulated under this chapter may report to the commissioner any conduct that the licensee ~~or~~, intern, or transfer care specialist has personal knowledge of, and reasonably believes constitutes grounds for, disciplinary action under this chapter.

Sec. 10. Minnesota Statutes 2022, section 149A.61, subdivision 5, is amended to read:

Subd. 5. **Courts.** The court administrator of district court or any court of competent jurisdiction shall report to the commissioner any judgment or other determination of the court that adjudges or includes a finding that a licensee ~~or~~, intern, or transfer care specialist is a person who is mentally ill, mentally incompetent, guilty of a felony or gross misdemeanor, guilty of violations of federal or state narcotics laws or controlled substances acts; appoints a guardian or conservator for the licensee ~~or~~, intern, or transfer care specialist; or commits a licensee ~~or~~, intern, or transfer care specialist.

Sec. 11. Minnesota Statutes 2022, section 149A.62, is amended to read:

**149A.62 IMMUNITY; REPORTING.**

Any person, private agency, organization, society, association, licensee, ~~or~~ intern, or transfer care specialist who, in good faith, submits information to a regulatory agency under section 149A.61 or otherwise reports violations or alleged violations of this chapter, is immune from civil liability or criminal prosecution. This section does not prohibit disciplinary action taken by the commissioner against any licensee ~~or~~, intern, or transfer care specialist pursuant to a self report of a violation.

Sec. 12. Minnesota Statutes 2022, section 149A.63, is amended to read:

**149A.63 PROFESSIONAL COOPERATION.**

A licensee, clinical student, practicum student, intern, transfer care specialist, or applicant for licensure under this chapter that is the subject of or part of an inspection or investigation by the commissioner or the commissioner's designee shall cooperate fully with the inspection or investigation. Failure to cooperate constitutes grounds for disciplinary action under this chapter.

Sec. 13. Minnesota Statutes 2022, section 149A.65, subdivision 2, is amended to read:

Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

(1) $75 for the initial and renewal registration of a mortuary science intern;

(2) $125 for the mortuary science examination;

(3) $200 for issuance of initial and renewal mortuary science licenses;

(4) $100 late fee charge for a license renewal; ~~and~~

(5) $250 for issuing a mortuary science license by endorsement~~.~~; and

(6) $225 for the initial registration of a transfer care specialist.

Sec. 14. Minnesota Statutes 2022, section 149A.70, subdivision 3, is amended to read:

Subd. 3. **Advertising.** No licensee, clinical student, practicum student, ~~or~~ intern, or transfer care specialist shall publish or disseminate false, misleading, or deceptive advertising. False, misleading, or deceptive advertising includes, but is not limited to:

(1) identifying, by using the names or pictures of, persons who are not licensed to practice mortuary science in a way that leads the public to believe that those persons will provide mortuary science services;

(2) using any name other than the names under which the funeral establishment, alkaline hydrolysis facility, or crematory is known to or licensed by the commissioner;

(3) using a surname not directly, actively, or presently associated with a licensed funeral establishment, alkaline hydrolysis facility, or crematory, unless the surname had been previously and continuously used by the licensed funeral establishment, alkaline hydrolysis facility, or crematory; and

(4) using a founding or establishing date or total years of service not directly or continuously related to a name under which the funeral establishment, alkaline hydrolysis facility, or crematory is currently or was previously licensed.

Any advertising or other printed material that contains the names or pictures of persons affiliated with a funeral establishment, alkaline hydrolysis facility, or crematory shall state the position held by the persons and shall identify each person who is licensed or unlicensed under this chapter.

Sec. 15. Minnesota Statutes 2022, section 149A.70, subdivision 4, is amended to read:

Subd. 4. **Solicitation of business.** No licensee shall directly or indirectly pay or cause to be paid any sum of money or other valuable consideration for the securing of business or for obtaining the authority to dispose of any dead human body.

For purposes of this subdivision, licensee includes a registered intern, transfer care specialist, or any agent, representative, employee, or person acting on behalf of the licensee.

Sec. 16. Minnesota Statutes 2022, section 149A.70, subdivision 5, is amended to read:

Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student, ~~or~~ intern, or transfer care specialist shall offer, solicit, or accept a commission, fee, bonus, rebate, or other reimbursement in consideration for recommending or causing a dead human body to be disposed of by a specific body donation program, funeral establishment, alkaline hydrolysis facility, crematory, mausoleum, or cemetery.

Sec. 17. Minnesota Statutes 2022, section 149A.70, subdivision 7, is amended to read:

Subd. 7. **Unprofessional conduct.** No licensee ~~or~~, intern, or transfer care specialist shall engage in or permit others under the licensee's ~~or~~, intern's, or transfer care specialist's

supervision or employment to engage in unprofessional conduct. Unprofessional conduct includes, but is not limited to:

(1) harassing, abusing, or intimidating a customer, employee, or any other person encountered while within the scope of practice, employment, or business;

(2) using profane, indecent, or obscene language within the immediate hearing of the family or relatives of the deceased;

(3) failure to treat with dignity and respect the body of the deceased, any member of the family or relatives of the deceased, any employee, or any other person encountered while within the scope of practice, employment, or business;

(4) the habitual overindulgence in the use of or dependence on intoxicating liquors, prescription drugs, over-the-counter drugs, illegal drugs, or any other mood altering substances that substantially impair a person's work-related judgment or performance;

(5) revealing personally identifiable facts, data, or information about a decedent, customer, member of the decedent's family, or employee acquired in the practice or business without the prior consent of the individual, except as authorized by law;

(6) intentionally misleading or deceiving any customer in the sale of any goods or services provided by the licensee;

(7) knowingly making a false statement in the procuring, preparation, or filing of any required permit or document; or

(8) knowingly making a false statement on a record of death.

Sec. 18. Minnesota Statutes 2022, section 149A.90, subdivision 2, is amended to read:

Subd. 2. **Removal from place of death.** No person subject to regulation under this chapter shall remove or cause to be removed any dead human body from the place of death without being licensed or registered by the commissioner. Every dead human body shall be removed from the place of death by a licensed mortician or funeral director, except as provided in section 149A.01, subdivision 3.

Sec. 19. Minnesota Statutes 2022, section 149A.90, subdivision 4, is amended to read:

Subd. 4. **Certificate of removal.** No dead human body shall be removed from the place of death by a mortician ~~or~~, funeral director, or transfer care specialist or by a noncompensated person with the right to control the dead human body without the completion of a certificate of removal and, where possible, presentation of a copy of that certificate to the person or a

representative of the legal entity with physical or legal custody of the body at the death site. The certificate of removal shall be in the format provided by the commissioner that contains, at least, the following information:

(1) the name of the deceased, if known;

(2) the date and time of removal;

(3) a brief listing of the type and condition of any personal property removed with the body;

(4) the location to which the body is being taken;

(5) the name, business address, and license number of the individual making the removal; and

(6) the signatures of the individual making the removal and, where possible, the individual or representative of the legal entity with physical or legal custody of the body at the death site.

Sec. 20. Minnesota Statutes 2022, section 149A.90, subdivision 5, is amended to read:

Subd. 5. **Retention of certificate of removal.** A copy of the certificate of removal shall be given, where possible, to the person or representative of the legal entity having physical or legal custody of the body at the death site. The original certificate of removal shall be retained by the individual making the removal and shall be kept on file, at the funeral establishment to which the body was taken, for a period of three calendar years following the date of the removal. If the removal was performed by a transfer care specialist not employed by the funeral establishment to which the body was taken, the transfer care specialist must retain a copy of the certificate of removal at the transfer care specialist's business address as registered with the commissioner for a period of three calendar years following the date of removal. Following this period, and subject to any other laws requiring retention of records, the funeral establishment may then place the records in storage or reduce them to microfilm, microfiche, laser disc, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of the removal of the body. At the end of this period and subject to any other laws requiring retention of records, the funeral establishment may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified in the records.

# ARTICLE 2
# BEHAVIOR ANALYST LICENSURE

Section 1. **[148.9981] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 148.9981 to 148.9995, the terms in this section have the meanings given.

Subd. 2. **Accredited school or educational program.** "Accredited school or educational program" means a school, university, college, or other postsecondary education program that, at the time the student completes the program, is accredited by a regional accrediting association whose standards are substantially equivalent to those of the North Central Association of Colleges and Postsecondary Education Institutions or an accrediting association that evaluates schools of behavior analysis, psychology, or education for inclusion of the education, practicum, and core function standards.

Subd. 3. **Advisory council.** "Advisory council" means the Behavior Analyst Advisory Council established in section 148.9994.

Subd. 4. **Board.** "Board" means the Board of Psychology established in section 148.90.

Subd. 5. **Certifying entity.** "Certifying entity" means the Behavior Analyst Certification Board, Inc., or a successor organization or other organization approved by the board in consultation with the advisory council.

Subd. 6. **Client.** "Client" means an individual who is the recipient of behavior analysis services. Client also means "patient" as defined in section 144.291, subdivision 2, paragraph (g).

Subd. 7. **Licensed behavior analyst.** "Licensed behavior analyst" or "behavior analyst" means an individual who holds a valid license issued under sections 148.9981 to 148.9995 to engage in the practice of applied behavior analysis.

Subd. 8. **Licensee.** "Licensee" means an individual who holds a valid license issued under sections 148.9981 to 148.9995.

Subd. 9. **Practice of applied behavior analysis.** (a) "Practice of applied behavior analysis" means the design, implementation, and evaluation of social, instructional, and environmental modifications to produce socially significant improvements in human behavior. The practice of applied behavior analysis includes the empirical identification of functional relations between behavior and environmental factors, known as functional behavioral assessment and analysis. Applied behavior analysis interventions are based on scientific research, direct and indirect observation, and measurement of behavior and environment

and utilize contextual factors, motivating operations, antecedent stimuli, positive reinforcement, and other procedures to help individuals develop new behaviors, increase or decrease existing behaviors, and emit behaviors under specific social, instructional, and environmental conditions.

(b) The practice of applied behavior analysis does not include the diagnosis of psychiatric or mental health disorders, psychological testing, neuropsychology, psychotherapy, cognitive therapy, sex therapy, hypnotherapy, psychoanalysis, or psychological counseling.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 2. **[148.9982] DUTIES OF THE BOARD OF PSYCHOLOGY.**

Subdivision 1. **General.** The board, in consultation with the advisory council, must:

(1) adopt and enforce standards for licensure, licensure renewal, and the regulation of behavior analysts;

(2) issue licenses to qualified individuals under sections 148.9981 to 148.9995;

(3) carry out disciplinary actions against licensed behavior analysts;

(4) educate the public about the existence and content of the regulations for behavior analyst licensing to enable consumers to file complaints against licensees who may have violated laws or rules the board is empowered to enforce; and

(5) collect license fees for behavior analysts as specified under section 148.9995.

Subd. 2. **Rulemaking.** The board, in consultation with the advisory council, may adopt rules necessary to carry out the provisions of sections 148.9981 to 148.9995.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 3. **[148.9983] REQUIREMENTS FOR LICENSURE.**

Subdivision 1. **General.** An individual seeking licensure as a behavior analyst must complete and submit a written application on forms provided by the board together with the appropriate fee as specified under section 148.9995.

Subd. 2. **Requirements for licensure.** An applicant for licensure as a behavior analyst must submit evidence satisfactory to the board that the applicant:

(1) has a current and active national certification as a board-certified behavior analyst issued by the certifying entity; or

(2) has completed the equivalent requirements for certification by the certifying entity, including satisfactorily passing a psychometrically valid examination administered by a nationally accredited credentialing organization.

Subd. 3. **Background investigation.** The applicant must complete a background check pursuant to section 214.075.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 4. **[148.9984] LICENSE RENEWAL REQUIREMENTS.**

Subdivision 1. **Biennial renewal.** A license must be renewed every two years.

Subd. 2. **License renewal notice.** At least 60 calendar days before the renewal deadline date, the board must mail a renewal notice to the licensee's last known address on file with the board. The notice must include instructions for accessing an online application for license renewal, the renewal deadline, and notice of fees required for renewal. The licensee's failure to receive notice does not relieve the licensee of the obligation to meet the renewal deadline and other requirements for license renewal.

Subd. 3. **Renewal requirements.** (a) To renew a license, a licensee must submit to the board:

(1) a completed and signed application for license renewal;

(2) the license renewal fee as specified under section 148.9995; and

(3) evidence satisfactory to the board that the licensee holds a current and active national certification as a behavior analyst from the certifying entity or otherwise meets renewal requirements as established by the board, in consultation with the advisory council.

(b) The application for license renewal and fee must be postmarked or received by the board by the end of the day on which the license expires or the following business day if the expiration date falls on a Saturday, Sunday, or holiday. A renewal application that is not completed and signed, or that is not accompanied by the correct fee, is void and must be returned to the licensee.

Subd. 4. **Pending renewal.** If a licensee's application for license renewal is postmarked or received by the board by the end of the business day on the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee may continue to practice after the expiration date while the application for license renewal is pending with the board.

Subd. 5. **Late renewal fee.** If the application for license renewal is postmarked or received after the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee must pay a biennial renewal late fee as specified by section 148.9995, in addition to the renewal fee, before the licensee's application for license renewal will be considered by the board.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 5. **[148.9985] EXPIRED LICENSE.**

(a) Within 30 days after the renewal date, a licensee who has not renewed their license must be notified by letter, sent to the last known address of the licensee in the board's file, that the renewal is overdue and that failure to pay the current fee and current biennial renewal late fee within 60 days after the renewal date will result in termination of the license.

(b) The board must terminate the license of a licensee whose license renewal is at least 60 days overdue and to whom notification has been sent as provided in paragraph (a). Failure of a licensee to receive notification is not grounds for later challenge of the termination. The former licensee must be notified of the termination by letter within seven days after board action, in the same manner as provided in paragraph (a).

(c) Notwithstanding paragraph (b), the board retains jurisdiction over a former licensee for complaints received after termination of a license regarding conduct that occurred during licensure.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 6. **[148.9986] PROHIBITED PRACTICE OR USE OF TITLES; PENALTY.**

Subdivision 1. **Practice.** Effective January 1, 2025, an individual must not engage in the practice of applied behavior analysis unless the individual is licensed under sections 148.9981 to 148.9995 as a behavior analyst or is exempt under section 148.9987. A psychologist licensed under sections 148.88 to 148.981 who practices behavior analysis is not required to obtain a license as a behavior analyst under sections 148.9981 to 148.9995.

Subd. 2. **Use of titles.** (a) An individual must not use a title incorporating the words "licensed behavior analyst," or "behavior analyst," or use any other title or description stating or implying that they are licensed or otherwise qualified to practice applied behavior analysis, unless that person holds a valid license under sections 148.9981 to 148.9995.

(b) Notwithstanding paragraph (a), a licensed psychologist who practices applied behavior analysis within the psychologist's scope of practice may use the title "behavior analyst," but

must not use the title "licensed behavior analyst" unless the licensed psychologist holds a valid license as a behavior analyst issued under sections 148.9981 to 148.9995.

Subd. 3. **Penalty.** An individual who violates this section is guilty of a misdemeanor.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 7. **[148.9987] EXCEPTIONS TO LICENSE REQUIREMENT.**

(a) Sections 148.9981 to 148.9995 must not be construed to prohibit or restrict:

(1) the practice of an individual who is licensed to practice psychology in the state or an individual who is providing psychological services under the supervision of a licensed psychologist in accordance with section 148.925;

(2) the practice of any other profession or occupation licensed, certified, or registered by the state by an individual duly licensed, certified, or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation;

(3) an individual who is employed by a school district from providing behavior analysis services as part of the individual's employment with the school district, so long as the individual does not provide behavior analysis services to any person or entity other than as an employee of the school district or accept remuneration for the provision of behavior analysis services outside of the individual's employment with the school district;

(4) an employee of a program licensed under chapter 245D from providing the services described in section 245D.091, subdivision 1;

(5) teaching behavior analysis or conducting behavior analysis research if the teaching or research does not involve the direct delivery of behavior analysis services;

(6) providing behavior analysis services by an unlicensed supervisee or trainee under the authority and direction of a licensed behavior analyst and in compliance with the licensure and supervision standards required by law or rule;

(7) a family member or guardian of the recipient of behavior analysis services from performing behavior analysis services under the authority and direction of a licensed behavior analyst; or

(8) students or interns enrolled in an accredited school or educational program, or participating in a behavior analysis practicum, from engaging in the practice of applied behavior analysis while supervised by a licensed behavior analyst or instructor of an

accredited school or educational program. These individuals must be designated as a behavior analyst student or intern.

(b) Notwithstanding paragraph (a), a licensed psychologist may supervise an unlicensed supervisee, trainee, student, or intern who is engaged in the practice of behavior analysis if the supervision is authorized under the Minnesota Psychology Practice Act.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 8. **[148.9988] NONTRANSFERABILITY OF LICENSES.**

A behavior analyst license is not transferable.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 9. **[148.9989] DUTY TO MAINTAIN CURRENT INFORMATION.**

All licensees and applicants for licensure must notify the board within 30 days of the occurrence of:

(1) a change of name, address, place of employment, or home or business telephone number; or

(2) a change in any other application information.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 10. **[148.999] DISCIPLINE; REPORTING.**

For purposes of sections 148.9981 to 148.9995, behavior analysts are subject to the provisions of sections 148.941, 148.952 to 148.965, and 148.98.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 11. **[148.9991] COMPETENT PROVISION OF SERVICES.**

Subdivision 1. **Limits on practice.** Behavior analysts must limit practice to the client populations and services for which the behavior analysts have competence or for which the behavior analysts are developing competence.

Subd. 2. **Developing competence.** When a behavior analyst is developing competence in a service, method, or procedure, or is developing competence to treat a specific client population, the behavior analyst must obtain professional education, training, continuing education, consultation, supervision or experience, or a combination thereof, necessary to demonstrate competence.

Subd. 3. **Limitations.** A behavior analyst must recognize the limitations to the scope of practice of applied behavior analysis. When the needs of a client appear to be outside the behavior analyst's scope of practice, the behavior analyst must inform the client that there may be other professional, technical, community, and administrative resources available to the client. A behavior analyst must assist with identifying resources when it is in the best interest of a client to be provided with alternative or complementary services.

Subd. 4. **Burden of proof.** Whenever a complaint is submitted to the board involving a violation of this section, the burden of proof is on the behavior analyst to demonstrate that the elements of competence have been reasonably met.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 12. **[148.9992] DUTY TO WARN; LIMITATION ON LIABILITY; VIOLENT BEHAVIOR OF PATIENT.**

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

(b) "Other person" means an immediate family member or someone who personally knows the client and has reason to believe the client is capable of and will carry out a serious, specific threat of harm to a specific, clearly identified or identifiable victim.

(c) "Reasonable efforts" means communicating a serious, specific threat to the potential victim and, if unable to make contact with the potential victim, communicating the serious, specific threat to the law enforcement agency closest to the potential victim or the client.

(d) "Licensee" has the meaning given in section 148.9981 and includes behavior analysis students, interns, and unlicensed supervisees who are participating in a behavior analysis practicum or enrolled in an accredited school or educational program.

Subd. 2. **Duty to warn.** The duty to predict, warn of, or take reasonable precautions to provide protection from violent behavior arises only when a client or other person has communicated to the licensee a specific, serious threat of physical violence against a specific, clearly identified or identifiable potential victim. If a duty to warn arises, the duty is discharged by the licensee if reasonable efforts are made to communicate the threat.

Subd. 3. **Liability standard.** If no duty to warn exists under subdivision 2, then no monetary liability and no cause of action may arise against a licensee for failure to predict, warn of, or take reasonable precautions to provide protection from a client's violent behavior.

Subd. 4. **Disclosure of confidences.** Good faith compliance with the duty to warn must not constitute a breach of confidence and must not result in monetary liability or a cause of action against the licensee.

Subd. 5. **Continuity of care.** Subdivision 2 must not be construed to authorize a licensee to terminate treatment of a client as a direct result of a client's violent behavior or threat of physical violence unless the client is referred to another practitioner or appropriate health care facility.

Subd. 6. **Exception.** This section does not apply to a threat to commit suicide or other threats by a client to harm the client, or to a threat by a client who is adjudicated as a person who has a mental illness and is dangerous to the public under chapter 253B.

Subd. 7. **Optional disclosure.** This section must not be construed to prohibit a licensee from disclosing confidences to third parties in a good faith effort to warn or take precautions against a client's violent behavior or threat to commit suicide for which a duty to warn does not arise.

Subd. 8. **Limitation on liability.** No monetary liability and no cause of action or disciplinary action by the board may arise against a licensee for disclosure of confidences to third parties, for failure to disclose confidences to third parties, or for erroneous disclosure of confidences to third parties in a good faith effort to warn against or take precautions against a client's violent behavior or threat of suicide for which a duty to warn does not arise.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 13. **[148.9993] INFORMED CONSENT.**

Subdivision 1. **Obtaining informed consent for services.** A behavior analyst must obtain informed consent from the client or the client's legal guardian before initiating services. The informed consent must be in writing, signed by the client, and include, at a minimum, the following:

(1) consent for the behavior analyst to engage in activities that directly affect the client;

(2) the goals, purposes, and procedures of the proposed services;

(3) the factors that may impact the duration of the proposed services;

(4) the applicable fee schedule for the proposed services;

(5) the significant risks and benefits of the proposed services;

(6) the behavior analyst's limits under section 148.9991, including, if applicable, information that the behavior analyst is developing competence in the proposed service, method, or procedure, and alternatives to the proposed service, if any; and

(7) the behavior analyst's responsibilities if the client terminates the service.

Subd. 2. **Updating informed consent.** If there is a substantial change in the nature or purpose of a service, the behavior analyst must obtain a new informed consent from the client.

Subd. 3. **Emergency or crisis services.** Informed consent is not required when a behavior analyst is providing emergency or crisis services. If services continue after the emergency or crisis has abated, informed consent must be obtained.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 14. **[148.9994] BEHAVIOR ANALYST ADVISORY COUNCIL.**

Subdivision 1. **Membership.** The Behavior Analyst Advisory Council is created and composed of five members appointed by the board. The advisory council consists of:

(1) one public member as defined in section 214.02;

(2) three members who are licensed behavior analysts; and

(3) one member who is a licensed psychologist and, to the extent practicable, who practices applied behavior analysis.

Subd. 2. **Administration.** The advisory council is established and administered under section 15.059, except that the advisory council does not expire.

Subd. 3. **Duties.** The advisory council must:

(1) advise the board regarding standards for behavior analysts;

(2) assist with the distribution of information regarding behavior analyst standards;

(3) advise the board on enforcement of sections 148.9981 to 148.9995;

(4) review license applications and license renewal applications and make recommendations to the board;

(5) review complaints and complaint investigation reports and make recommendations to the board on whether disciplinary action should be taken and, if applicable, what type;

(6) advise the board regarding evaluation and treatment protocols; and

(7) perform other duties authorized for advisory councils under chapter 214 as directed by the board to ensure effective oversight of behavior analysts.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 15. **[148.9995] FEES.**

Subdivision 1. **Fees.** All applicants and licensees must pay fees as follows:

(1) application fee, $225;

(2) license renewal fee, $225;

(3) inactive license renewal fee, $125;

(4) biennial renewal late fee, $100;

(5) inactive license renewal late fee, $100; and

(6) supervisor application processing fee, $225.

Subd. 2. **Nonrefundable fees.** All fees in this section are nonrefundable.

Subd. 3. **Deposit of fees.** Fees collected by the board under this section must be deposited in the state government special revenue fund.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 16. **INITIAL BEHAVIOR ANALYST ADVISORY COUNCIL.**

The Board of Psychology must make the first appointments to the Behavior Analyst Advisory Council authorized under Minnesota Statutes, section 148.9994, by September 1, 2024. The initial behavior analysts appointed to the advisory council need not be licensed under Minnesota Statutes, sections 148.9981 to 148.9995, but must hold a current and active national certification as a board certified behavior analyst. The chair of the Board of Psychology must convene the first meeting of the council by September 1, 2024, and must convene subsequent meetings of the council until an advisory chair is elected. The council must elect a chair from its members by the third meeting of the council.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

## ARTICLE 3
## BOARD OF VETERINARY MEDICINE

Section 1. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 5a. **Direct supervision.** "Direct supervision" means:

(1) when a supervising veterinarian or licensed veterinary technician is in the immediate area and within audible or visual range of an animal and the unlicensed veterinary employee treating the animal;

(2) the supervising veterinarian has met the requirements of a veterinarian-client-patient relationship under section 156.16, subdivision 12; and

(3) the supervising veterinarian assumes responsibility for the professional care given to an animal by a person working under the veterinarian's direction.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 7a. **Licensed veterinary technician.** "Licensed veterinary technician" means a person licensed by the board under section 156.077.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 3. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 10b. **Remote supervision.** "Remote supervision" means:

(1) a veterinarian is not on the premises but is acquainted with the keeping and care of an animal by virtue of an examination of the animal or medically appropriate and timely visits to the premises where the animal is kept;

(2) the veterinarian has given written or oral instructions to a licensed veterinary technician for ongoing care of an animal and is available by telephone or other form of immediate communication; and

(3) the employee treating the animal timely enters into the animal's medical record documentation of the treatment provided and the documentation is reviewed by the veterinarian.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 4. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 12. **Veterinary technology.** "Veterinary technology" means the science and practice of providing professional support to veterinarians, including the direct supervision of unlicensed veterinary employees. Veterinary technology does not include veterinary diagnosis, prognosis, surgery, or medication prescription.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 5. Minnesota Statutes 2022, section 156.07, is amended to read:

**156.07 LICENSE RENEWAL.**

Persons licensed under this chapter shall conspicuously display their license in their principal place of business.

Persons now ~~qualified to practice veterinary medicine~~ licensed in this state, or who shall hereafter be licensed by the Board of Veterinary Medicine ~~to engage in the practice~~ as veterinarians or veterinary technicians, shall periodically renew their license in a manner prescribed by the board. The board shall establish license renewal fees and continuing education requirements. The board may establish, by rule, an inactive license category, at a lower fee, for licensees not actively engaged in the practice of veterinary medicine or veterinary technology within the state of Minnesota. The board may assess a charge for delinquent payment of a renewal fee.

Any person who is licensed to practice veterinary medicine or veterinary technology in this state pursuant to this chapter, shall be entitled to receive a license to continue to practice upon making application to the board and complying with the terms of this section and rules of the board.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 6. **[156.0721] INSTITUTIONAL LICENSURE.**

Subdivision 1. **Application and eligibility.** (a) Any person who seeks to practice veterinary medicine while employed by the University of Minnesota and who is not eligible for a regular license shall make a written application to the board for an institutional license using forms provided for that purpose or in a format accepted by the board. The board shall issue an institutional license to practice veterinary medicine to an applicant who:

(1) has obtained the degree of doctor of veterinary medicine or its equivalent from a nonaccredited college of veterinary medicine. A graduate from an accredited college and an applicant who has earned ECFVG or PAVE certificates should apply for a regular license to practice veterinary medicine;

(2) has passed the Minnesota Veterinary Jurisprudence Examination;

(3) is a person of good moral character, as attested by five notarized reference letters from adults not related to the applicant, at least two of whom are licensed veterinarians in the jurisdiction where the applicant is currently practicing or familiar with the applicant's clinical abilities as evidenced in clinical rotations;

(4) has paid the license application fee;

(5) provides proof of employment by the University of Minnesota;

(6) certifies that the applicant understands and agrees that the institutional license is valid only for the practice of veterinary medicine associated with the applicant's employment as a faculty member, intern, resident, or locum of the University of Minnesota College of Veterinary Medicine or other unit of the University of Minnesota;

(7) provides proof of graduation from a veterinary college;

(8) completed a criminal background check as defined in section 214.075; and

(9) provides other information and proof as the board may require by rules and regulations.

(b) The University of Minnesota may submit the applications of its employees who seek an institutional license in a compiled format acceptable to the board, with any license application fees in a single form of payment.

(c) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in the state. License payment and renewal deadlines, late payment fees, and other license requirements are also the same as for a regular license to practice veterinary medicine.

(d) The University of Minnesota may be responsible for timely payment of renewal fees and submission of renewal forms.

Subd. 2. **Scope of practice.** (a) An institutional license holder may practice veterinary medicine only as related to the license holder's regular function at the University of Minnesota. A person holding only an institutional license in this state must be remunerated

for the practice of veterinary medicine in the state solely from state, federal, or institutional funds and not from the patient-owner beneficiary of the license holder's practice efforts.

(b) A license issued under this section must be canceled by the board upon receipt of information from the University of Minnesota that the holder of the license has left or is otherwise no longer employed at the University of Minnesota in this state.

(c) An institutional license holder must abide by all laws governing the practice of veterinary medicine in the state and is subject to the same disciplinary action as any other veterinarian licensed in the state.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 7. **[156.076] DIRECT SUPERVISION; UNLICENSED VETERINARY EMPLOYEES.**

(a) An unlicensed veterinary employee may only administer medication or render auxiliary or supporting assistance under the direct supervision of a licensed veterinarian or licensed veterinary technician.

(b) This section does not prohibit:

(1) the performance of generalized nursing tasks ordered by the veterinarian and performed by an unlicensed employee on inpatient animals during the hours when a veterinarian is not on the premises; or

(2) under emergency conditions, an unlicensed employee from rendering lifesaving aid and treatment to an animal in the absence of a veterinarian if the animal is in a life-threatening condition and requires immediate treatment to sustain life or prevent further injury.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 8. **[156.077] LICENSED VETERINARY TECHNICIANS.**

Subdivision 1. **Licensure; practice.** (a) The board shall issue a license to practice as a veterinary technician to an applicant who satisfies the requirements in this section and those imposed by the board in rule. A licensed veterinary technician may practice veterinary technology. A person may not use the title "veterinary technician" or the abbreviation "LVT" unless licensed by the board.

(b) The board may adopt by rule additional or temporary alternative licensure requirements or definitions for veterinary technician titles.

Subd. 2. **Applicants; qualifications.** Application for a license to practice veterinary technology in this state shall be made to the board on a form furnished by the board and accompanied by evidence satisfactory to the board that the applicant is at least 18 years of age, is of good moral character, and has:

(1) graduated from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(2) received a passing score for the Veterinary Technician National Examination;

(3) received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination; and

(4) completed a criminal background check.

Subd. 3. **Required with application.** A completed application must contain the following information and material:

(1) the application fee set by the board, which is not refundable if permission to take the jurisprudence examination is denied for good cause;

(2) proof of graduation from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(3) affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that establish how long, when, and under what circumstances the references have known the applicant and any other facts that may enable the board to determine the applicant's qualifications; and

(4) if the applicant has served in the armed forces, a copy of the applicant's discharge papers.

Subd. 4. **Temporary alternative qualifications.** (a) The board shall consider an application for licensure submitted by a person before July 1, 2031, if the person provides evidence satisfactory to the board that the person:

(1) is a certified veterinary technician in good standing with the Minnesota Veterinary Medical Association; or

(2) has at least 4,160 hours actively engaged in the practice of veterinary technology within the previous five years.

(b) Each applicant under this subdivision must also submit to the board affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that

establish how long, when, and under what circumstances the references have known the applicant and any other facts that may enable the board to determine the applicant's qualifications.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 9. **[156.078] NONRESIDENTS; LICENSED VETERINARY TECHNICIANS.**

A credentialed veterinary technician duly admitted to practice in any state, commonwealth, territory, or district of the United States or province of Canada who desires permission to practice veterinary technology in this state shall submit an application to the board on a form furnished by the board. The board shall review an application for transfer if the applicant submits:

(1) a copy of a diploma from an accredited or approved college of veterinary technology or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary technology or a certificate of satisfactory completion of the PAVE program;

(2) if requesting waiver of examination, evidence of meeting licensure requirements in the state of the applicant's original licensure;

(3) affidavits of two licensed practicing doctors of veterinary medicine or veterinary technicians residing in the United States or Canadian licensing jurisdiction in which the applicant is or was most recently practicing, attesting that they are well acquainted with the applicant, that the applicant is a person of good moral character, and that the applicant has been actively engaged in practicing or teaching in such jurisdiction;

(4) a certificate from the agency that regulates the conduct of practice of veterinary technology in the jurisdiction in which the applicant is or was most recently practicing, stating that the applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

(5) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action;

(6) in lieu of the certificates in clauses (4) and (5), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

(7) a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

(8) score reports on previously taken national examinations in veterinary technology, certified by the Veterinary Information Verification Agency or evidence of employment as a veterinary technician for at least three years;

(9) proof that the applicant received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination; and

(10) proof of a completed criminal background check.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 10. Minnesota Statutes 2022, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with ~~subdivision 6~~ section 156.0721 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, ~~College of Agriculture,~~ Veterinary Diagnostic Laboratory, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, School of Nursing, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians ~~or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory~~;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic; or

(k) a person certified by the Emergency Medical Services Regulatory Board under chapter 144E from providing emergency medical care to a police dog wounded in the line of duty.

Sec. 11. Minnesota Statutes 2022, section 156.12, subdivision 4, is amended to read:

Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, ~~or~~ ECFVG or PAVE certification, or an institutional license under section 156.0721 to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 156.12, subdivision 6, is repealed.

## ARTICLE 4
## BOARD OF DENTISTRY

Section 1. Minnesota Statutes 2022, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant one or more specialty licenses in the specialty areas of dentistry that are recognized by the Commission on Dental Accreditation.

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty program accredited by the Commission on Dental Accreditation, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;

(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant for each specialty area;

(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;

(7) pass all components of the National Board Dental Examinations;

(8) pass the Minnesota Board of Dentistry jurisprudence examination;

(9) abide by professional ethical conduct requirements; and

(10) meet all other requirements prescribed by the Board of Dentistry.

(c) The application must include:

(1) a completed application furnished by the board;

(2) a nonrefundable fee; and

(3) a copy of the applicant's government-issued photo identification card.

(d) A specialty dentist holding one or more specialty licenses is limited to practicing in the dentist's designated specialty area or areas. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.

~~(e) A specialty dentist holding a general dental license is limited to practicing in the dentist's designated specialty area or areas if the dentist has announced a limitation of practice. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.~~

~~(f)~~ (e) All specialty dentists who have fulfilled the specialty dentist requirements and who intend to limit their practice to a particular specialty area or areas may apply for one or more specialty licenses.

Sec. 2. Minnesota Statutes 2022, section 150A.06, subdivision 8, is amended to read:

Subd. 8. **Licensure by credentials; dental assistant.** (a) Any dental assistant may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record in lieu of completing a board-approved dental assisting program for expanded functions as defined in rule, and may be interviewed by the board to determine if the applicant:

(1) has graduated from an accredited dental assisting program accredited by the Commission on Dental Accreditation ~~and~~ or is currently certified by the Dental Assisting National Board;

(2) is not subject to any pending or final disciplinary action in another state or Canadian province, or if not currently certified or registered, previously had a certification or registration in another state or Canadian province in good standing that was not subject to any final or pending disciplinary action at the time of surrender;

(3) is of good moral character and abides by professional ethical conduct requirements;

(4) at board discretion, has passed a board-approved English proficiency test if English is not the applicant's primary language; and

(5) has met all expanded functions curriculum equivalency requirements of a Minnesota board-approved dental assisting program.

(b) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(c) An applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 2a must be licensed to practice the applicant's profession.

(d) If the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 2a, the application must be denied. If licensure is denied, the board may notify the applicant of any specific remedy that the applicant could take which, when passed, would qualify the applicant for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 2a.

(e) A candidate whose application has been denied may appeal the decision to the board according to subdivision 4a.

## ARTICLE 5
## PHYSICIAN ASSISTANT PRACTICE

Section 1. **REPEALER.**

Minnesota Statutes 2022, section 147A.09, subdivision 5, is repealed.

## ARTICLE 6
## BOARD OF SOCIAL WORK

Section 1. Minnesota Statutes 2022, section 148D.061, subdivision 1, is amended to read:

Subdivision 1. **Requirements for a provisional license.** An applicant may be issued a provisional license if the applicant:

~~(1) was born in a foreign country;~~

~~(2) communicates in English as a second language;~~

~~(3) has taken the applicable examination administered by the Association of Social Work Boards or similar examination body designated by the board;~~

~~(4)~~ (1) has met the requirements of section 148E.055, subdivision 2, ~~paragraph (a),~~ clauses (1), (3), (4), (5), and (6); ~~or~~ subdivision 3, ~~paragraph (a),~~ clauses (1), (3), (4), (5), and (6); ~~or~~ subdivision 4, ~~paragraph (a),~~ clauses (1), (2), (4), (5), (6), and (7); or subdivision 5, paragraph (a), clauses (1), (2), (3), (5), (6), (7), and (8); and

~~(5)~~ (2) complies with the requirements of subdivisions 2 to 7.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 148D.061, subdivision 8, is amended to read:

Subd. 8. **Disciplinary or other action.** A licensee who is issued a provisional license is subject to the grounds for disciplinary action under section 148E.190. The board may also take action according to sections 148E.260 to 148E.270 if:

(1) the licensee's supervisor does not submit an evaluation as required by section 148D.063;

(2) an evaluation submitted according to section 148D.063 indicates that the licensee cannot practice social work competently and ethically; or

(3) the licensee does not comply with the requirements of subdivisions 1 to 7.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 148D.062, subdivision 3, is amended to read:

Subd. 3. **Types of supervision.** (a) ~~Twenty-five hours~~ Half of the supervision hours required by subdivision 1 must consist of one-on-one ~~in-person~~ supervision. The supervision must be provided either in person or via eye-to-eye electronic media while maintaining visual contact.

(b) ~~Twelve and one-half hours~~ Half of the supervision hours must consist of one or more of the following types of supervision:

(1) ~~in-person~~ one-on-one supervision provided in person or via eye-to-eye electronic media while maintaining visual contact; or

(2) ~~in-person~~ group supervision provided in person, by telephone, or via eye-to-eye electronic media while maintaining visual contact.

(c) ~~To qualify as in-person~~ Group supervision~~, the group~~ must not exceed ~~seven members including the supervisor~~ six supervisees.

(d) Supervision must not be provided by email.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 148D.062, subdivision 4, is amended to read:

Subd. 4. **Supervisor requirements.** (a) The supervision required by subdivision 1 must be provided by a supervisor who meets the requirements in section 148E.120 and has ~~either:~~

~~(1) 5,000 hours experience engaged in authorized social work practice; or~~

~~(2)~~ completed 30 hours of training in supervision, which may be satisfied by completing academic coursework in supervision or continuing education courses in supervision as defined in section 148E.010, subdivision 18.

(b) Supervision must be provided:

(1) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed social worker, by:

(i) a licensed social worker who has completed the supervised practice requirements;

(ii) a licensed graduate social worker who has completed the supervised practice requirements;

(iii) a licensed independent social worker; or

(iv) a licensed independent clinical social worker;

(2) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by:

(i) a licensed graduate social worker who has completed the supervised practice requirements;

(ii) a licensed independent social worker; or

(iii) a licensed independent clinical social worker;

(3) if the supervisee is engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by a licensed independent clinical social worker; or

(4) by a supervisor who meets the requirements in section 148E.120, subdivision 2.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 148D.063, subdivision 1, is amended to read:

Subdivision 1. **Supervision plan.** (a) An applicant granted a provisional license must submit, on a form provided by the board, a supervision plan for meeting the supervision requirements in section 148D.062.

(b) The supervision plan must be submitted no later than 30 days after the licensee begins a social work practice position.

~~(c) The board may revoke a licensee's provisional license for failure to submit the supervision plan within 30 days after beginning a social work practice position.~~

~~(d)~~ (c) The supervision plan must include the following:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the person providing the supervision;

(3) the number of hours of one-on-one ~~in-person~~ supervision and the number and type of additional hours of supervision to be completed by the supervisee;

(4) the supervisee's position description;

(5) a brief description of the supervision the supervisee will receive in the following content areas:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice; and

(6) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:

(i) the client population, the range of presenting issues, and the diagnoses;

(ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process.

~~(e)~~ (d) The board must receive a revised supervision plan within 30 days of any of the following changes:

(1) the supervisee has a new supervisor;

(2) the supervisee begins a new social work position;

(3) the scope or content of the supervisee's social work practice changes substantially;

(4) the number of practice or supervision hours changes substantially; or

(5) the type of supervision changes as supervision is described in section 148D.062.

~~(f) The board may revoke a licensee's provisional license for failure to submit a revised supervision plan as required in paragraph (e).~~

~~(g)~~ (e) The board must approve the supervisor and the supervision plan.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 148D.063, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) When a licensee's supervisor submits an evaluation to the board according to section 148D.061, subdivision 6, the supervisee and supervisor must provide the following information on a form provided by the board:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the supervisor;

(3) the number of hours and dates of each type of supervision completed;

(4) the supervisee's position description;

(5) a declaration that the supervisee has not engaged in conduct in violation of the standards of practice in sections 148E.195 to 148E.240;

(6) a declaration that the supervisee has practiced competently and ethically according to professional social work knowledge, skills, and values; and

(7) on a form provided by the board, an evaluation of the licensee's practice in the following areas:

(i) development of professional social work knowledge, skills, and values;

(ii) practice methods;

(iii) authorized scope of practice;

~~(iv) ensuring continuing competence;~~

~~(v)~~ (iv) ethical standards of practice; and

~~(vi)~~ (v) clinical practice, if applicable.

(b) The supervisor must attest to the satisfaction of the board that the supervisee has met or has made progress on meeting the applicable supervised practice requirements.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 2b. **Qualifications for licensure by completion of provisional license requirements as a licensed social worker (LSW).** To be licensed as a licensed social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 2, clauses (1) and (3) to (6).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 3b. **Qualifications for licensure by completion of provisional license requirements as a licensed graduate social worker (LGSW).** To be licensed as a licensed graduate social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 3, clauses (1) and (3) to (6).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 4b. **Qualifications for licensure by completion of provisional license requirements as a licensed independent social worker (LISW).** To be licensed as a licensed independent social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 4, clauses (1), (2), and (4) to (7).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 5b. **Qualifications for licensure by completion of provisional license requirements as a licensed independent clinical social worker (LICSW).** To be licensed as a licensed independent clinical social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 5, paragraph (a), clauses (1) to (3) and (5) to (8).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 11. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor of statutes shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

| Column A | Column B |
|---|---|
| 148D.061 | 148E.0551 |
| 148D.062 | 148E.116 |
| 148D.063 | 148E.126 |

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 148D.061, subdivision 9, is repealed.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

## ARTICLE 7
## BOARD OF MARRIAGE AND FAMILY THERAPY

Section 1. **[148B.331] GUEST LICENSURE.**

Subdivision 1. **Generally.** (a) A nonresident of the state of Minnesota who is not seeking licensure in Minnesota and intends to practice in Minnesota must apply to the board for

guest licensure. An applicant must apply for guest licensure at least 30 days prior to the expected date of practice in Minnesota and is subject to approval by the board or its designee.

(b) To be eligible for licensure under this section, the applicant must:

(1) have a license, certification, or registration in good standing to practice marriage and family therapy from another jurisdiction;

(2) have a graduate degree in marriage and family therapy from a regionally accredited institution or a degree in a related field from a regionally accredited institution with completed coursework meeting the educational requirements provided in Minnesota Rules, part 5300.0140, subpart 2;

(3) be of good moral character;

(4) have no pending complaints or active disciplinary or corrective actions in any jurisdiction;

(5) submit the required fee and complete the criminal background check according to section 214.075; and

(6) pay a fee to the board in the amount set forth in section 148B.392.

(c) A license issued under this section is valid for one year from the date of issuance and allows practice by the nonresident for a maximum of five months. The months in which the nonresident may practice under the license must be consecutive. A guest license is not renewable, but the nonresident may reapply for guest licensure, subject to continued eligibility under paragraph (b), following expiration of a guest license.

Subd. 2. **Other professional activity.** Notwithstanding subdivision 1, a nonresident of the state of Minnesota who is not seeking licensure in Minnesota may serve as an expert witness, organizational consultant, presenter, or educator without obtaining guest licensure, provided the nonresident is appropriately trained or educated, or has been issued a license, certificate, or registration by another jurisdiction.

Subd. 3. **Prohibitions and sanctions.** A person's privilege to practice under this section is subject to the prohibitions and sanctions for unprofessional or unethical conduct contained in Minnesota laws and rules for marriage and family therapy under this chapter.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2, is amended to read:

Subd. 2. **Licensure and application fees.** Licensure and application fees established by the board shall not exceed the following amounts:

(1) application fee for national examination is $150;

(2) application fee for Licensed Marriage and Family Therapist (LMFT) ~~state examination~~ license is $150;

(3) initial LMFT license fee is prorated, but cannot exceed $225;

(4) annual renewal fee for LMFT license is $225;

(5) late fee for LMFT license renewal is $100;

(6) application fee for LMFT licensure by reciprocity is $300;

(7) application fee for ~~initial~~ Licensed Associate Marriage and Family Therapist (LAMFT) license is $100;

(8) annual renewal fee for LAMFT license is $100;

(9) late fee for LAMFT license renewal is $50;

(10) fee for reinstatement of LMFT or LAMFT license is $150;

(11) fee for LMFT emeritus license status is $225; ~~and~~

(12) fee for temporary license for members of the military is $100~~.~~; and

(13) fee for LMFT guest license is $150.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

## ARTICLE 8
## BOARD OF PHARMACY

Section 1. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to read:

Subd. 4a. **Application and fee; relocation.** A person who is registered with or licensed by the board must submit a new application to the board before relocating the physical location of the person's business. An application must be submitted for each affected license. The application must set forth the proposed change of location on a form established by the board. If the licensee or registrant remitted payment for the full amount during the state's

fiscal year, the relocation application fee is the same as the application fee in subdivision 1, except that the fees in clauses (6) to (9) and (11) to (16) are reduced by $5,000 and the fee in clause (16) is reduced by $55,000. If the application is made within 60 days before the date of the original license or registration expiration, the applicant must pay the full application fee provided in subdivision 1. Upon approval of an application for a relocation, the board shall issue a new license or registration.

Sec. 2. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to read:

Subd. 4b. **Application and fee; change of ownership.** A person who is registered with or licensed by the board must submit a new application to the board before changing the ownership of the licensee or registrant. An application must be submitted for each affected license. The application must set forth the proposed change of ownership on a form established by the board. If the licensee or registrant remitted payment for the full amount during the state's fiscal year, the application fee is the same as the application fee in subdivision 1, except that the fees in clauses (6) to (9) and (11) to (16) are reduced by $5,000 and the fee in clause (16) is reduced by $55,000. If the application is made within 60 days before the date of the original license or registration expiration, the applicant must pay the full application fee provided in subdivision 1. Upon approval of an application for a change of ownership, the board shall issue a new license or registration.

Sec. 3. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to read:

Subd. 8. **Transfer of licenses.** Licenses and registrations granted by the board are not transferable.

Sec. 4. Minnesota Statutes 2022, section 151.066, subdivision 1, is amended to read:

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

(b) "Manufacturer" means a manufacturer licensed under section 151.252 ~~that is engaged in the manufacturing of an opiate~~, excluding those exclusively licensed to manufacture medical gas.

(c) "Opiate" means any opiate-containing controlled substance listed in section 152.02, subdivisions 3 to 5, that is distributed, delivered, sold, or dispensed into or within this state.

(d) "Third-party logistics provider" means a third-party logistics provider licensed under section 151.471.

(e) "Wholesaler" means a wholesale drug distributor licensed under section 151.47 ~~that is engaged in the wholesale drug distribution of an opiate~~, excluding those exclusively licensed to distribute medical gas.

Sec. 5. Minnesota Statutes 2022, section 151.066, subdivision 2, is amended to read:

Subd. 2. **Reporting requirements.** (a) By March 1 of each year, beginning March 1, 2020, each manufacturer and each wholesaler must report to the board every sale, delivery, or other distribution within or into this state of any opiate that is made to any practitioner, pharmacy, hospital, veterinary hospital, or other person who is permitted by section 151.37 to possess controlled substances for administration or dispensing to patients that occurred during the previous calendar year. Reporting must be in the automation of reports and consolidated orders system format unless otherwise specified by the board. If no reportable distributions occurred for a given year, notification must be provided to the board in a manner specified by the board. If a manufacturer or wholesaler fails to provide information required under this paragraph on a timely basis, the board may assess an administrative penalty of $500 per day. This penalty shall not be considered a form of disciplinary action.

(b) By March 1 of each year, beginning March 1, 2020, each owner of a pharmacy with at least one location within this state must report to the board any intracompany delivery or distribution into this state, of any opiate, to the extent that those deliveries and distributions are not reported to the board by a licensed wholesaler owned by, under contract to, or otherwise operating on behalf of the owner of the pharmacy. Reporting must be in the manner and format specified by the board for deliveries and distributions that occurred during the previous calendar year. The report must include the name of the manufacturer or wholesaler from which the owner of the pharmacy ultimately purchased the opiate, and the amount and date that the purchase occurred.

(c) By March 1 of each year, beginning March 1, 2025, each third-party logistics provider must report to the board any delivery or distribution into this state of any opiate, to the extent that those deliveries and distributions are not reported to the board by a licensed wholesaler or manufacturer. Reporting must be in the manner and format specified by the board for deliveries and distributions that occurred during the previous calendar year.

Sec. 6. Minnesota Statutes 2022, section 151.066, subdivision 3, is amended to read:

Subd. 3. **Determination of an opiate product registration fee.** (a) The board shall annually assess an opiate product registration fee on any manufacturer of an opiate that annually sells, delivers, or distributes an opiate within or into the state in a quantity of 2,000,000 or more units as reported to the board under subdivision 2.

(b) For purposes of assessing the annual registration fee under this section and determining the number of opiate units a manufacturer sold, delivered, or distributed within or into the state, the board shall not consider any opiate that is used for substance use disorder treatment with medications for opioid use disorder.

(c) The annual registration fee for each manufacturer meeting the requirement under paragraph (a) is $250,000.

(d) In conjunction with the data reported under this section, and notwithstanding section 152.126, subdivision 6, the board may use the data reported under section 152.126, subdivision 4, to determine which manufacturers meet the requirement under paragraph (a) and are required to pay the registration fees under this subdivision.

(e) By April 1 of each year, beginning April 1, 2020, the board shall notify ~~a manufacturer~~ all manufacturers required to report under subdivision 2 whether ~~that~~ the manufacturer meets the requirement in paragraph (a) and whether the manufacturer is required to pay the annual registration fee in accordance with section 151.252, subdivision 1, paragraph (b).

(f) A manufacturer may dispute the board's determination that the manufacturer must pay the registration fee no later than 30 days after the date of notification. However, the manufacturer must still remit the fee as required by section 151.252, subdivision 1, paragraph (b). The dispute must be filed with the board in the manner and using the forms specified by the board. A manufacturer must submit, with the required forms, data satisfactory to the board that demonstrates that the assessment of the registration fee was incorrect. The board must make a decision concerning a dispute no later than 60 days after receiving the required dispute forms. If the board determines that the manufacturer has satisfactorily demonstrated that the fee was incorrectly assessed, the board must refund the amount paid in error.

(g) For purposes of this subdivision, a unit means the individual dosage form of the particular drug product that is prescribed to the patient. One unit equals one tablet, capsule, patch, syringe, milliliter, or gram.

(h) For the purposes of this subdivision, an opiate's units will be assigned to the manufacturer holding the New Drug Application (NDA) or Abbreviated New Drug Application (ANDA), as listed by the United States Food and Drug Administration.

## ARTICLE 9
## APPROPRIATIONS

Section 1. **DEPARTMENT OF HEALTH; TRANSFER CARE SPECIALISTS.**

$198,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement Minnesota Statutes, section 149A.47. The state government special revenue fund base for this appropriation is $105,000 in fiscal year 2026 and $105,000 in fiscal year 2027.

Sec. 2. **BOARD OF PSYCHOLOGY; LICENSED BEHAVIOR ANALYSTS.**

$95,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Psychology to implement Minnesota Statutes, sections 148.9981 to 148.9995. The state government special revenue fund base for this appropriation is $48,000 in fiscal year 2026 and $48,000 in fiscal year 2027.

Sec. 3. **BOARD OF VETERINARY MEDICINE; VETERINARY TECHNICIAN REGULATION.**

$23,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Veterinary Medicine to implement Minnesota Statutes, section 156.077. The state government special revenue fund base for this appropriation is $52,000 in fiscal year 2026 and $52,000 in fiscal year 2027.

Sec. 4. **BOARD OF DENTISTRY; DENTAL ASSISTANT LICENSURE BY CREDENTIALS.**

$2,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Dentistry to implement Minnesota Statutes, section 150A.06, subdivision 8. The state government special revenue fund base for this appropriation is $3,000 in fiscal year 2026 and $5,000 in fiscal year 2027.

Sec. 5. **BOARD OF SOCIAL WORK; PROVISIONAL LICENSURE.**

$133,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Social Work to implement modifications to provisional licensure under

Minnesota Statutes, chapters 148D and 148E. The state government special revenue fund base for this appropriation is $80,000 in fiscal year 2026 and $80,000 in fiscal year 2027.

Sec. 6. **BOARD OF MARRIAGE AND FAMILY THERAPY; GUEST LICENSURE.**

$22,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Marriage and Family Therapy to implement Minnesota Statutes, section 148B.331. The state government special revenue fund base for this appropriation is $47,000 in fiscal year 2026 and $47,000 in fiscal year 2027.

**147A.09 SCOPE OF PRACTICE.**

Subd. 5. **Scope of practice limitations; psychiatric care for children with emotional disturbance or adults with serious mental illness.** Notwithstanding subdivision 1, a physician assistant may only provide ongoing psychiatric treatment for children with emotional disturbance, as defined in section 245.4871, subdivision 15, or adults with serious mental illness in collaboration with a physician licensed under chapter 147. For purposes of providing ongoing psychiatric treatment for children with emotional disturbance or adults with serious mental illness, the practice agreement between the physician assistant and one or more physicians licensed under chapter 147 must define the collaboration between the physician assistant and the collaborating physician, including appropriate consultation or referral to psychiatry.

**148D.061 PROVISIONAL LICENSES.**

Subd. 9. **Revocation of provisional license.** The board may immediately revoke the provisional license of a licensee who violates any requirements of this section. The revocation must be made for cause. A licensee whose provisional license is revoked must immediately return the provisional license to the board.

**156.12 PRACTICE OF VETERINARY MEDICINE.**

Subd. 6. **Faculty licensure.** (a) Veterinary Medical Center clinicians at the College of Veterinary Medicine, University of Minnesota, who are engaged in the practice of veterinary medicine as defined in subdivision 1 and who treat animals owned by clients of the Veterinary Medical Center must possess the same license required by other veterinary practitioners in the state of Minnesota except for persons covered by paragraphs (b) and (c).

(b) A specialty practitioner in a hard-to-fill faculty position who has been employed at the College of Veterinary Medicine, University of Minnesota, for five years or more prior to 2003 or is specialty board certified by the American Veterinary Medical Association or the European Board of Veterinary Specialization may be granted a specialty faculty Veterinary Medical Center clinician license which will allow the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center.

(c) A specialty practitioner in a hard-to-fill faculty position at the College of Veterinary Medicine, University of Minnesota, who has graduated from a board-approved foreign veterinary school may be granted a temporary faculty Veterinary Medical Center clinician license. The temporary faculty Veterinary Medical Center clinician license expires in two years and allows the licensee to practice veterinary medicine as defined in subdivision 1 and treat animals owned by clients of the Veterinary Medical Center. The temporary faculty Veterinary Medical Center clinician license allows the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center while under the direct supervision of a veterinarian currently licensed and actively practicing veterinary medicine in Minnesota, as defined in section 156.04. The direct supervising veterinarian must not have any current or past conditions, restrictions, or probationary status imposed on the veterinarian's license by the board within the past five years. The holder of a temporary faculty Veterinary Medical Center clinician license who is enrolled in a PhD program may apply for up to two additional consecutive two-year extensions of an expiring temporary faculty Veterinary Medical Center clinician license. Any other holder of a temporary faculty Veterinary Medical Center clinician license may apply for one two-year extension of the expiring temporary faculty Veterinary Medical Center clinician license. Temporary faculty Veterinary Medical Center clinician licenses that are allowed to expire may not be renewed. The board shall grant an extension to a licensee who demonstrates suitable progress toward completing the requirements of their academic program, specialty board certification, or full licensure in Minnesota by a graduate of a foreign veterinary college.

(d) Temporary and specialty faculty Veterinary Medical Center clinician licensees must abide by all the laws governing the practice of veterinary medicine in the state of Minnesota and are subject to the same disciplinary action as any other veterinarian licensed in the state of Minnesota.

(e) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in Minnesota. License payment deadlines, late payment fees, and other license requirements are also the same as for regular licenses.

A bill for an act

relating to health occupations; establishing transfer care specialist registration; providing licensure for behavior analysts and assistants; providing licensure for veterinary technicians; modifying required education criteria for dental assistants; removing additional collaboration requirements for physician assistants; modifying social worker provisional licensure; creating guest licensure for marriage and family therapists; revising the scope of practice for optometrists; creating a limited license to practice medicine for international medical graduates; establishing licensure for certified midwives; establishing licensure for speech-language pathology assistants; creating a licensure compact for physician assistants, occupational therapists, physical therapists, licensed professional counselors, audiologists and speech language pathologists, dentists and dental hygienists, and social workers; establishing fees; appropriating money; amending Minnesota Statutes 2022, sections 144.0572, subdivision 1; 147.037, by adding a subdivision; 147B.01, subdivisions 3, 4, 9, 14, by adding a subdivision; 147B.03, subdivisions 2, 3; 147B.05, subdivision 1; 147B.06, subdivisions 1, 4, 5; 147D.03, subdivision 1; 148.241; 148.511; 148.512, subdivision 17a; 148.513, subdivisions 1, 2, 3, by adding a subdivision; 148.514, subdivision 2; 148.515, subdivision 1; 148.518; 148.519, subdivision 1, by adding a subdivision; 148.5191, subdivision 1, by adding a subdivision; 148.5192, subdivisions 1, 2, 3; 148.5193, subdivision 1, by adding a subdivision; 148.5194, subdivision 8, by adding a subdivision; 148.5195, subdivisions 5, 6; 148.5196, subdivision 3; 148.56, subdivision 1; 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.01, subdivision 23; 152.12, subdivision 1; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; 256B.0625, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 144.99, subdivision 1; 148.5195, subdivision 3; 148.5196, subdivision 1; 148B.392, subdivision 2; 245C.031, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 148E; 149A; 150A; 156; proposing coding for new law as Minnesota Statutes, chapter 148G; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 147B.01, subdivision 18; 148D.061, subdivision 9; 156.12, subdivision 6.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1
## TRANSFER CARE SPECIALISTS

Section 1. Minnesota Statutes 2022, section 149A.01, subdivision 3, is amended to read:

Subd. 3. **Exceptions to licensure.** (a) Except as otherwise provided in this chapter, nothing in this chapter shall in any way interfere with the duties of:

(1) an anatomical bequest program located within an accredited school of medicine or an accredited college of mortuary science;

(2) a person engaged in the performance of duties prescribed by law relating to the conditions under which unclaimed dead human bodies are held subject to anatomical study;

(3) authorized personnel from a licensed ambulance service in the performance of their duties;

(4) licensed medical personnel in the performance of their duties; or

(5) the coroner or medical examiner in the performance of the duties of their offices.

(b) This chapter does not apply to or interfere with the recognized customs or rites of any culture or recognized religion in the ceremonial washing, dressing, casketing, and public transportation of their dead, to the extent that all other provisions of this chapter are complied with.

(c) Noncompensated persons with the right to control the dead human body, under section 149A.80, subdivision 2, may remove a body from the place of death; transport the body; prepare the body for disposition, except embalming; or arrange for final disposition of the body, provided that all actions are in compliance with this chapter.

(d) Persons serving internships pursuant to section 149A.20, subdivision 6~~, or~~; students officially registered for a practicum or clinical through a program of mortuary science accredited by the American Board of Funeral Service Education; or transfer care specialists registered pursuant to section 149A.47 are not required to be licensed, provided that the persons ~~or~~, students, or transfer care specialists are registered with the commissioner and act under the direct and exclusive supervision of a person holding a current license to practice mortuary science in Minnesota.

(e) Notwithstanding this subdivision, nothing in this section shall be construed to prohibit an institution or entity from establishing, implementing, or enforcing a policy that permits

only persons licensed by the commissioner to remove or cause to be removed a dead body or body part from the institution or entity.

(f) An unlicensed person may arrange for and direct or supervise a memorial service if that person or that person's employer does not have charge of the dead human body. An unlicensed person may not take charge of the dead human body, unless that person has the right to control the dead human body under section 149A.80, subdivision 2, or is that person's noncompensated designee.

Sec. 2. Minnesota Statutes 2022, section 149A.02, subdivision 13a, is amended to read:

Subd. 13a. **Direct supervision.** "Direct supervision" means overseeing the performance of an individual. For the purpose of a clinical, practicum, or internship, direct supervision means that the supervisor is available to observe and correct, as needed, the performance of the trainee. For the purpose of a transfer care specialist, direct supervision means that the supervisor is available by being physically present or by telephone to advise and correct, as needed, the performance of the transfer care specialist. The supervising mortician ~~supervisor~~ is accountable for the actions of the clinical student, practicum student, or intern throughout the course of the training. The supervising mortician is accountable for any violations of law or rule, in the performance of their duties, by the clinical student, practicum student, ~~or~~ intern, or transfer care specialist.

Sec. 3. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 37d. **Transfer care specialist.** "Transfer care specialist" means an individual who is registered with the commissioner in accordance with section 149A.47 and is authorized to perform the removal of a dead human body from the place of death under the direct supervision of a licensed mortician.

Sec. 4. Minnesota Statutes 2022, section 149A.03, is amended to read:

**149A.03 DUTIES OF COMMISSIONER.**

The commissioner shall:

(1) enforce all laws and adopt and enforce rules relating to the:

(i) removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies;

(ii) licensure, registration, and professional conduct of funeral directors, morticians, interns, practicum students, ~~and~~ clinical students, and transfer care specialists;

(iii) licensing and operation of a funeral establishment;

(iv) licensing and operation of an alkaline hydrolysis facility; and

(v) licensing and operation of a crematory;

(2) provide copies of the requirements for licensure, registration, and permits to all applicants;

(3) administer examinations and issue licenses, registrations, and permits to qualified persons and other legal entities;

(4) maintain a record of the name and location of all current licensees ~~and~~, interns, and transfer care specialists;

(5) perform periodic compliance reviews and premise inspections of licensees;

(6) accept and investigate complaints relating to conduct governed by this chapter;

(7) maintain a record of all current preneed arrangement trust accounts;

(8) maintain a schedule of application, examination, permit, registration, and licensure fees, initial and renewal, sufficient to cover all necessary operating expenses;

(9) educate the public about the existence and content of the laws and rules for mortuary science licensing and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies to enable consumers to file complaints against licensees and others who may have violated those laws or rules;

(10) evaluate the laws, rules, and procedures regulating the practice of mortuary science in order to refine the standards for licensing and to improve the regulatory and enforcement methods used; and

(11) initiate proceedings to address and remedy deficiencies and inconsistencies in the laws, rules, or procedures governing the practice of mortuary science and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies.

Sec. 5. Minnesota Statutes 2022, section 149A.09, is amended to read:

**149A.09 DENIAL; REFUSAL TO REISSUE; REVOCATION; SUSPENSION; LIMITATION OF LICENSE, REGISTRATION, OR PERMIT.**

Subdivision 1. **Denial; refusal to renew; revocation; and suspension.** The regulatory agency may deny, refuse to renew, revoke, or suspend any license, registration, or permit applied for or issued pursuant to this chapter when the person subject to regulation under this chapter:

(1) does not meet or fails to maintain the minimum qualification for holding a license, registration, or permit under this chapter;

(2) submits false or misleading material information to the regulatory agency in connection with a license, registration, or permit issued by the regulatory agency or the application for a license, registration, or permit;

(3) violates any law, rule, order, stipulation agreement, settlement, compliance agreement, license, registration, or permit that regulates the removal, preparation, transportation, arrangements for disposition, or final disposition of dead human bodies in Minnesota or any other state in the United States;

(4) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States. "Conviction," as used in this subdivision, includes a conviction for an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned, but the adjudication of guilt is either withheld or not entered;

(5) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States that the regulatory agency determines is reasonably related to the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or the practice of mortuary science;

(6) is adjudicated as mentally incompetent, mentally ill, developmentally disabled, or mentally ill and dangerous to the public;

(7) has a conservator or guardian appointed;

(8) fails to comply with an order issued by the regulatory agency or fails to pay an administrative penalty imposed by the regulatory agency;

(9) owes uncontested delinquent taxes in the amount of $500 or more to the Minnesota Department of Revenue, or any other governmental agency authorized to collect taxes anywhere in the United States;

(10) is in arrears on any court ordered family or child support obligations; or

(11) engages in any conduct that, in the determination of the regulatory agency, is unprofessional as prescribed in section 149A.70, subdivision 7, or renders the person unfit to practice mortuary science or to operate a funeral establishment or crematory.

Subd. 2. **Hearings related to refusal to renew, suspension, or revocation of license, registration, or permit.** If the regulatory agency proposes to deny renewal, suspend, or revoke a license, registration, or permit issued under this chapter, the regulatory agency must first notify, in writing, the person against whom the action is proposed to be taken and provide an opportunity to request a hearing under the contested case provisions of sections 14.57 to 14.62. If the subject of the proposed action does not request a hearing by notifying the regulatory agency, by mail, within 20 calendar days after the receipt of the notice of proposed action, the regulatory agency may proceed with the action without a hearing and the action will be the final order of the regulatory agency.

Subd. 3. **Review of final order.** A judicial review of the final order issued by the regulatory agency may be requested in the manner prescribed in sections 14.63 to 14.69. Failure to request a hearing pursuant to subdivision 2 shall constitute a waiver of the right to further agency or judicial review of the final order.

Subd. 4. **Limitations or qualifications placed on license, registration, or permit.** The regulatory agency may, where the facts support such action, place reasonable limitations or qualifications on the right to practice mortuary science ~~or~~, to operate a funeral establishment or crematory, or to perform activities or actions permitted under this chapter.

Subd. 5. **Restoring license, registration, or permit.** The regulatory agency may, where there is sufficient reason, restore a license, registration, or permit that has been revoked, reduce a period of suspension, or remove limitations or qualifications.

Sec. 6. Minnesota Statutes 2022, section 149A.11, is amended to read:

**149A.11 PUBLICATION OF DISCIPLINARY ACTIONS.**

The regulatory agencies shall report all disciplinary measures or actions taken to the commissioner. At least annually, the commissioner shall publish and make available to the public a description of all disciplinary measures or actions taken by the regulatory agencies. The publication shall include, for each disciplinary measure or action taken, the name and

business address of the licensee ~~or~~, intern, or transfer care specialist; the nature of the misconduct~~,~~; and the measure or action taken by the regulatory agency.

Sec. 7. **[149A.47] TRANSFER CARE SPECIALIST.**

Subdivision 1. **General.** A transfer care specialist may remove a dead human body from the place of death under the direct supervision of a licensed mortician if the transfer care specialist is registered with the commissioner in accordance with this section. A transfer care specialist is not licensed to engage in the practice of mortuary science and shall not engage in the practice of mortuary science except as provided in this section. A transfer care specialist must be an employee of a licensed funeral establishment.

Subd. 2. **Registration.** (a) To be eligible for registration as a transfer care specialist, an applicant must submit to the commissioner:

(1) a completed application on a form provided by the commissioner that includes at a minimum:

(i) the applicant's name, home address and telephone number, business name, business address and telephone number, and email address; and

(ii) the name, license number, business name, and business address and telephone number of the supervising licensed mortician;

(2) proof of completion of a training program that meets the requirements specified in subdivision 4; and

(3) the appropriate fee specified in section 149A.65.

(b) All transfer care specialist registrations are valid for one calendar year, beginning on January 1 and ending on December 31 regardless of the date of issuance. Fees shall not be prorated.

Subd. 3. **Duties.** (a) A transfer care specialist registered under this section is authorized to perform the removal of a dead human body from the place of death in accordance with this chapter to a licensed funeral establishment. A transfer care specialist must comply with the universal precaution requirements in section 149A.91, subdivision 1, when handling a dead human body.

(b) A transfer care specialist must work under the direct supervision of a licensed mortician. The supervising mortician is responsible for the work performed by the transfer care specialist. A licensed mortician may supervise up to four transfer care specialists at any one time.

Subd. 4. **Training program and continuing education.** (a) Each transfer care specialist must complete a training program prior to initial registration. A training program must be at least seven hours long and must cover, at a minimum, the following:

(1) ethical care and transportation procedures for a deceased person;

(2) health and safety concerns to the public and the individual performing the transfer of the deceased person, and the use of universal precautions and other reasonable precautions to minimize the risk for transmitting communicable diseases; and

(3) all relevant state and federal laws and regulations related to the transfer and transportation of deceased persons.

(b) A transfer care specialist must complete three hours of continuing education annually on content described in paragraph (a), clauses (1) to (3), and submit evidence of completion with the individual's registration renewal.

Subd. 5. **Renewal.** (a) A registration issued under this section expires on December 31 of the calendar year in which the registration was issued and must be renewed to remain valid.

(b) To renew a registration, a transfer care specialist must submit to the commissioner a completed renewal application as provided by the commissioner and the appropriate fee specified in section 149A.65. The renewal application must include proof of completion of the continuing education requirements in subdivision 4.

Sec. 8. Minnesota Statutes 2022, section 149A.60, is amended to read:

**149A.60 PROHIBITED CONDUCT.**

The regulatory agency may impose disciplinary measures or take disciplinary action against a person whose conduct is subject to regulation under this chapter for failure to comply with any provision of this chapter or laws, rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, and permits adopted~~,~~ or issued for the regulation of the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or for the regulation of the practice of mortuary science.

Sec. 9. Minnesota Statutes 2022, section 149A.61, subdivision 4, is amended to read:

Subd. 4. **Licensees ~~and~~, interns, and transfer care specialists.** A licensee ~~or~~, intern, or transfer care specialist regulated under this chapter may report to the commissioner any

conduct that the licensee ~~or~~, intern, or transfer care specialist has personal knowledge of, and reasonably believes constitutes grounds for, disciplinary action under this chapter.

Sec. 10. Minnesota Statutes 2022, section 149A.61, subdivision 5, is amended to read:

Subd. 5. **Courts.** The court administrator of district court or any court of competent jurisdiction shall report to the commissioner any judgment or other determination of the court that adjudges or includes a finding that a licensee ~~or~~, intern, or transfer care specialist is a person who is mentally ill, mentally incompetent, guilty of a felony or gross misdemeanor, guilty of violations of federal or state narcotics laws or controlled substances acts; appoints a guardian or conservator for the licensee ~~or~~, intern, or transfer care specialist; or commits a licensee ~~or~~, intern, or transfer care specialist.

Sec. 11. Minnesota Statutes 2022, section 149A.62, is amended to read:

**149A.62 IMMUNITY; REPORTING.**

Any person, private agency, organization, society, association, licensee, ~~or~~ intern, or transfer care specialist who, in good faith, submits information to a regulatory agency under section 149A.61 or otherwise reports violations or alleged violations of this chapter, is immune from civil liability or criminal prosecution. This section does not prohibit disciplinary action taken by the commissioner against any licensee ~~or~~, intern, or transfer care specialist pursuant to a self report of a violation.

Sec. 12. Minnesota Statutes 2022, section 149A.63, is amended to read:

**149A.63 PROFESSIONAL COOPERATION.**

A licensee, clinical student, practicum student, intern, transfer care specialist, or applicant for licensure under this chapter that is the subject of or part of an inspection or investigation by the commissioner or the commissioner's designee shall cooperate fully with the inspection or investigation. Failure to cooperate constitutes grounds for disciplinary action under this chapter.

Sec. 13. Minnesota Statutes 2022, section 149A.65, subdivision 2, is amended to read:

Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

(1) $75 for the initial and renewal registration of a mortuary science intern;

(2) $125 for the mortuary science examination;

(3) $200 for issuance of initial and renewal mortuary science licenses;

(4) $100 late fee charge for a license renewal; ~~and~~

(5) $250 for issuing a mortuary science license by endorsement~~.~~; and

(6) $226 for the initial and renewal registration of a transfer care specialist.

Sec. 14. Minnesota Statutes 2022, section 149A.70, subdivision 3, is amended to read:

Subd. 3. **Advertising.** No licensee, clinical student, practicum student, ~~or~~ intern, or transfer care specialist shall publish or disseminate false, misleading, or deceptive advertising. False, misleading, or deceptive advertising includes, but is not limited to:

(1) identifying, by using the names or pictures of, persons who are not licensed to practice mortuary science in a way that leads the public to believe that those persons will provide mortuary science services;

(2) using any name other than the names under which the funeral establishment, alkaline hydrolysis facility, or crematory is known to or licensed by the commissioner;

(3) using a surname not directly, actively, or presently associated with a licensed funeral establishment, alkaline hydrolysis facility, or crematory, unless the surname had been previously and continuously used by the licensed funeral establishment, alkaline hydrolysis facility, or crematory; and

(4) using a founding or establishing date or total years of service not directly or continuously related to a name under which the funeral establishment, alkaline hydrolysis facility, or crematory is currently or was previously licensed.

Any advertising or other printed material that contains the names or pictures of persons affiliated with a funeral establishment, alkaline hydrolysis facility, or crematory shall state the position held by the persons and shall identify each person who is licensed or unlicensed under this chapter.

Sec. 15. Minnesota Statutes 2022, section 149A.70, subdivision 4, is amended to read:

Subd. 4. **Solicitation of business.** No licensee shall directly or indirectly pay or cause to be paid any sum of money or other valuable consideration for the securing of business or for obtaining the authority to dispose of any dead human body.

For purposes of this subdivision, licensee includes a registered intern, transfer care specialist, or any agent, representative, employee, or person acting on behalf of the licensee.

Sec. 16. Minnesota Statutes 2022, section 149A.70, subdivision 5, is amended to read:

Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student, ~~or~~ intern, or transfer care specialist shall offer, solicit, or accept a commission, fee, bonus, rebate, or other reimbursement in consideration for recommending or causing a dead human body to be disposed of by a specific body donation program, funeral establishment, alkaline hydrolysis facility, crematory, mausoleum, or cemetery.

Sec. 17. Minnesota Statutes 2022, section 149A.70, subdivision 7, is amended to read:

Subd. 7. **Unprofessional conduct.** No licensee ~~or~~, intern, or transfer care specialist shall engage in or permit others under the licensee's ~~or~~, intern's, or transfer care specialist's supervision or employment to engage in unprofessional conduct. Unprofessional conduct includes, but is not limited to:

(1) harassing, abusing, or intimidating a customer, employee, or any other person encountered while within the scope of practice, employment, or business;

(2) using profane, indecent, or obscene language within the immediate hearing of the family or relatives of the deceased;

(3) failure to treat with dignity and respect the body of the deceased, any member of the family or relatives of the deceased, any employee, or any other person encountered while within the scope of practice, employment, or business;

(4) the habitual overindulgence in the use of or dependence on intoxicating liquors, prescription drugs, over-the-counter drugs, illegal drugs, or any other mood altering substances that substantially impair a person's work-related judgment or performance;

(5) revealing personally identifiable facts, data, or information about a decedent, customer, member of the decedent's family, or employee acquired in the practice or business without the prior consent of the individual, except as authorized by law;

(6) intentionally misleading or deceiving any customer in the sale of any goods or services provided by the licensee;

(7) knowingly making a false statement in the procuring, preparation, or filing of any required permit or document; or

(8) knowingly making a false statement on a record of death.

Sec. 18. Minnesota Statutes 2022, section 149A.90, subdivision 2, is amended to read:

Subd. 2. **Removal from place of death.** No person subject to regulation under this chapter shall remove or cause to be removed any dead human body from the place of death without being licensed or registered by the commissioner. Every dead human body shall be removed from the place of death by a licensed mortician or funeral director, except as provided in section 149A.01, subdivision 3.

Sec. 19. Minnesota Statutes 2022, section 149A.90, subdivision 4, is amended to read:

Subd. 4. **Certificate of removal.** No dead human body shall be removed from the place of death by a mortician ~~or~~, funeral director, or transfer care specialist or by a noncompensated person with the right to control the dead human body without the completion of a certificate of removal and, where possible, presentation of a copy of that certificate to the person or a representative of the legal entity with physical or legal custody of the body at the death site. The certificate of removal shall be in the format provided by the commissioner that contains, at least, the following information:

(1) the name of the deceased, if known;

(2) the date and time of removal;

(3) a brief listing of the type and condition of any personal property removed with the body;

(4) the location to which the body is being taken;

(5) the name, business address, and license number of the individual making the removal; and

(6) the signatures of the individual making the removal and, where possible, the individual or representative of the legal entity with physical or legal custody of the body at the death site.

Sec. 20. Minnesota Statutes 2022, section 149A.90, subdivision 5, is amended to read:

Subd. 5. **Retention of certificate of removal.** A copy of the certificate of removal shall be given, where possible, to the person or representative of the legal entity having physical or legal custody of the body at the death site. The original certificate of removal shall be retained by the individual making the removal and shall be kept on file, at the funeral establishment to which the body was taken, for a period of three calendar years following the date of the removal. If the removal was performed by a transfer care specialist not

employed by the funeral establishment to which the body was taken, the transfer care specialist must retain a copy of the certificate of removal at the transfer care specialist's business address as registered with the commissioner for a period of three calendar years following the date of removal. Following this period, and subject to any other laws requiring retention of records, the funeral establishment may then place the records in storage or reduce them to microfilm, microfiche, laser disc, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of the removal of the body. At the end of this period and subject to any other laws requiring retention of records, the funeral establishment may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified in the records.

## ARTICLE 2
## BEHAVIOR ANALYST LICENSURE

Section 1. **[148.9981] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 148.9981 to 148.9995, the terms in this section have the meanings given.

Subd. 2. **Accredited school or educational program.** "Accredited school or educational program" means a school, university, college, or other postsecondary education program that, at the time the student completes the program, is accredited by a regional accrediting association whose standards are substantially equivalent to those of the North Central Association of Colleges and Postsecondary Education Institutions or an accrediting association that evaluates schools of behavior analysis, psychology, or education for inclusion of the education, practicum, and core function standards.

Subd. 3. **Advisory council.** "Advisory council" means the Behavior Analyst Advisory Council established in section 148.9994.

Subd. 4. **Board.** "Board" means the Board of Psychology established in section 148.90.

Subd. 5. **Certifying entity.** "Certifying entity" means the Behavior Analyst Certification Board, Inc., or a successor organization or other organization approved by the board in consultation with the advisory council.

Subd. 6. **Client.** "Client" means an individual who is the recipient of behavior analysis services. Client also means "patient" as defined in section 144.291, subdivision 2, paragraph (g).

Subd. 7. **Licensed assistant behavior analyst.** "Licensed assistant behavior analyst" or "assistant behavior analyst" means an individual who holds a valid license issued under sections 148.9981 to 148.9995 to assist in the practice of applied behavior analysis.

Subd. 8. **Licensed behavior analyst.** "Licensed behavior analyst" or "behavior analyst" means an individual who holds a valid license issued under sections 148.9981 to 148.9995 to engage in the practice of applied behavior analysis.

Subd. 9. **Licensee.** "Licensee" means an individual who holds a valid license issued under sections 148.9981 to 148.9995.

Subd. 10. **Practice of applied behavior analysis.** (a) "Practice of applied behavior analysis" means the design, implementation, and evaluation of social, instructional, and environmental modifications to produce socially significant improvements in human behavior. The practice of applied behavior analysis includes the empirical identification of functional relations between behavior and environmental factors, known as functional behavioral assessment and analysis. Applied behavior analysis interventions are based on scientific research, direct and indirect observation, and measurement of behavior and environment and utilize contextual factors, motivating operations, antecedent stimuli, positive reinforcement, and other procedures to help individuals develop new behaviors, increase or decrease existing behaviors, and emit behaviors under specific social, instructional, and environmental conditions.

(b) The practice of applied behavior analysis does not include the diagnosis of psychiatric or mental health disorders, psychological testing, neuropsychology, psychotherapy, cognitive therapy, sex therapy, hypnotherapy, psychoanalysis, or psychological counseling.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 2. **[148.9982] DUTIES OF THE BOARD OF PSYCHOLOGY.**

Subdivision 1. **General.** The board, in consultation with the advisory council, must:

(1) adopt and enforce standards for licensure, licensure renewal, and the regulation of behavior analysts and assistant behavior analysts;

(2) issue licenses to qualified individuals under sections 148.9981 to 148.9995;

(3) carry out disciplinary actions against licensed behavior analysts and assistant behavior analysts;

(4) educate the public about the existence and content of the regulations for behavior analyst licensing to enable consumers to file complaints against licensees who may have violated laws or rules the board is empowered to enforce; and

(5) collect license fees for behavior analysts and assistant behavior analysts as specified under section 148.9995.

Subd. 2. **Rulemaking.** (a) The board, in consultation with the advisory council, may adopt rules necessary to carry out the provisions of sections 148.9981 to 148.9995.

(b) The board, in consultation with the advisory council, may adopt rules related to the supervision requirements for licensed assistant behavior analysts.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 3. **[148.9983] REQUIREMENTS FOR LICENSURE.**

Subdivision 1. **General.** An individual seeking licensure as a behavior analyst or an assistant behavior analyst must complete and submit a written application on forms provided by the board together with the appropriate fee as specified under section 148.9995.

Subd. 2. **Requirements for licensure.** (a) An applicant for licensure as a behavior analyst must submit evidence satisfactory to the board that the applicant:

(1) has a current and active national certification as a board-certified behavior analyst issued by the certifying entity; or

(2) has completed the equivalent requirements for certification by the certifying entity, including satisfactorily passing a psychometrically valid examination administered by a nationally accredited credentialing organization.

(b) An applicant for licensure as an assistant behavior analyst must submit evidence satisfactory to the board that the applicant:

(1) has a current and active national certification as an assistant behavior analyst issued by the certifying entity; or

(2) has completed the equivalent requirements for certification by the certifying entity, including satisfactorily passing a psychometrically valid examination administered by a nationally accredited credentialing organization.

Subd. 3. **Background investigation.** The applicant must complete a background check pursuant to section 214.075.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 4. **[148.9984] LICENSE RENEWAL REQUIREMENTS.**

Subdivision 1. **Biennial renewal.** A license must be renewed every two years.

Subd. 2. **License renewal notice.** At least 60 calendar days before the renewal deadline date, the board must mail a renewal notice to the licensee's last known address on file with the board. The notice must include instructions for accessing an online application for license renewal, the renewal deadline, and notice of fees required for renewal. The licensee's failure to receive notice does not relieve the licensee of the obligation to meet the renewal deadline and other requirements for license renewal.

Subd. 3. **Renewal requirements.** (a) To renew a license, a licensee must submit to the board:

(1) a completed and signed application for license renewal;

(2) the license renewal fee as specified under section 148.9995; and

(3) evidence satisfactory to the board that the licensee holds a current and active national certification as a behavior analyst or assistant behavior analyst from the certifying entity or otherwise meets renewal requirements as established by the board, in consultation with the advisory council.

(b) The application for license renewal and fee must be postmarked or received by the board by the end of the day on which the license expires or the following business day if the expiration date falls on a Saturday, Sunday, or holiday. A renewal application that is not completed and signed, or that is not accompanied by the correct fee, is void and must be returned to the licensee.

Subd. 4. **Pending renewal.** If a licensee's application for license renewal is postmarked or received by the board by the end of the business day on the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee may continue to practice after the expiration date while the application for license renewal is pending with the board.

Subd. 5. **Late renewal fee.** If the application for license renewal is postmarked or received after the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee must pay a biennial renewal late fee as specified by section 148.9995, in addition to the renewal fee, before the licensee's application for license renewal will be considered by the board.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 5. **[148.9985] EXPIRED LICENSE.**

(a) Within 30 days after the renewal date, a licensee who has not renewed their license must be notified by letter, sent to the last known address of the licensee in the board's file, that the renewal is overdue and that failure to pay the current fee and current biennial renewal late fee within 60 days after the renewal date will result in termination of the license.

(b) The board must terminate the license of a licensee whose license renewal is at least 60 days overdue and to whom notification has been sent as provided in paragraph (a). Failure of a licensee to receive notification is not grounds for later challenge of the termination. The former licensee must be notified of the termination by letter within seven days after board action, in the same manner as provided in paragraph (a).

(c) Notwithstanding paragraph (b), the board retains jurisdiction over a former licensee for complaints received after termination of a license regarding conduct that occurred during licensure.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 6. **[148.9986] PROHIBITED PRACTICE OR USE OF TITLES; PENALTY.**

Subdivision 1. **Practice.** Effective January 1, 2025, an individual must not engage in the practice of applied behavior analysis unless the individual is licensed under sections 148.9981 to 148.9995 as a behavior analyst or assistant behavior analyst, or is exempt under section 148.9987. A psychologist licensed under sections 148.88 to 148.981 who practices behavior analysis is not required to obtain a license as a behavior analyst under sections 148.9981 to 148.9995.

Subd. 2. **Use of titles.** (a) An individual must not use a title incorporating the words "licensed behavior analyst," "behavior analyst," "licensed assistant behavior analyst," or "assistant behavior analyst," or use any other title or description stating or implying that they are licensed or otherwise qualified to practice applied behavior analysis, unless that person holds a valid license under sections 148.9981 to 148.9995.

(b) Notwithstanding paragraph (a), a licensed psychologist who practices applied behavior analysis within the psychologist's scope of practice may use the title "behavior analyst," but must not use the title "licensed behavior analyst" unless the licensed psychologist holds a valid license as a behavior analyst issued under sections 148.9981 to 148.9995.

Subd. 3. **Penalty.** An individual who violates this section is guilty of a misdemeanor.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 7. **[148.9987] EXCEPTIONS TO LICENSE REQUIREMENT.**

(a) Sections 148.9981 to 148.9995 must not be construed to prohibit or restrict:

(1) the practice of an individual who is licensed to practice psychology in the state or an individual who is providing psychological services under the supervision of a licensed psychologist in accordance with section 148.925;

(2) the practice of any other profession or occupation licensed, certified, or registered by the state by an individual duly licensed, certified, or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation;

(3) an individual who is employed by a school district from providing behavior analysis services as part of the individual's employment with the school district, so long as the individual does not provide behavior analysis services to any person or entity other than as an employee of the school district or accept remuneration for the provision of behavior analysis services outside of the individual's employment with the school district;

(4) an employee of a program licensed under chapter 245D from providing the services described in section 245D.091, subdivision 1;

(5) teaching behavior analysis or conducting behavior analysis research if the teaching or research does not involve the direct delivery of behavior analysis services;

(6) providing behavior analysis services by an unlicensed supervisee or trainee under the authority and direction of a licensed behavior analyst or licensed assistant behavior analyst and in compliance with the licensure and supervision standards required by law or rule;

(7) a family member or guardian of the recipient of behavior analysis services from performing behavior analysis services under the authority and direction of a licensed behavior analyst or a licensed assistant behavior analyst; or

(8) students or interns enrolled in an accredited school or educational program, or participating in a behavior analysis practicum, from engaging in the practice of applied behavior analysis while supervised by a licensed behavior analyst, licensed assistant behavior analyst, or instructor of an accredited school or educational program. These individuals must be designated as a behavior analyst student or intern.

(b) Notwithstanding paragraph (a), a licensed psychologist may supervise an unlicensed supervisee, trainee, student, or intern who is engaged in the practice of behavior analysis if the supervision is authorized under the Minnesota Psychology Practice Act.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 8. **[148.9988] NONTRANSFERABILITY OF LICENSES.**

A behavior analyst license or an assistant behavior analyst license is not transferable.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 9. **[148.9989] DUTY TO MAINTAIN CURRENT INFORMATION.**

All licensees and applicants for licensure must notify the board within 30 days of the occurrence of:

(1) a change of name, address, place of employment, or home or business telephone number; or

(2) a change in any other application information.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 10. **[148.999] DISCIPLINE; REPORTING.**

For purposes of sections 148.9981 to 148.9995, behavior analysts and assistant behavior analysts are subject to the provisions of sections 148.941, 148.952 to 148.965, and 148.98.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 11. **[148.9991] COMPETENT PROVISION OF SERVICES.**

Subdivision 1. **Limits on practice.** Behavior analysts must limit practice to the client populations and services for which the behavior analysts have competence or for which the behavior analysts are developing competence.

Subd. 2. **Developing competence.** When a behavior analyst is developing competence in a service, method, or procedure, or is developing competence to treat a specific client population, the behavior analyst must obtain professional education, training, continuing education, consultation, supervision or experience, or a combination thereof, necessary to demonstrate competence.

Subd. 3. **Limitations.** A behavior analyst must recognize the limitations to the scope of practice of applied behavior analysis. When the needs of a client appear to be outside the behavior analyst's scope of practice, the behavior analyst must inform the client that there may be other professional, technical, community, and administrative resources available to

the client. A behavior analyst must assist with identifying resources when it is in the best interest of a client to be provided with alternative or complementary services.

Subd. 4. **Burden of proof.** Whenever a complaint is submitted to the board involving a violation of this section, the burden of proof is on the behavior analyst to demonstrate that the elements of competence have been reasonably met.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 12. **[148.9992] DUTY TO WARN; LIMITATION ON LIABILITY; VIOLENT BEHAVIOR OF PATIENT.**

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

(b) "Other person" means an immediate family member or someone who personally knows the client and has reason to believe the client is capable of and will carry out a serious, specific threat of harm to a specific, clearly identified or identifiable victim.

(c) "Reasonable efforts" means communicating a serious, specific threat to the potential victim and, if unable to make contact with the potential victim, communicating the serious, specific threat to the law enforcement agency closest to the potential victim or the client.

(d) "Licensee" includes behavior analysis students, interns, and unlicensed supervisees who are participating in a behavior analysis practicum or enrolled in an accredited school or educational program.

Subd. 2. **Duty to warn.** The duty to predict, warn of, or take reasonable precautions to provide protection from violent behavior arises only when a client or other person has communicated to the licensee a specific, serious threat of physical violence against a specific, clearly identified or identifiable potential victim. If a duty to warn arises, the duty is discharged by the licensee if reasonable efforts are made to communicate the threat.

Subd. 3. **Liability standard.** If no duty to warn exists under subdivision 2, then no monetary liability and no cause of action may arise against a licensee for failure to predict, warn of, or take reasonable precautions to provide protection from a client's violent behavior.

Subd. 4. **Disclosure of confidences.** Good faith compliance with the duty to warn must not constitute a breach of confidence and must not result in monetary liability or a cause of action against the licensee.

Subd. 5. **Continuity of care.** Subdivision 2 must not be construed to authorize a licensee to terminate treatment of a client as a direct result of a client's violent behavior or threat of

physical violence unless the client is referred to another practitioner or appropriate health care facility.

Subd. 6. **Exception.** This section does not apply to a threat to commit suicide or other threats by a client to harm the client, or to a threat by a client who is adjudicated as a person who has a mental illness and is dangerous to the public under chapter 253B.

Subd. 7. **Optional disclosure.** This section must not be construed to prohibit a licensee from disclosing confidences to third parties in a good faith effort to warn or take precautions against a client's violent behavior or threat to commit suicide for which a duty to warn does not arise.

Subd. 8. **Limitation on liability.** No monetary liability and no cause of action or disciplinary action by the board may arise against a licensee for disclosure of confidences to third parties, for failure to disclose confidences to third parties, or for erroneous disclosure of confidences to third parties in a good faith effort to warn against or take precautions against a client's violent behavior or threat of suicide for which a duty to warn does not arise.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 13. **[148.9993] INFORMED CONSENT.**

Subdivision 1. **Obtaining informed consent for services.** A behavior analyst must obtain informed consent from the client or the client's legal guardian before initiating services. The informed consent must be in writing, signed by the client, and include, at a minimum, the following:

(1) consent for the behavior analyst to engage in activities that directly affect the client;

(2) the goals, purposes, and procedures of the proposed services;

(3) the factors that may impact the duration of the proposed services;

(4) the applicable fee schedule for the proposed services;

(5) the significant risks and benefits of the proposed services;

(6) the behavior analyst's limits under section 148.9991, including, if applicable, information that the behavior analyst is developing competence in the proposed service, method, or procedure, and alternatives to the proposed service, if any; and

(7) the behavior analyst's responsibilities if the client terminates the service.

Subd. 2. **Updating informed consent.** If there is a substantial change in the nature or purpose of a service, the behavior analyst must obtain a new informed consent from the client.

Subd. 3. **Emergency or crisis services.** Informed consent is not required when a behavior analyst is providing emergency or crisis services. If services continue after the emergency or crisis has abated, informed consent must be obtained.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 14. **[148.9994] BEHAVIOR ANALYST ADVISORY COUNCIL.**

Subdivision 1. **Membership.** The Behavior Analyst Advisory Council is created and composed of seven members appointed by the board. The advisory council consists of:

(1) one public member as defined in section 214.02;

(2) three members who are licensed behavior analysts;

(3) two members who are licensed assistant behavior analysts; and

(4) one member who is a licensed psychologist and, to the extent practicable, who practices applied behavior analysis.

Subd. 2. **Administration.** The advisory council is established and administered under section 15.059, except that the advisory council does not expire.

Subd. 3. **Duties.** The advisory council must:

(1) advise the board regarding standards for behavior analysts and assistant behavior analysts;

(2) assist with the distribution of information regarding behavior analyst standards;

(3) advise the board on enforcement of sections 148.9981 to 148.9995;

(4) review license applications and license renewal applications and make recommendations to the board;

(5) review complaints and complaint investigation reports and make recommendations to the board on whether disciplinary action should be taken and, if applicable, what type;

(6) advise the board regarding evaluation and treatment protocols; and

(7) perform other duties authorized for advisory councils under chapter 214 as directed by the board to ensure effective oversight of behavior analysts and assistant behavior analysts.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 15. **[148.9995] FEES.**

Subdivision 1. **Fees.** All applicants and licensees must pay fees as follows:

(1) application fee, $225;

(2) license renewal fee, $225;

(3) inactive license renewal fee, $125;

(4) biennial renewal late fee, $100;

(5) inactive license renewal late fee, $100; and

(6) supervisor application processing fee, $225.

Subd. 2. **Nonrefundable fees.** All fees in this section are nonrefundable.

Subd. 3. **Deposit of fees.** Fees collected by the board under this section must be deposited in the state government special revenue fund.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 16. **INITIAL APPLIED BEHAVIOR ANALYST ADVISORY COUNCIL.**

The Board of Psychology must make the first appointments to the Behavior Analyst Advisory Council authorized under Minnesota Statutes, section 148.9994, by September 1, 2024. The initial behavior analysts and assistant behavior analysts appointed to the advisory council need not be licensed under Minnesota Statutes, sections 148.9981 to 148.9995, but must hold a current and active national certification as a board certified behavior analyst or a board certified assistant behavior analyst issued by the Behavior Analyst Certification Board. The chair of the Board of Psychology must convene the first meeting of the council by September 1, 2024, and must convene subsequent meetings of the council until an advisory chair is elected. The council must elect a chair from its members by the third meeting of the council.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

## ARTICLE 3
## BOARD OF VETERINARY MEDICINE

Section 1. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 5a. **Direct supervision.** "Direct supervision" means:

(1) when a supervising veterinarian or licensed veterinary technician is in the immediate area and within audible or visual range of an animal and the unlicensed veterinary employee treating the animal;

(2) the supervising veterinarian has met the requirements of a veterinarian-client-patient relationship under section 156.16, subdivision 12; and

(3) the supervising veterinarian assumes responsibility for the professional care given to an animal by a person working under the veterinarian's direction.

Sec. 2. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 7a. **Licensed veterinary technician.** "Licensed veterinary technician" means a person licensed by the board under section 156.077.

Sec. 3. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 10b. **Remote supervision.** "Remote supervision" means:

(1) a veterinarian is not on the premises but is acquainted with the keeping and care of an animal by virtue of an examination of the animal or medically appropriate and timely visits to the premises where the animal is kept;

(2) the veterinarian has given written or oral instructions to a licensed veterinary technician for ongoing care of an animal and is available by telephone or other form of immediate communication; and

(3) the employee treating the animal timely enters into the animal's medical record documentation of the treatment provided, and the documentation is reviewed by the veterinarian.

Sec. 4. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 12. **Veterinary technology.** "Veterinary technology" means the science and practice of providing professional support to veterinarians, including the direct supervision of unlicensed veterinary employees. Veterinary technology does not include veterinary diagnosis, prognosis, surgery, or medication prescription.

Sec. 5. Minnesota Statutes 2022, section 156.07, is amended to read:

**156.07 LICENSE RENEWAL.**

Persons licensed under this chapter shall conspicuously display their license in their principal place of business.

Persons now ~~qualified to practice veterinary medicine~~ licensed in this state, or who shall hereafter be licensed by the Board of Veterinary Medicine ~~to engage in the practice~~ as veterinarians or veterinary technicians, shall periodically renew their license in a manner prescribed by the board. The board shall establish license renewal fees and continuing education requirements. The board may establish, by rule, an inactive license category, at a lower fee, for licensees not actively engaged in the practice of veterinary medicine or veterinary technology within the state of Minnesota. The board may assess a charge for delinquent payment of a renewal fee.

Any person who is licensed to practice veterinary medicine or veterinary technology in this state pursuant to this chapter, shall be entitled to receive a license to continue to practice upon making application to the board and complying with the terms of this section and rules of the board.

Sec. 6. **[156.0721] INSTITUTIONAL LICENSURE.**

Subdivision 1. **Application and eligibility.** (a) Any person who seeks to practice veterinary medicine while employed by the University of Minnesota and who is not eligible for a regular license shall make a written application to the board for an institutional license using forms provided for that purpose or in a format accepted by the board. The board shall issue an institutional license to practice veterinary medicine to an applicant who:

(1) has obtained the degree of doctor of veterinary medicine or its equivalent from a nonaccredited college of veterinary medicine. A graduate from an accredited college and an applicant who has earned ECFVG or PAVE certificates should apply for a regular license to practice veterinary medicine;

(2) has passed the Minnesota Veterinary Jurisprudence Examination;

(3) is a person of good moral character, as attested by five notarized reference letters from adults not related to the applicant, at least two of whom are licensed veterinarians in the jurisdiction where the applicant is currently practicing or familiar with the applicant's clinical abilities as evidenced in clinical rotations;

(4) has paid the license application fee;

(5) provides proof of employment by the University of Minnesota;

(6) certifies that the applicant understands and agrees that the institutional license is valid only for the practice of veterinary medicine associated with the applicant's employment as a faculty member, intern, resident, or locum of the University of Minnesota College of Veterinary Medicine or other unit of the University of Minnesota;

(7) provides proof of graduation from a veterinary college;

(8) completed a criminal background check as defined in section 214.075; and

(9) provides other information and proof as the board may require by rules and regulations.

(b) The University of Minnesota may submit the applications of its employees who seek an institutional license in a compiled format acceptable to the board, with any license application fees in a single form of payment.

(c) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in the state. License payment and renewal deadlines, late payment fees, and other license requirements are also the same as for a regular license to practice veterinary medicine.

(d) The University of Minnesota may be responsible for timely payment of renewal fees and submission of renewal forms.

Subd. 2. **Scope of practice.** (a) An institutional license holder may practice veterinary medicine only as related to the license holder's regular function at the University of Minnesota. A person holding only an institutional license in this state must be remunerated for the practice of veterinary medicine in the state solely from state, federal, or institutional funds and not from the patient-owner beneficiary of the license holder's practice efforts.

(b) A license issued under this section must be canceled by the board upon receipt of information from the University of Minnesota that the holder of the license has left or is otherwise no longer employed at the University of Minnesota in this state.

(c) An institutional license holder must abide by all laws governing the practice of veterinary medicine in the state and is subject to the same disciplinary action as any other veterinarian licensed in the state.

Sec. 7. **[156.076] DIRECT SUPERVISION; UNLICENSED VETERINARY EMPLOYEES.**

(a) An unlicensed veterinary employee may only administer medication or render auxiliary or supporting assistance under the direct supervision of a licensed veterinarian or licensed veterinary technician.

(b) This section does not prohibit:

(1) the performance of generalized nursing tasks ordered by the veterinarian and performed by an unlicensed employee on inpatient animals during the hours when a veterinarian is not on the premises; or

(2) under emergency conditions, an unlicensed employee from rendering lifesaving aid and treatment to an animal in the absence of a veterinarian if the animal is in a life-threatening condition and requires immediate treatment to sustain life or prevent further injury.

Sec. 8. **[156.077] LICENSED VETERINARY TECHNICIANS.**

Subdivision 1. **Licensure; practice.** (a) The board shall issue a license to practice as a veterinary technician to an applicant who satisfies the requirements in this section and those imposed by the board in rule. A licensed veterinary technician may practice veterinary technology. A person may not use the title "veterinary technician" or the abbreviation "LVT" unless licensed by the board.

(b) The board may adopt by rule additional or temporary alternative licensure requirements or definitions for veterinary technician titles.

Subd. 2. **Applicants; qualifications.** Application for a license to practice veterinary technology in this state shall be made to the board on a form furnished by the board and accompanied by evidence satisfactory to the board that the applicant is at least 18 years of age, is of good moral character, and has met the following requirements:

(1) graduated from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(2) received a passing score for the Veterinary Technician National Examination;

(3) received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination; and

(4) completed a criminal background check.

Subd. 3. **Required with application.** A completed application must contain the following information and material:

(1) the application fee set by the board, which is not refundable if permission to take the jurisprudence examination is denied for good cause;

(2) proof of graduation from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(3) affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that establish how long, when, and under what circumstances the references have known the applicant and any other facts that may enable the board to determine the applicant's qualifications; and

(4) if the applicant has served in the armed forces, a copy of the applicant's discharge papers.

Subd. 4. **Temporary alternative qualifications.** (a) The board shall consider an application for licensure submitted by a person before July 1, 2031, if the person provides evidence satisfactory to the board that the person:

(1) is a certified veterinary technician in good standing with the Minnesota Veterinary Medical Association; or

(2) has at least 4,160 hours actively engaged in the practice of veterinary technology within the previous five years.

(b) Each applicant under this subdivision must also submit to the board affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that establish how long, when, and under what circumstances the references have known the applicant and any other facts that may enable the board to determine the applicant's qualifications.

Sec. 9. **[156.078] NONRESIDENTS; LICENSED VETERINARY TECHNICIANS.**

A credentialed veterinary technician duly admitted to practice in any state, commonwealth, territory, or district of the United States or province of Canada that desires permission to practice veterinary technology in this state shall submit an application to the board on a form furnished by the board. The board shall review an application for transfer if the applicant submits:

(1) a copy of a diploma from an accredited or approved college of veterinary technology or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary technology or a certificate of satisfactory completion of the PAVE program;

(2) if requesting waiver of examination, evidence of meeting licensure requirements in the state of the applicant's original licensure;

(3) affidavits of two licensed practicing doctors of veterinary medicine or veterinary technicians residing in the United States or Canadian licensing jurisdiction in which the applicant is or was most recently practicing, attesting that they are well acquainted with the applicant, that the applicant is a person of good moral character, and that the applicant has been actively engaged in practicing or teaching in such jurisdiction;

(4) a certificate from the agency that regulates the conduct of practice of veterinary technology in the jurisdiction in which the applicant is or was most recently practicing, stating that the applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

(5) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action;

(6) in lieu of the certificates in clauses (4) and (5), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

(7) a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

(8) score reports on previously taken national examinations in veterinary technology, certified by the Veterinary Information Verification Agency or evidence of employment as a veterinary technician for at least three years;

(9) proof that the applicant received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination; and

(10) proof of a completed criminal background check.

Sec. 10. Minnesota Statutes 2022, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with ~~subdivision 6~~ section 156.0721 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, ~~College of Agriculture,~~ Veterinary Diagnostic Laboratory, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, School of Nursing; or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians ~~or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory~~;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic; or

(k) a person certified by the Emergency Medical Services Regulatory Board under chapter 144E from providing emergency medical care to a police dog wounded in the line of duty.

Sec. 11. Minnesota Statutes 2022, section 156.12, subdivision 4, is amended to read:

Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, ~~or~~ ECFVG or PAVE certification, or an institutional license under section 156.0721 to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 156.12, subdivision 6, is repealed.

Sec. 13. **EFFECTIVE DATE.**

(a) Sections 1 to 5 and sections 7 to 9 are effective July 1, 2026.

(b) Section 6 and sections 10 to 12 are effective July 1, 2025.

## ARTICLE 4
## BOARD OF DENTISTRY

Section 1. Minnesota Statutes 2022, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant one or more specialty licenses in the specialty areas of dentistry that are recognized by the Commission on Dental Accreditation.

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty program accredited by the Commission on Dental Accreditation, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;

(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant for each specialty area;

(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;

(7) pass all components of the National Board Dental Examinations;

(8) pass the Minnesota Board of Dentistry jurisprudence examination;

(9) abide by professional ethical conduct requirements; and

(10) meet all other requirements prescribed by the Board of Dentistry.

(c) The application must include:

(1) a completed application furnished by the board;

(2) a nonrefundable fee; and

(3) a copy of the applicant's government-issued photo identification card.

(d) A specialty dentist holding one or more specialty licenses is limited to practicing in the dentist's designated specialty area or areas. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.

~~(e) A specialty dentist holding a general dental license is limited to practicing in the dentist's designated specialty area or areas if the dentist has announced a limitation of practice. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.~~

~~(f)~~ (e) All specialty dentists who have fulfilled the specialty dentist requirements and who intend to limit their practice to a particular specialty area or areas may apply for one or more specialty licenses.

Sec. 2. Minnesota Statutes 2022, section 150A.06, subdivision 8, is amended to read:

Subd. 8. **Licensure by credentials; dental assistant.** (a) Any dental assistant may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record in lieu of completing a board-approved dental assisting program for expanded functions as defined in rule, and may be interviewed by the board to determine if the applicant:

(1) has graduated from an accredited dental assisting program accredited by the Commission on Dental Accreditation ~~and~~ or is currently certified by the Dental Assisting National Board;

(2) is not subject to any pending or final disciplinary action in another state or Canadian province, or if not currently certified or registered, previously had a certification or registration in another state or Canadian province in good standing that was not subject to any final or pending disciplinary action at the time of surrender;

(3) is of good moral character and abides by professional ethical conduct requirements;

(4) at board discretion, has passed a board-approved English proficiency test if English is not the applicant's primary language; and

(5) has met all expanded functions curriculum equivalency requirements of a Minnesota board-approved dental assisting program.

(b) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(c) An applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 2a must be licensed to practice the applicant's profession.

(d) If the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 2a, the application must be denied. If licensure is denied, the board may notify the applicant of any specific remedy that the applicant could take which, when passed, would qualify the applicant for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 2a.

(e) A candidate whose application has been denied may appeal the decision to the board according to subdivision 4a.

## ARTICLE 5

## PHYSICIAN ASSISTANT PRACTICE

Section 1. **REPEALER.**

Minnesota Statutes 2022, section 147A.09, subdivision 5, is repealed.

## ARTICLE 6

## BOARD OF SOCIAL WORK

Section 1. Minnesota Statutes 2022, section 148D.061, subdivision 1, is amended to read:

Subdivision 1. **Requirements for a provisional license.** An applicant may be issued a provisional license if the applicant:

~~(1) was born in a foreign country;~~

~~(2) communicates in English as a second language;~~

~~(3) has taken the applicable examination administered by the Association of Social Work Boards or similar examination body designated by the board;~~

~~(4)~~ (1) has met the requirements of section 148E.055, subdivision 2, ~~paragraph (a),~~ clauses (1), (3), (4), (5), and (6); ~~or subdivision~~ 3, ~~paragraph (a),~~ clauses (1), (3), (4), (5), and (6); ~~or subdivision~~ 4, ~~paragraph (a),~~ clauses (1), (2), (4), (5), (6), and (7); or ~~subdivision~~ 5, paragraph (a), clauses (1), (2), (3), (5), (6), (7), and (8); and

~~(5)~~ (2) complies with the requirements of subdivisions 2 to 7.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 148D.061, subdivision 8, is amended to read:

Subd. 8. **Disciplinary or other action.** A licensee who is issued a provisional license is subject to the grounds for disciplinary action under section 148E.190. The board may also take action according to sections 148E.260 to 148E.270 if:

(1) the licensee's supervisor does not submit an evaluation as required by section 148D.063;

(2) an evaluation submitted according to section 148D.063 indicates that the licensee cannot practice social work competently and ethically; or

(3) the licensee does not comply with the requirements of subdivisions 1 to 7.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 148D.062, subdivision 3, is amended to read:

Subd. 3. **Types of supervision.** (a) ~~Twenty-five hours~~ Half of the supervision hours required by subdivision 1 must consist of one-on-one ~~in-person~~ supervision. The supervision must be provided either in person or via eye-to-eye electronic media while maintaining visual contact.

(b) ~~Twelve and one-half hours~~ Half of the supervision hours must consist of one or more of the following types of supervision:

(1) ~~in-person~~ one-on-one supervision provided in person or via eye-to-eye electronic media while maintaining visual contact; or

(2) ~~in-person~~ group supervision provided in person, by telephone, or via eye-to-eye electronic media while maintaining visual contact.

(c) ~~To qualify as in-person~~ Group supervision~~, the group~~ must not exceed ~~seven members including the supervisor~~ six supervisees.

(d) Supervision must not be provided by email.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 148D.062, subdivision 4, is amended to read:

Subd. 4. **Supervisor requirements.** (a) The supervision required by subdivision 1 must be provided by a supervisor who meets the requirements in section 148E.120 and has ~~either:~~

~~(1) 5,000 hours experience engaged in authorized social work practice; or~~

~~(2)~~ completed 30 hours of training in supervision, which may be satisfied by completing academic coursework in supervision or continuing education courses in supervision as defined in section 148E.010, subdivision 18.

(b) Supervision must be provided:

(1) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed social worker, by:

(i) a licensed social worker who has completed the supervised practice requirements;

(ii) a licensed graduate social worker who has completed the supervised practice requirements;

(iii) a licensed independent social worker; or

(iv) a licensed independent clinical social worker;

(2) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by:

(i) a licensed graduate social worker who has completed the supervised practice requirements;

(ii) a licensed independent social worker; or

(iii) a licensed independent clinical social worker;

(3) if the supervisee is engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by a licensed independent clinical social worker; or

(4) by a supervisor who meets the requirements in section 148E.120, subdivision 2.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 148D.063, subdivision 1, is amended to read:

Subdivision 1. **Supervision plan.** (a) An applicant granted a provisional license must submit, on a form provided by the board, a supervision plan for meeting the supervision requirements in section 148D.062.

(b) The supervision plan must be submitted no later than 30 days after the licensee begins a social work practice position.

~~(c) The board may revoke a licensee's provisional license for failure to submit the supervision plan within 30 days after beginning a social work practice position.~~

~~(d)~~ (c) The supervision plan must include the following:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the person providing the supervision;

(3) the number of hours of one-on-one ~~in-person~~ supervision and the number and type of additional hours of supervision to be completed by the supervisee;

(4) the supervisee's position description;

(5) a brief description of the supervision the supervisee will receive in the following content areas:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice; and

(6) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:

(i) the client population, the range of presenting issues, and the diagnoses;

(ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process.

~~(e)~~ (d) The board must receive a revised supervision plan within 30 days of any of the following changes:

(1) the supervisee has a new supervisor;

(2) the supervisee begins a new social work position;

(3) the scope or content of the supervisee's social work practice changes substantially;

(4) the number of practice or supervision hours changes substantially; or

(5) the type of supervision changes as supervision is described in section 148D.062.

~~(f) The board may revoke a licensee's provisional license for failure to submit a revised supervision plan as required in paragraph (e).~~

~~(g)~~ (e) The board must approve the supervisor and the supervision plan.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 148D.063, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) When a licensee's supervisor submits an evaluation to the board according to section 148D.061, subdivision 6, the supervisee and supervisor must provide the following information on a form provided by the board:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the supervisor;

(3) the number of hours and dates of each type of supervision completed;

(4) the supervisee's position description;

(5) a declaration that the supervisee has not engaged in conduct in violation of the standards of practice in sections 148E.195 to 148E.240;

(6) a declaration that the supervisee has practiced competently and ethically according to professional social work knowledge, skills, and values; and

(7) on a form provided by the board, an evaluation of the licensee's practice in the following areas:

(i) development of professional social work knowledge, skills, and values;

(ii) practice methods;

(iii) authorized scope of practice;

~~(iv) ensuring continuing competence;~~

~~(v)~~ (iv) ethical standards of practice; and

~~(vi)~~ (v) clinical practice, if applicable.

(b) The supervisor must attest to the satisfaction of the board that the supervisee has met or has made progress on meeting the applicable supervised practice requirements.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 2b. **Qualifications for licensure by completion of provisional license requirements as a licensed social worker (LSW).** To be licensed as a licensed social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 2, clauses (1) and (3) to (6).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 3b. **Qualifications for licensure by completion of provisional license requirements as a licensed graduate social worker (LGSW).** To be licensed as a licensed graduate social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 3, clauses (1) and (3) to (6).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 4b. **Qualifications for licensure by completion of provisional license requirements as a licensed independent social worker (LISW).** To be licensed as a licensed independent social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 4, clauses (1), (2), and (4) to (7).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 5b. **Qualifications for licensure by completion of provisional license requirements as a licensed independent clinical social worker (LICSW).** To be licensed as a licensed independent clinical social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 5, paragraph (a), clauses (1) to (3) and (5) to (8).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 11. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

| Column A | Column B |
|---|---|
| 148D.061 | 148E.0551 |
| 148D.062 | 148E.116 |
| 148D.063 | 148E.126 |

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 148D.061, subdivision 9, is repealed.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

## ARTICLE 7
## BOARD OF MARRIAGE AND FAMILY THERAPY

Section 1. **[148B.331] GUEST LICENSURE.**

Subdivision 1. **Generally.** (a) A nonresident of the state of Minnesota who is not seeking licensure in Minnesota and intends to practice marriage and family therapy in Minnesota must apply to the board for guest licensure. An applicant must apply for guest licensure at least 30 days prior to the expected date of practice in Minnesota and is subject to approval by the board or its designee.

(b) To be eligible for licensure under this section, the applicant must:

(1) have a license, certification, or registration in good standing to practice marriage and family therapy from another jurisdiction;

(2) have a graduate degree in marriage and family therapy from a regionally accredited institution or a degree in a related field from a regionally accredited institution with completed coursework meeting the educational requirements provided in Minnesota Rules, part 5300.0140, subpart 2;

(3) be of good moral character;

(4) have no pending complaints or active disciplinary or corrective actions in any jurisdiction;

(5) submit the required fee and complete the criminal background check according to section 214.075; and

(6) pay a fee to the board in the amount set forth in section 148B.392.

(c) A license issued under this section is valid for one year from the date of issuance and allows practice by the nonresident for a maximum of five months. The months in which the nonresident may practice under the license must be consecutive. A guest license is not renewable, but the nonresident may reapply for guest licensure, subject to continued eligibility under paragraph (b), following expiration of a guest license.

Subd. 2. **Other professional activity.** Notwithstanding subdivision 1, a nonresident of the state of Minnesota who is not seeking licensure in Minnesota may serve as an expert witness, organizational consultant, presenter, or educator without obtaining guest licensure, provided the nonresident is appropriately trained, educated, or has been issued a license, certificate, or registration by another jurisdiction.

Subd. 3. **Prohibitions and sanctions.** A person's privilege to practice under this section is subject to the prohibitions and sanctions for unprofessional or unethical conduct contained in Minnesota laws and rules for marriage and family therapy under this chapter.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2, is amended to read:

Subd. 2. **Licensure and application fees.** Licensure and application fees established by the board shall not exceed the following amounts:

(1) application fee for national examination is $150;

(2) application fee for Licensed Marriage and Family Therapist (LMFT) ~~state examination~~ license is $150;

(3) initial LMFT license fee is prorated, but cannot exceed $225;

(4) annual renewal fee for LMFT license is $225;

(5) late fee for LMFT license renewal is $100;

(6) application fee for LMFT licensure by reciprocity is $300;

(7) application fee for ~~initial~~ Licensed Associate Marriage and Family Therapist (LAMFT) license is $100;

(8) annual renewal fee for LAMFT license is $100;

(9) late fee for LAMFT license renewal is $50;

(10) fee for reinstatement of LMFT or LAMFT license is $150;

(11) fee for LMFT emeritus license status is $225; ~~and~~

(12) fee for temporary license for members of the military is $100~~.~~; and

(13) fee for LMFT guest license is $150.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

## ARTICLE 8
## BOARD OF PHARMACY

Section 1. Minnesota Statutes 2022, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed advanced practice registered nurse, licensed certified midwife, or licensed physician assistant. For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe self-administered hormonal contraceptives, nicotine replacement medications, or opiate antagonists under section 151.37, subdivision 14, 15, or 16.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

## ARTICLE 9
## BOARD OF OPTOMETRY

Section 1. Minnesota Statutes 2022, section 148.56, subdivision 1, is amended to read:

Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

(1) advertise as an optometrist;

(2) employ any means, including the use of autorefractors or other automated testing devices, for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof;

(3) possess testing appliances for the purpose of the measurement of the powers of vision;

(4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly of the visual system consisting of the human eye and its accessory or subordinate anatomical parts;

(5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the correction or the relief of same;

(6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative therapeutic vision care; or

(7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry, or who holds oneself out as being able to do so.

(b) In the course of treatment, nothing in this section shall allow:

(1) legend drugs to be administered intravenously, intramuscularly, or by injection, except for treatment of anaphylaxis;

(2) invasive surgery including, but not limited to, surgery using lasers;

(3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or prescribed; or

(4) oral ~~antivirals to be prescribed or administered for more than ten days; or~~ steroids to be prescribed or administered for more than 14 days without consultation with a physician.

~~(5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days.~~

## ARTICLE 10
## BOARD OF MEDICAL PRACTICE

Section 1. Minnesota Statutes 2023 Supplement, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; 147.037, subdivision 1b, paragraph (c); 326.70 to 326.785; 327.10 to 327.131;

and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 147.037, is amended by adding a subdivision to read:

Subd. 1b. **Limited license.** (a) The board must issue a limited license to any person who satisfies the requirements of subdivision 1, paragraphs (a) to (c) and (e) to (g), and who:

(1) pursuant to a license or other authorization to practice, has practiced medicine, as defined in section 147.081, subdivision 3, clauses (2) to (4), for at least 60 months in the previous ten years outside of the United States;

(2) submits sufficient evidence of an offer to practice within the context of a collaborative agreement within a hospital or clinical setting where the limited license holder and physicians work together to provide patient care;

(3) provides services in a designated rural area or underserved urban community as defined in section 144.1501; and

(4) submits two letters of recommendation in support of a limited license, which must include one letter from a physician with whom the applicant previously worked and one letter from an administrator of the hospital or clinical setting in which the applicant previously worked. The letters of recommendation must attest to the applicant's good medical standing.

(b) A person issued a limited license under this subdivision must not be required to present evidence satisfactory to the board of the completion of one year of graduate clinical medical training in a program accredited by a national accrediting organization approved by the board.

(c) An employer of a limited license holder must pay the limited license holder at least an amount equivalent to a medical resident in a comparable field. The employer must carry medical malpractice insurance covering a limited license holder for the duration of the employment. The commissioner of health may issue a correction order under section 144.99, subdivision 3, requiring an employer to comply with this paragraph. An employer must not retaliate against or discipline an employee for raising a complaint or pursuing enforcement relating to this paragraph.

(d) The board must issue a full and unrestricted license to practice medicine to a person who holds a limited license issued pursuant to paragraph (a) and who has:

(1) held the limited license for two years and is in good standing to practice medicine in this state;

(2) practiced for a minimum of 1,692 hours per year for each of the previous two years; and

(3) submitted a letter of recommendation in support of a full and unrestricted license from any physician who participated in the collaborative agreement.

(e) A limited license holder must submit to the board, every six months or upon request, a statement certifying whether the person is still employed as a physician in this state and whether the person has been subjected to professional discipline as a result of the person's practice. The board may suspend or revoke a limited license if a majority of the board determines that the licensee is no longer employed as a physician in this state by an employer. The licensee must be granted an opportunity to be heard prior to the board's determination. A licensee may change employers during the duration of the limited license if the licensee has another offer of employment. In the event that a change of employment occurs, the licensee must still work the number of hours required under paragraph (d), clause (2), to be eligible for a full and unrestricted license to practice medicine.

(f) For purposes of this subdivision, "collaborative agreement" means a mutually agreed upon plan for the overall working relationship and collaborative arrangement between a holder of a limited license and one or more physicians licensed under this chapter that designates the scope of services that can be provided to manage the care of patients. The limited license holder and one of the collaborating physicians must have experience in providing care to patients with the same or similar medical conditions. A limited license holder may practice medicine without a collaborating physician physically present, but the limited license holder and collaborating physicians must be able to easily contact each other by radio, telephone, or other telecommunication device while the limited license holder practices medicine. The limited license holder must have one-on-one practice reviews with each collaborating physician, provided in person or through eye-to-eye electronic media while maintaining visual contact, for at least two hours per month.

(g) The board must not grant a license under this section unless the applicant possesses federal immigration status that allows the applicant to practice as a physician in the United States.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 147B.01, is amended by adding a subdivision to read:

Subd. 2a. **Acupuncture.** "Acupuncture" means a unique treatment technique that uses modern and traditional medical methods of diagnosis and treatment. It includes the insertion of filiform or acupuncture needles through the skin and may include the use of other biophysical methods of acupuncture point stimulation, including the use of heat, massage, or manual therapy techniques or electrical stimulation. Acupuncture includes but is not limited to therapies termed "dry needling," "trigger point therapy," "intramuscular therapy," "auricular detox treatment," and similar terms referring to the insertion of needles past the skin for pain management, disease or symptom modification, or other related treatments.

Sec. 4. Minnesota Statutes 2022, section 147B.01, subdivision 3, is amended to read:

Subd. 3. **Acupuncture and herbal medicine practice.** "Acupuncture and herbal medicine practice" means a ~~comprehensive~~ system of primary health care ~~using Oriental medical theory and its unique methods of diagnosis and treatment. Its treatment techniques include the insertion of acupuncture needles through the skin and the use of other biophysical methods of acupuncture point stimulation, including the use of heat, Oriental massage techniques, electrical stimulation, herbal supplemental therapies, dietary guidelines, breathing techniques, and exercise based on Oriental medical principles~~ that uses traditional and modern diagnosis, methodology, and treatment techniques based on acupuncture and herbal medicine theory, principles, and methods. Treatment techniques include but are not limited to acupuncture, cupping, dermal friction, therapeutic massage, herbal therapies, dietary guidelines, mind-body exercises, and other appropriate techniques.

Sec. 5. Minnesota Statutes 2022, section 147B.01, subdivision 4, is amended to read:

Subd. 4. **Acupuncture needle.** "Acupuncture needle" means a needle designed exclusively for ~~acupuncture~~ the purposes of insertion past the skin to alleviate pain, provide symptom relief, or modulate disease processes. It has a solid core, with a tapered point, and is 0.12 mm to 0.45 mm in thickness. It is constructed of stainless steel, gold, silver, or other board-approved materials as long as the materials can be sterilized according to recommendations of the National Centers for Disease Control and Prevention.

Sec. 6. Minnesota Statutes 2022, section 147B.01, subdivision 9, is amended to read:

Subd. 9. **Breathing techniques.** "Breathing techniques" means ~~Oriental~~ breathing exercises taught to a patient as part of a treatment plan.

Sec. 7. Minnesota Statutes 2022, section 147B.01, subdivision 14, is amended to read:

Subd. 14. **Herbal therapies or herbal medicine.** "Herbal therapies" ~~are~~ or "herbal medicine" means the use of herbs and patent herbal remedies as supplements as part of the treatment plan of the patient.

Sec. 8. Minnesota Statutes 2022, section 147B.03, subdivision 2, is amended to read:

Subd. 2. **Board approval.** The board shall approve a continuing education program if the program meets the following requirements:

(1) it directly relates to the practice of acupuncture;

(2) each member of the faculty shows expertise in the subject matter by holding a degree or certificate from an educational institution, has verifiable experience in ~~traditional Oriental~~ acupuncture and herbal medicine, or has special training in the subject area;

(3) the program lasts at least one contact hour;

(4) there are specific written objectives describing the goals of the program for the participants; and

(5) the program sponsor maintains attendance records for four years.

Sec. 9. Minnesota Statutes 2022, section 147B.03, subdivision 3, is amended to read:

Subd. 3. **Continuing education topics.** (a) Continuing education program topics may include~~,~~ but are not limited to~~, Oriental medical~~ acupuncture and herbal medicine theory and techniques including ~~Oriental~~ massage; ~~Oriental~~ nutrition; ~~Oriental~~ herbology and diet therapy; ~~Oriental~~ exercise; ~~western sciences such as~~ anatomy, physiology, biochemistry, microbiology, psychology, ~~nutrition,~~ and history of medicine; and medical terminology or coding.

(b) Practice management courses are excluded under this section.

Sec. 10. Minnesota Statutes 2022, section 147B.05, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The advisory council to the Board of Medical Practice for acupuncture consists of seven members appointed by the board to three-year terms. Four members must be ~~licensed~~ acupuncture practitioners licensed in Minnesota, one member must be a licensed physician or osteopathic physician who also practices acupuncture, one member must be a licensed chiropractor who is NCCAOM certified, and one member must

be a member of the public who has received acupuncture treatment as a primary therapy from a NCCAOM certified acupuncturist.

Sec. 11. Minnesota Statutes 2022, section 147B.06, subdivision 1, is amended to read:

Subdivision 1. **Practice standards.** (a) Before treatment of a patient, an acupuncture practitioner shall ask whether the patient has been examined by a licensed physician or other professional, as defined by section 145.61, subdivision 2, with regard to the patient's illness or injury, and shall review the diagnosis as reported.

(b) The practitioner shall obtain informed consent from the patient, after advising the patient of the following information which must be supplied to the patient ~~in writing~~ before or at the time of the initial visit:

(1) the practitioner's qualifications including:

(i) education;

(ii) license information; and

(iii) outline of the scope of practice of acupuncturists in Minnesota; and

(2) side effects which may include the following:

(i) some pain in the treatment area;

(ii) minor bruising;

(iii) infection;

(iv) needle sickness; or

(v) broken needles.

~~(c) The practitioner shall obtain acknowledgment by the patient in writing that the patient has been advised to consult with the patient's primary care physician about the acupuncture treatment if the patient circumstances warrant or the patient chooses to do so.~~

~~(d)~~ (c) The practitioner shall inquire whether the patient has a pacemaker or bleeding disorder.

Sec. 12. Minnesota Statutes 2022, section 147B.06, subdivision 4, is amended to read:

Subd. 4. **Scope of practice.** The scope of practice of acupuncture and herbal medicine includes~~,~~ but is not limited to~~,~~ the following:

(1) ~~using Oriental medical theory to assess and diagnose a patient~~ evaluation, management, and treatment services using methods and techniques described in section 147B.01, subdivisions 2a, 3, and 14;

(2) ~~using Oriental medical theory to develop a plan to treat a patient. The treatment techniques that may be chosen include:~~ diagnostic examination, testing, and procedures including physical examination, basic diagnostic imaging, and basic laboratory or other diagnostic tests for the purposes of guiding treatment within the scope of practice of acupuncture, herbal medicine, and herbal therapies, as described in section 147B.01, subdivisions 2a, 3, and 14, provided that when results fall outside of the education, training, and expertise of the licensed acupuncturists, or suggest serious or emergent conditions, the acupuncturist will facilitate referrals to other appropriate health care providers;

~~(i) insertion of sterile acupuncture needles through the skin;~~

~~(ii) acupuncture stimulation including, but not limited to, electrical stimulation or the application of heat;~~

~~(iii) cupping;~~

~~(iv) dermal friction;~~

~~(v) acupressure;~~

~~(vi) herbal therapies;~~

~~(vii) dietary counseling based on traditional Chinese medical principles;~~

~~(viii) breathing techniques;~~

~~(ix) exercise according to Oriental medical principles; or~~

~~(x) Oriental massage.~~

(3) services included in the practice of acupuncture and herbal medicine, as defined in section 147B.01, subdivision 3;

(4) stimulation of acupuncture points, areas of the body, or substances in the body using acupuncture needles, heat, cold, color, light, infrared and ultraviolet, low-level or cold lasers, sound, vibration, pressure, magnetism, electricity, electromagnetic energy, bleeding, suction, or other devices or means;

(5) use of physical medicine modalities, procedures, and devices such as cupping, dermal friction, acupressure, and massage, as described in section 147B.01, subdivisions 2a, 3, and 14;

(6) use of therapeutic exercises, breathing techniques, meditation, and biofeedback devices and other devices that utilize heat, cold, color, light, infrared and ultraviolet, low-level or cold lasers, sound, vibration, pressure, magnetism, electricity, and electromagnetic energy for therapeutic purposes;

(7) dietary counseling using methods and techniques of acupuncture and herbal medicine; and

(8) counseling and education regarding physical, emotional, and spiritual balance in lifestyle using methods and techniques described in section 147B.01, subdivision 3.

Sec. 13. Minnesota Statutes 2022, section 147B.06, subdivision 5, is amended to read:

Subd. 5. **Patient records.** An acupuncturist shall maintain a patient record for each patient treated, including:

(1) a copy of the informed consent;

(2) evidence of a patient interview concerning the patient's medical history and current physical condition;

(3) evidence of ~~a traditional acupuncture~~ examination and diagnosis;

(4) record of the treatment including points treated; and

(5) evidence of evaluation and instructions given to the patient.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 147B.01, subdivision 18, is repealed.

## ARTICLE 11
## BOARD OF NURSING

Section 1. Minnesota Statutes 2022, section 147D.03, subdivision 1, is amended to read:

Subdivision 1. **General.** Within the meaning of sections 147D.01 to 147D.27, a person who shall publicly profess to be a traditional midwife and who, for a fee, shall assist or attend to a woman in pregnancy, childbirth outside a hospital, and postpartum, shall be regarded as practicing traditional midwifery. A certified midwife licensed by the Board of Nursing under chapter 148G is not subject to the provisions of this chapter.

Sec. 2. Minnesota Statutes 2022, section 148.241, is amended to read:

**148.241 EXPENSES.**

Subdivision 1. **Appropriation.** The expenses of administering sections 148.171 to 148.285 and chapter 148G shall be paid from the appropriation made to the Minnesota Board of Nursing.

Subd. 2. **Expenditure.** All amounts appropriated to the board shall be held subject to the order of the board to be used only for the purpose of meeting necessary expenses incurred in the performance of the purposes of sections 148.171 to 148.285 and chapter 148G, and the duties imposed thereby as well as the promotion of nursing or certified midwifery education and standards of nursing or certified midwifery care in this state.

Sec. 3. **[148G.01] TITLE.**

This chapter shall be referred to as the Minnesota Certified Midwife Practice Act.

Sec. 4. **[148G.02] SCOPE.**

This chapter applies to all applicants and licensees, all persons who use the title certified midwife, and all persons in or out of this state who provide certified midwifery services to patients who reside in this state, unless there are specific applicable exemptions provided by law.

Sec. 5. **[148G.03] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the definitions in this section have the meanings given.

Subd. 2. **Board.** "Board" means the Minnesota Board of Nursing.

Subd. 3. **Certification.** "Certification" means the formal recognition by the American Midwifery Certification Board of the knowledge, skills, and experience demonstrated by the achievement of standards identified by the American College of Nurse Midwives or any successor organization.

Subd. 4. **Certified midwife.** "Certified midwife" means an individual who holds a current and valid national certification as a certified midwife from the American Midwifery Certification Board or any successor organization, and who is licensed by the board under this chapter.

Subd. 5. **Certified midwifery practice.** "Certified midwifery practice" means:

(1) managing, diagnosing, and treating women's primary health care, including pregnancy, childbirth, postpartum period, care of the newborn, family planning, partner care management relating to sexual health, and gynecological care of women across the life span;

(2) ordering, performing, supervising, and interpreting diagnostic studies within the scope of certified midwifery practice, excluding interpreting computed tomography scans, magnetic resonance imaging scans, positron emission tomography scans, nuclear scans, and mammography;

(3) prescribing pharmacologic and nonpharmacologic therapies appropriate to midwifery practice;

(4) consulting with, collaborating with, or referring to other health care providers as warranted by the needs of the patient; and

(5) performing the role of educator in the theory and practice of midwifery.

Subd. 6. **Collaborating.** "Collaborating" means the process in which two or more health care professionals work together to meet the health care needs of a patient, as warranted by the needs of the patient.

Subd. 7. **Consulting.** "Consulting" means the process in which a certified midwife who maintains primary management responsibility for a patient's care seeks advice or opinion of a physician, an advanced practice registered nurse, or another member of the health care team.

Subd. 8. **Encumbered.** "Encumbered" means: (1) a license or other credential that is revoked, suspended, or contains limitations on the full and unrestricted practice of certified midwifery when the revocation, suspension, or limitation is imposed by a state licensing board or other state regulatory entity; or (2) a license or other credential that is voluntarily surrendered.

Subd. 9. **Licensure period.** "Licensure period" means the interval of time during which the certified midwife is authorized to engage in certified midwifery. The initial licensure period is from six to 29 full calendar months starting on the day of licensure and ending on the last day of the certified midwife's month of birth in an even-numbered year if the year of birth is an even-numbered year, or in an odd-numbered year if the year of birth is in an odd-numbered year. Subsequent licensure renewal periods are 24 months. For licensure renewal, the period starts on the first day of the month following expiration of the previous licensure period. The period ends the last day of the certified midwife's month of birth in an even- or odd-numbered year according to the certified midwife's year of birth.

Subd. 10. **Licensed practitioner.** "Licensed practitioner" means a physician licensed under chapter 147, an advanced practice registered nurse licensed under sections 148.171 to 148.235, or a certified midwife licensed under this chapter.

Subd. 11. **Midwifery education program.** "Midwifery education program" means a university or college that provides a program of theory and practice that leads to the preparation and eligibility for certification in midwifery and is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation.

Subd. 12. **Patient.** "Patient" means a recipient of care provided by a certified midwife, including an individual, family, group, or community.

Subd. 13. **Prescribing.** "Prescribing" means the act of generating a prescription for the preparation of, use of, or manner of using a drug or therapeutic device under section 148G.09. Prescribing does not include recommending the use of a drug or therapeutic device that is not required by the federal Food and Drug Administration to meet the labeling requirements for prescription drugs and devices.

Subd. 14. **Prescription.** "Prescription" means a written direction or an oral direction reduced to writing provided to or for a patient for the preparation or use of a drug or therapeutic device. The requirements of section 151.01, subdivisions 16, 16a, and 16b, apply to prescriptions for drugs.

Subd. 15. **Referral.** "Referral" means the process in which a certified midwife directs a patient to a physician or another health care professional for management of a particular problem or aspect of the patient's care.

Subd. 16. **Supervision.** "Supervision" means monitoring and establishing the initial direction, setting expectations, directing activities and courses of action, evaluating, and changing a course of action in certified midwifery care.

Sec. 6. **[148G.04] CERTIFIED MIDWIFE LICENSING.**

Subdivision 1. **Licensure.** (a) No person shall practice as a certified midwife or serve as the faculty of record for clinical instruction in a midwifery distance learning program unless the certified midwife is licensed by the board under this chapter.

(b) An applicant for a license to practice as a certified midwife must apply to the board in a format prescribed by the board and pay a fee in an amount determined under section 148G.11.

(c) To be eligible for licensure, an applicant must:

(1) not hold an encumbered license or other credential as a certified midwife or equivalent professional designation in any state or territory;

(2) hold a current and valid certification as a certified midwife from the American Midwifery Certification Board or any successor organization acceptable to the board and provide primary source verification of certification to the board in a format prescribed by the board;

(3) have completed a graduate level midwifery program that includes clinical experience, is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation, and leads to a graduate degree. The applicant must submit primary source verification of program completion to the board in a format prescribed by the board. The primary source verification must verify the applicant completed three separate graduate-level courses in physiology and pathophysiology; advanced health assessment; and advanced pharmacology, including pharmacodynamics, pharmacokinetics, and pharmacotherapeutics of all broad categories of agents;

(4) report any criminal conviction, nolo contendere plea, Alford plea, or other plea arrangement in lieu of conviction; and

(5) not have committed any acts or omissions that are grounds for disciplinary action in another jurisdiction or, if these acts were committed and would be grounds for disciplinary action as set forth in section 148G.13, the board has found after an investigation that sufficient remediation was made.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced in the certified midwife role, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The applicant must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Sec. 7. **[148G.05] LICENSURE RENEWAL; RELICENSURE.**

Subdivision 1. **Renewal; current applicants.** (a) A certified midwife must apply for renewal of the certified midwife's license before the certified midwife's licensure period

ends. To be considered timely, the board must receive the certified midwife's application on or before the last day of the certified midwife's licensure period. A certified midwife's license lapses if the certified midwife's application is untimely.

(b) An applicant for certified midwifery renewal must provide the board evidence of current certification or recertification as a certified midwife by the American Midwifery Certification Board or any successor organization.

(c) An applicant for certified midwifery renewal must submit to the board the fee under section 148G.11, subdivision 2.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced as a certified midwife, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The licensee must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Subd. 3. **Relicensure; lapsed applicants.** A person whose license has lapsed desiring to resume practice as a certified midwife must apply for relicensure, submit to the board satisfactory evidence of compliance with the procedures and requirements established by the board, and pay the board the relicensure fee under section 148G.11, subdivision 4, for the current period. A penalty fee under section 148G.11, subdivision 4, is required from a person who practiced certified midwifery without current licensure. The board must relicense a person who meets the requirements of this subdivision.

Sec. 8. **[148G.06] FAILURE OR REFUSAL TO PROVIDE INFORMATION.**

Subdivision 1. **Notification requirement.** An individual licensed as a certified midwife must notify the board when the individual renews their certification. If a licensee fails to provide notification, the licensee is prohibited from practicing as a certified midwife.

Subd. 2. **Denial of license.** Refusal of an applicant to supply information necessary to determine the applicant's qualifications, failure to demonstrate qualifications, or failure to satisfy the requirements for a license contained in this chapter or rules of the board may result in denial of a license. The burden of proof is upon the applicant to demonstrate the qualifications and satisfaction of the requirements.

Sec. 9. **[148G.07] NAME CHANGE AND CHANGE OF ADDRESS.**

A certified midwife must maintain a current name and address with the board and must notify the board in writing within 30 days of any change in name or address. All notices or other correspondence mailed to or served upon a certified midwife by the board at the licensee's address on file with the board are considered received by the licensee.

Sec. 10. **[148G.08] IDENTIFICATION OF CERTIFIED MIDWIVES.**

Only those persons who hold a current license to practice certified midwifery in this state may use the title of certified midwife. A certified midwife licensed by the board must use the designation of CM for professional identification and in documentation of services provided.

Sec. 11. **[148G.09] PRESCRIBING DRUGS AND THERAPEUTIC DEVICES.**

Subdivision 1. **Diagnosing, prescribing, and ordering.** Certified midwives, within the scope of certified midwifery practice, are authorized to:

(1) diagnose, prescribe, and institute therapy or referrals of patients to health care agencies and providers;

(2) prescribe, procure, sign for, record, administer, and dispense over-the-counter, legend, and controlled substances, including sample drugs; and

(3) plan and initiate a therapeutic regimen that includes ordering and prescribing durable medical devices and equipment, nutrition, diagnostic services, and supportive services, including but not limited to home health care, physical therapy, and occupational therapy.

Subd. 2. **Drug Enforcement Administration requirements.** (a) Certified midwives must:

(1) comply with federal Drug Enforcement Administration (DEA) requirements related to controlled substances; and

(2) file the certified midwife's DEA registrations and numbers with the board, if any.

(b) The board must maintain current records of all certified midwives with a DEA registration and number.

Sec. 12. **[148G.10] FEES.**

The fees specified in section 148G.11 are nonrefundable and must be deposited in the state government special revenue fund.

Sec. 13. **[148G.11] FEE AMOUNTS.**

Subdivision 1. **Licensure.** The fee for licensure is $105.

Subd. 2. **Renewal.** The fee for licensure renewal is $85.

Subd. 3. **Practicing without current certification.** The penalty fee for a person who practices certified midwifery without a current certification or recertification, or who practices certified midwifery without current certification or recertification on file with the board, is $200 for the first month or part of a month and an additional $100 for each subsequent month or parts of months of practice. The penalty fee must be calculated from the first day the certified midwife practiced without a current certification to the last day of practice without a current certification, or from the first day the certified midwife practiced without a current license and certification on file with the board until the day the current license and certification is filed with the board.

Subd. 4. **Relicensure.** The fee for relicensure is $105. The fee for practicing without current licensure is two times the amount of the current renewal fee for any part of the first calendar month, plus the current renewal fee for any part of each subsequent month up to 24 months.

Subd. 5. **Dishonored check fee.** The service fee for a dishonored check is as provided in section 604.113.

Sec. 14. **[148G.12] APPROVED MIDWIFERY EDUCATION PROGRAM.**

Subdivision 1. **Initial approval.** An institution desiring to conduct a certified midwifery program must submit evidence to the board that the institution is prepared to:

(1) provide a program of theory and practice in certified midwifery leading to eligibility for certification in midwifery;

(2) achieve preaccreditation and eventual full accreditation by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. Instruction and required experience may be obtained in one or more institutions or agencies outside the applying institution if the program retains accountability for all clinical and nonclinical teaching; and

(3) meet other standards established by law and by the board.

Subd. 2. **Continuing approval.** The board must, through the board's representative, annually survey all midwifery programs in the state for current accreditation status by the

American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. If the results of the survey show that a certified midwifery program meets all standards for continuing accreditation, the board must continue approval of the certified midwifery program.

Subd. 3. **Loss of approval.** If the board determines that an accredited certified midwifery program is not maintaining the standards required by the American Commission on Midwifery Education or any successor organization, the board must obtain the defect in writing from the accrediting body. If a program fails to correct the defect to the satisfaction of the accrediting body and the accrediting body revokes the program's accreditation, the board must remove the program from the list of approved certified midwifery programs.

Subd. 4. **Reinstatement of approval.** The board must reinstate approval of a certified midwifery program upon submission of satisfactory evidence that the certified midwifery's program of theory and practice meets the standards required by the accrediting body.

Sec. 15. **[148G.13] GROUNDS FOR DISCIPLINARY ACTION.**

Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition the license of any person to practice certified midwifery under this chapter or otherwise discipline a licensee or applicant as described in section 148G.14. The following are grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. In the case of a person applying for a license, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements;

(2) employing fraud or deceit in procuring or attempting to procure a license to practice certified midwifery;

(3) conviction of a felony or gross misdemeanor reasonably related to the practice of certified midwifery. Conviction, as used in this subdivision, includes a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned, but the adjudication of guilt is either withheld or not entered;

(4) revocation, suspension, limitation, conditioning, or other disciplinary action against the person's certified midwife credential in another state, territory, or country; failure to

report to the board that charges regarding the person's certified midwifery license, certification, or other credential are pending in another state, territory, or country; or failure to report to the board having been refused a license or other credential by another state, territory, or country;

(5) failure or inability to practice as a certified midwife with reasonable skill and safety, or departure from or failure to conform to standards of acceptable and prevailing certified midwifery, including failure of a certified midwife to adequately supervise or monitor the performance of acts by any person working at the certified midwife's direction;

(6) engaging in unprofessional conduct, including but not limited to a departure from or failure to conform to statutes relating to certified midwifery practice or to the minimal standards of acceptable and prevailing certified midwifery practice, or in any certified midwifery practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause;

(7) supervision or accepting the supervision of a midwifery function or a prescribed health care function when the acceptance could reasonably be expected to result in unsafe or ineffective patient care;

(8) actual or potential inability to practice certified midwifery with reasonable skill and safety to patients by reason of illness; use of alcohol, drugs, chemicals, or any other material; or as a result of any mental or physical condition;

(9) adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or outside of this state;

(10) engaging in any unethical conduct, including but not limited to conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause;

(11) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, in any verbal behavior that is seductive or sexually demeaning to a patient, or in sexual exploitation of a patient or former patient;

(12) obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud;

(13) revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(14) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws;

(15) improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(16) knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of certified midwifery;

(17) violating a rule adopted by the board, an order of the board, or a state or federal law relating to the practice of certified midwifery, or a state or federal narcotics or controlled substance law;

(18) knowingly providing false or misleading information to a patient that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo;

(19) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(20) practicing outside the scope of certified midwifery practice as defined under section 148G.03, subdivision 5;

(21) making a false statement or knowingly providing false information to the board, failing to make reports as required by section 148G.15, or failing to cooperate with an investigation of the board as required by section 148G.17;

(22) engaging in false, fraudulent, deceptive, or misleading advertising;

(23) failure to inform the board of the person's certification or recertification status as a certified midwife;

(24) engaging in certified midwifery practice without a license and current certification or recertification by the American Midwifery Certification Board or any successor organization; or

(25) failure to maintain appropriate professional boundaries with a patient. A certified midwife must not engage in practices that create an unacceptable risk of patient harm or of the impairment of a certified midwife's objectivity or professional judgment. A certified midwife must not act or fail to act in a way that, as judged by a reasonable and prudent certified midwife, inappropriately encourages the patient to relate to the certified midwife outside of the boundaries of the professional relationship, or in a way that interferes with the patient's ability to benefit from certified midwife services. A certified midwife must not use the professional relationship with a patient, student, supervisee, or intern to further the certified midwife's personal, emotional, financial, sexual, religious, political, or business benefit or interests.

Subd. 2. **Conviction of a felony-level criminal sexual offense.** (a) Except as provided in paragraph (e), the board must not grant or renew a license to practice certified midwifery to any person who has been convicted on or after August 1, 2014, of any of the provisions of section 609.342, subdivision 1 or 1a; 609.343, subdivision 1 or 1a; 609.344, subdivision 1 or subdivision 1a, paragraphs (c) to (g); or 609.345, subdivision 1 or subdivision 1a, paragraphs (c) to (g); or a similar statute in another jurisdiction.

(b) A license to practice certified midwifery is automatically revoked if the licensee is convicted of an offense listed in paragraph (a).

(c) A license to practice certified midwifery that has been denied or revoked under this subdivision is not subject to chapter 364.

(d) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

(e) The board may establish criteria whereby an individual convicted of an offense listed in paragraph (a) may become licensed if the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for licensing;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant's sentence was discharged.

(f) The board must not consider an application under paragraph (e) if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

Subd. 3. **Evidence.** In disciplinary actions alleging a violation of subdivision 1, clause (3) or (4), or subdivision 2, a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of the violation concerned.

Subd. 4. **Examination; access to medical data.** (a) If the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9), it may direct the applicant or certified midwife to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, when a certified midwife licensed under this chapter is directed in writing by the board to submit to a mental or physical examination or chemical dependency evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or certified midwife to submit to an examination when directed constitutes an admission of the allegations against the applicant or certified midwife, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A certified midwife affected under this paragraph must, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of certified midwifery can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph may be used against a certified midwife in any other proceeding.

(b) Notwithstanding sections 13.384, 144.651, and 595.02, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to a certified midwife or applicant for a license without that person's consent if the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h); an insurance company; or a government agency, including the Department of Human Services. A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision,

unless the information is false and the provider giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

Sec. 16. **[148G.14] FORMS OF DISCIPLINARY ACTION; AUTOMATIC SUSPENSION; TEMPORARY SUSPENSION; REISSUANCE.**

Subdivision 1. **Forms of disciplinary action.** If the board finds that grounds for disciplinary action exist under section 148G.13, it may take one or more of the following actions:

(1) deny the license application or licensure renewal;

(2) revoke the license;

(3) suspend the license;

(4) impose limitations on the certified midwife's practice of certified midwifery including but not limited to limitation of scope of practice or the requirement of practice under supervision;

(5) impose conditions on the retention of the license, including but not limited to the imposition of retraining or rehabilitation requirements or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination, monitoring, or other review;

(6) impose a civil penalty not exceeding $10,000 for each separate violation. The amount of the civil penalty must be fixed so as to deprive the certified midwife of any economic advantage gained by reason of the violation charged; to reimburse the board for the cost of counsel, investigation, and proceeding; and to discourage repeated violations;

(7) order the certified midwife to provide unremunerated service;

(8) censure or reprimand the certified midwife; or

(9) any other action justified by the facts in the case.

Subd. 2. **Automatic suspension of license.** (a) Unless the board orders otherwise, a license to practice certified midwifery is automatically suspended if:

(1) a guardian of a certified midwife is appointed by order of a court under sections 524.5-101 to 524.5-502;

(2) the certified midwife is committed by order of a court under chapter 253B; or

(3) the certified midwife is determined to be mentally incompetent, mentally ill, chemically dependent, or a person dangerous to the public by a court of competent jurisdiction within or outside of this state.

(b) The license remains suspended until the certified midwife is restored to capacity by a court and, upon petition by the certified midwife, the suspension is terminated by the board after a hearing or upon agreement between the board and the certified midwife.

Subd. 3. **Temporary suspension of license.** In addition to any other remedy provided by law, the board may, through its designated board member under section 214.10, subdivision 2, temporarily suspend the license of a certified midwife without a hearing if the board finds that there is probable cause to believe the certified midwife has violated a statute or rule the board is empowered to enforce and continued practice by the certified midwife would create a serious risk of harm to others. The suspension takes effect upon written notice to the certified midwife, served by first-class mail, specifying the statute or rule violated. The suspension must remain in effect until the board issues a temporary stay of suspension or a final order in the matter after a hearing or upon agreement between the board and the certified midwife. At the time it issues the suspension notice, the board must schedule a disciplinary hearing to be held under the Administrative Procedure Act. The board must provide the certified midwife at least 20 days' notice of any hearing held under this subdivision. The board must schedule the hearing to begin no later than 30 days after the issuance of the suspension order.

Subd. 4. **Reissuance.** The board may reinstate and reissue a license to practice certified midwifery, but as a condition may impose any disciplinary or corrective measure that it might originally have imposed. Any person whose license has been revoked, suspended, or limited may have the license reinstated and a new license issued when, at the discretion of the board, the action is warranted, provided that the board must require the person to pay the costs of the proceedings resulting in the revocation, suspension, or limitation of the license; the relicensure fee; and the fee for the current licensure period. The cost of proceedings includes but is not limited to the cost paid by the board to the Office of Administrative Hearings and the Office of the Attorney General for legal and investigative services; the costs of a court reporter and witnesses, reproduction of records, board staff time, travel, and expenses; and the costs of board members' per diem reimbursements, travel costs, and expenses.

Sec. 17. **[148G.15] REPORTING OBLIGATIONS.**

Subdivision 1. **Permission to report.** A person who has knowledge of any conduct constituting grounds for discipline under section 148G.13 may report the alleged violation to the board.

Subd. 2. **Institutions.** The chief nursing executive or chief administrative officer of any hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state must report to the board any action taken by the institution or organization or any of its administrators or committees to revoke, suspend, limit, or condition a certified midwife's privilege to practice in the institution, or as part of the organization, any denial of privileges, any dismissal from employment, or any other disciplinary action. The institution or organization must also report the resignation of any certified midwife before the conclusion of any disciplinary proceeding, or before commencement of formal charges, but after the certified midwife had knowledge that formal charges were contemplated or in preparation. The reporting described by this subdivision is required only if the action pertains to grounds for disciplinary action under section 148G.13.

Subd. 3. **Licensed professionals.** A person licensed by a health-related licensing board as defined in section 214.01, subdivision 2, must report to the board personal knowledge of any conduct the person reasonably believes constitutes grounds for disciplinary action under section 148G.13 by any certified midwife, including conduct indicating that the certified midwife may be incompetent, may have engaged in unprofessional or unethical conduct, or may be mentally or physically unable to engage safely in the practice of certified midwifery.

Subd. 4. **Insurers.** (a) By the first day of February, May, August, and November, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to certified midwives must submit to the board a report concerning any certified midwife against whom a malpractice award has been made or who has been a party to a settlement. The report must contain at least the following information:

(1) the total number of settlements or awards;

(2) the date a settlement or award was made;

(3) the allegations contained in the claim or complaint leading to the settlement or award;

(4) the dollar amount of each malpractice settlement or award and whether that amount was paid as a result of a settlement or of an award; and

(5) the name and address of the practice of the certified midwife against whom an award was made or with whom a settlement was made.

(b) An insurer must also report to the board any information it possesses that tends to substantiate a charge that a certified midwife may have engaged in conduct in violation of this chapter.

Subd. 5. **Courts.** The court administrator of district court or another court of competent jurisdiction must report to the board any judgment or other determination of the court that adjudges or includes a finding that a certified midwife is a person who is mentally ill, mentally incompetent, chemically dependent, dangerous to the public, guilty of a felony or gross misdemeanor, guilty of a violation of federal or state narcotics laws or controlled substances act, guilty of operating a motor vehicle while under the influence of alcohol or a controlled substance, or guilty of an abuse or fraud under Medicare or Medicaid; or if the court appoints a guardian of the certified midwife under sections 524.5-101 to 524.5-502 or commits a certified midwife under chapter 253B.

Subd. 6. **Deadlines; forms.** Reports required by subdivisions 2 to 5 must be submitted no later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required by this section, may require that the reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting. The board must review all reports, including those submitted after the deadline.

Subd. 7. **Failure to report.** Any person, institution, insurer, or organization that fails to report as required under subdivisions 2 to 6 is subject to civil penalties for failing to report as required by law.

Sec. 18. **[148G.16] IMMUNITY.**

Subdivision 1. **Reporting.** Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting in good faith a report to the board under section 148G.15 or for otherwise reporting in good faith to the board violations or alleged violations of this chapter. All such reports are investigative data as defined in chapter 13.

Subd. 2. **Investigation.** (a) Members of the board and persons employed by the board or engaged in the investigation of violations and in the preparation and management of charges of violations of this chapter on behalf of the board, or persons participating in the investigation or testifying regarding charges of violations, are immune from civil liability

and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

(b) Members of the board and persons employed by the board or engaged in maintaining records and making reports regarding adverse health care events are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 19. **[148G.17] CERTIFIED MIDWIFE COOPERATION.**

A certified midwife who is the subject of an investigation by or on behalf of the board must cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of patient or other records in the certified midwife's possession, as reasonably requested by the board, to assist the board in its investigation and to appear at conferences and hearings scheduled by the board. The board must pay for copies requested. If the board does not have written consent from a patient permitting access to the patient's records, the certified midwife must delete any data in the record that identify the patient before providing it to the board. The board must maintain any records obtained pursuant to this section as investigative data under chapter 13. The certified midwife must not be excused from giving testimony or producing any documents, books, records, or correspondence on the grounds of self-incrimination, but the testimony or evidence must not be used against the certified midwife in any criminal case.

Sec. 20. **[148G.18] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

Upon judicial review of any board disciplinary action taken under this chapter, the reviewing court must seal the administrative record, except for the board's final decision, and must not make the administrative record available to the public.

Sec. 21. **[148G.19] EXEMPTIONS.**

The provisions of this chapter do not prohibit:

(1) the furnishing of certified midwifery assistance in an emergency;

(2) the practice of certified midwifery by any legally qualified certified midwife of another state who is employed by the United States government or any bureau, division, or agency thereof while in the discharge of official duties;

(3) the practice of any profession or occupation licensed by the state, other than certified midwifery, by any person licensed to practice the profession or occupation, or the performance by a person of any acts properly coming within the scope of the profession, occupation, or license;

(4) the practice of traditional midwifery as specified under section 147D.03;

(5) certified midwifery practice by a student practicing under the supervision of an instructor while the student is enrolled in an approved certified midwifery education program; or

(6) certified midwifery practice by a certified midwife licensed in another state, territory, or jurisdiction who is in Minnesota temporarily:

(i) providing continuing or in-service education;

(ii) serving as a guest lecturer;

(iii) presenting at a conference; or

(iv) teaching didactic content via distance education to a student located in Minnesota who is enrolled in a formal, structured course of study, such as a course leading to a higher degree in midwifery.

Sec. 22. **[148G.20] VIOLATIONS; PENALTY.**

Subdivision 1. **Violations described.** It is unlawful for any person, corporation, firm, or association to:

(1) sell or fraudulently obtain or furnish any certified midwifery diploma, license, or record, or aid or abet therein;

(2) practice certified midwifery under cover of any diploma, permit, license certified midwife credential, or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation;

(3) practice certified midwifery unless the person is licensed to do so under this chapter;

(4) use the professional title certified midwife or licensed certified midwife unless licensed to practice certified midwifery under this chapter;

(5) use any abbreviation or other designation tending to imply licensure as a certified midwife unless licensed to practice certified midwifery under this chapter;

(6) practice certified midwifery in a manner prohibited by the board in any limitation of a license issued under this chapter;

(7) practice certified midwifery during the time a license issued under this section is suspended or revoked;

(8) knowingly employ persons in the practice of certified midwifery who have not been issued a current license to practice as a certified midwife in this state; or

(9) conduct a certified midwifery program for the education of persons to become certified midwives unless the program has been approved by the board.

Subd. 2. **Penalty.** Any person, corporation, or association violating any provision of subdivision 1 is guilty of a gross misdemeanor and must be punished according to law.

Subd. 3. **Penalty; certified midwives.** In addition to subdivision 2, a certified midwife who practices certified midwifery without a current license and certification or recertification, or without current certification or recertification on file with the board, is subject to the applicable penalties in section 148G.11.

Sec. 23. **[148G.21] UNAUTHORIZED PRACTICE OF MIDWIFERY.**

The practice of certified midwifery by any person who is not licensed to practice certified midwifery under this chapter, or whose license has been suspended or revoked, or whose national certification credential has expired, is inimical to the public health and welfare and constitutes a public nuisance. Upon a complaint being made by the board or any prosecuting officer, and upon a proper showing of the facts, the district court of the county where such practice occurred may enjoin such acts and practice. The injunction proceeding is in addition to, and not in lieu of, all other penalties and remedies provided by law.

Sec. 24. Minnesota Statutes 2022, section 152.12, subdivision 1, is amended to read:

Subdivision 1. **Prescribing, dispensing, administering controlled substances in Schedules II through V.** A licensed doctor of medicine, a doctor of osteopathic medicine, duly licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a licensed doctor of podiatry, a licensed advanced practice registered nurse, a licensed certified midwife, a licensed physician assistant, or a licensed doctor of optometry limited to Schedules IV and V, and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance included in Schedules II through V of section 152.02, may cause the same to be administered by a nurse, an intern or an assistant under the direction and supervision of the doctor, and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.

Sec. 25. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 28c. **Certified midwifery practice services.** Medical assistance covers services performed by a licensed certified midwife if:

(1) the service provided on an inpatient basis is not included as part of the cost for inpatient services included in the facility payment;

(2) the service is otherwise covered under this chapter as a physician service; and

(3) the service is within the scope of practice of the certified midwife's license as defined under chapter 148G.

Sec. 26. **EFFECTIVE DATE.**

This article is effective July 1, 2025.

## ARTICLE 12
## SPEECH-LANGUAGE PATHOLOGY ASSISTANT LICENSURE

Section 1. Minnesota Statutes 2022, section 144.0572, subdivision 1, is amended to read:

Subdivision 1. **Criminal history background check requirements.** (a) Beginning January 1, 2018, an applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist or speech-language pathologist, a speech-language pathology assistant, or an applicant for initial certification as a hearing instrument dispenser, must submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension (BCA) and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation (FBI).

(b) Beginning January 1, 2020, an applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018, must submit to a criminal history records check of state data completed by the BCA and a national criminal history records check, including a search of the records of the FBI.

(c) An applicant must submit to a background study under chapter 245C.

(d) The criminal history records check must be structured so that any new crimes that an applicant or licensee or certificate holder commits after the initial background check are flagged in the BCA's or FBI's database and reported back to the commissioner of human services.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 148.511, is amended to read:

**148.511 SCOPE.**

Sections 148.511 to 148.5198 apply to persons who are applicants for licensure, who use protected titles, who represent that they are licensed, or who engage in the practice of speech-language pathology or audiology or practice as a speech-language pathology assistant. Sections 148.511 to 148.5198 do not apply to school personnel licensed by the Professional Educator Licensing and Standards Board and practicing within the scope of their school license under Minnesota Rules, part 8710.6000, or the paraprofessionals who assist these individuals.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 148.512, subdivision 17a, is amended to read:

Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant" means a person who meets the qualifications under section 148.5181 and provides speech-language pathology services under the supervision of a licensed speech-language pathologist in accordance with section 148.5192.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 4. Minnesota Statutes 2022, section 148.513, subdivision 1, is amended to read:

Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice of speech-language pathology or audiology or practice as a speech-language pathology assistant unless the person is licensed as a speech-language pathologist ~~or~~, an audiologist, or a speech-language pathology assistant under sections 148.511 to 148.5198 ~~or is practicing as a speech-language pathology assistant in accordance with section 148.5192~~. For purposes of this subdivision, a speech-language pathology assistant's duties are limited to the duties described in accordance with section 148.5192, subdivision 2.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 148.513, subdivision 2, is amended to read:

Subd. 2. **Protected titles and restrictions on use; speech-language pathologists and audiologists.** (a) Notwithstanding paragraph ~~(b)~~ (c), the use of the following terms or initials which represent the following terms, alone or in combination with any word or words, by

any person to form an occupational title is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198:

(1) speech-language;

(2) speech-language pathologist, S, SP, or SLP;

(3) speech pathologist;

(4) language pathologist;

(5) audiologist, A, or AUD;

(6) speech therapist;

(7) speech clinician;

(8) speech correctionist;

(9) language therapist;

(10) voice therapist;

(11) voice pathologist;

(12) logopedist;

(13) communicologist;

(14) aphasiologist;

(15) phoniatrist;

(16) audiometrist;

(17) audioprosthologist;

(18) hearing therapist;

(19) hearing clinician; or

(20) hearing aid audiologist.

(b) Use of the term "Minnesota licensed" in conjunction with the titles protected under ~~this~~ paragraph (a) by any person is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198.

~~(b)~~ (c) A speech-language pathology assistant practicing under ~~section 148.5192~~ sections 148.511 to 148.5198 must not represent, indicate, or imply to the public that the assistant is a licensed speech-language pathologist and shall only utilize ~~one of the following titles:~~

~~"speech-language pathology assistant," "SLP assistant," or "SLP asst."~~ the titles provided in subdivision 2b.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 6. Minnesota Statutes 2022, section 148.513, is amended by adding a subdivision to read:

Subd. 2b. **Protected titles and restrictions on use; speech-language pathology assistant.** (a) The use of the following terms or initials which represent the following terms, alone or in combination with any word or words, by any person to form an occupational title is prohibited unless that person is licensed under section 148.5181:

(1) speech-language pathology assistant;

(2) SLP assistant; or

(3) SLP asst.

(b) Use of the term "Minnesota licensed" in conjunction with the titles protected under this subdivision by any person is prohibited unless that person is licensed under section 148.5181.

(c) A speech-language pathology assistant practicing under section 148.5192 must not represent, indicate, or imply to the public that the assistant is a licensed speech-language pathologist and must only utilize the title provided in paragraph (a).

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 148.513, subdivision 3, is amended to read:

Subd. 3. **Exemption.** (a) Nothing in sections 148.511 to 148.5198 prohibits the practice of any profession or occupation licensed, certified, or registered by the state by any person duly licensed, certified, or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation.

(b) Subdivision 1 does not apply to a student participating in supervised field work or supervised course work that is necessary to meet the requirements of ~~section~~ sections 148.515, subdivision 2 ~~or 3~~, or 148.5181, subdivision 2, if the person is designated by a title which clearly indicates the person's status as a student trainee.

(c) Subdivisions 1 ~~and~~, 2, and 2a do not apply to a person visiting and then leaving the state and using titles restricted under this section while in the state, if the titles are used no more than 30 days in a calendar year as part of a professional activity that is limited in scope

and duration and is in association with an audiologist or speech-language pathologist licensed under sections 148.511 to 148.5198.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 148.514, subdivision 2, is amended to read:

Subd. 2. **General licensure qualifications.** An applicant for licensure must possess the qualifications required in one of the following clauses:

(1) a person who applies for licensure and does not meet the requirements in clause (2) or (3), must meet the requirements in section 148.515 or 148.5181, subdivision 2;

(2) a person who applies for licensure and who has a current certificate of clinical competence issued by the American Speech-Language-Hearing Association, or board certification by the American Board of Audiology, must meet the requirements of section 148.516; or

(3) a person who applies for licensure by reciprocity must meet the requirements under section 148.517 or 148.5181, subdivision 3.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 9. Minnesota Statutes 2022, section 148.515, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** Except as provided in section 148.516 or 148.517, an applicant for speech-language pathology or audiology must meet the requirements in this section.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 10. Minnesota Statutes 2022, section 148.518, is amended to read:

**148.518 LICENSURE FOLLOWING LAPSE OF LICENSURE STATUS.**

Subdivision 1. **Speech-language pathology or audiology lapse.** ~~For~~ An applicant whose licensure status has lapsed~~, the applicant~~ and who is applying for a speech-language pathology or audiology license must:

(1) apply for licensure renewal according to section 148.5191 and document compliance with the continuing education requirements of section 148.5193 since the applicant's license lapsed;

(2) fulfill the requirements of section 148.517;

(3) apply for renewal according to section 148.5191, provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology from the Professional Educator Licensing and Standards Board or for the practice of speech-language pathology or audiology in another jurisdiction that has requirements equivalent to or higher than those in effect for Minnesota, and provide evidence of compliance with Professional Educator Licensing and Standards Board or that jurisdiction's continuing education requirements;

(4) apply for renewal according to section 148.5191 and submit verified documentation of successful completion of 160 hours of supervised practice approved by the commissioner. To participate in a supervised practice, the applicant shall first apply and obtain temporary licensing according to section 148.5161; or

(5) apply for renewal according to section 148.5191 and provide documentation of obtaining a qualifying score on the examination described in section 148.515, subdivision 4, within one year of the application date for license renewal.

Subd. 2. **Speech-language pathology assistant licensure lapse.** An applicant applying for speech-language pathology assistant licensure and whose licensure status has lapsed must:

(1) apply for renewal according to section 148.5191, and provide evidence to the commissioner that the applicant has an associate's degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges;

(2) apply for renewal according to section 148.5191 and provide evidence to the commissioner that the applicant has a bachelor's degree in the discipline of communication sciences or disorders and a speech-language pathology assistant certificate program, including relevant coursework and supervised field experience according to section 148.5181; or

(3) apply for licensure renewal according to section 148.5191 and document compliance with the continuing education requirements of section 148.5193 since the applicant's license lapsed.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 11. **[148.5181] LICENSURE; SPEECH-LANGUAGE PATHOLOGY ASSISTANTS.**

Subdivision 1. **Applicability.** Except as provided in subdivisions 3 and 4, an applicant for licensure as a speech-language pathology assistant must meet the requirements of this section.

Subd. 2. **Educational requirements.** (a) To be eligible for speech-language pathology assistant licensure, an applicant must submit to the commissioner a transcript from an educational institution documenting satisfactory completion of either:

(1) an associate's degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner and that includes at least 100 hours of supervised field work experience in speech-language pathology assisting; or

(2) a bachelor's degree in the discipline of communication sciences or disorders and a speech-language pathology assistant certificate program that includes:

(i) coursework in an introduction to speech-language pathology assisting, adult communication disorders and treatment, speech sound disorders, and language disorders at a speech-language pathology assistant level; and

(ii) at least 100 hours of supervised field work experience in speech-language pathology assisting.

(b) Within one month following expiration of a license, an applicant for licensure renewal as a speech-language pathology assistant must provide, on a form provided by the commissioner, evidence to the commissioner of a minimum of 20 contact hours of continuing education obtained within the two years immediately preceding licensure expiration. A minimum of 13 contact hours of continuing education must be directly related to the licensee's area of licensure. Seven contact hours of continuing education may be in areas generally related to the licensee's area of licensure. Licensees who are issued licenses for a period of less than two years must prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees must receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

Subd. 3. **Licensure by reciprocity.** The commissioner shall issue a speech-language pathology assistant license to a person who holds a current speech-language pathology assistant license in another state if the following conditions are met:

(1) payment of the commissioner's current fee for licensure; and

(2) submission of evidence of licensure in good standing from another state that maintains a system and standard of examinations for speech-language pathology assistants which meets or exceeds the current requirements for licensure in Minnesota.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 12. Minnesota Statutes 2022, section 148.519, subdivision 1, is amended to read:

Subdivision 1. **Applications for licensure; speech-language pathologists and audiologists.** (a) An applicant for licensure as a speech-language pathologist or audiologist must:

(1) submit a completed application for licensure on forms provided by the commissioner. The application must include the applicant's name, certification number under chapter 153A, if applicable, business address and telephone number, or home address and telephone number if the applicant practices speech-language pathology or audiology out of the home, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the date of application. The commissioner may ask the applicant to provide additional information necessary to clarify information submitted in the application; and

(2) submit documentation of the certificate of clinical competence issued by the American Speech-Language-Hearing Association, board certification by the American Board of Audiology, or satisfy the following requirements:

(i) submit a transcript showing the completion of a master's or doctoral degree or its equivalent meeting the requirements of section 148.515, subdivision 2;

(ii) submit documentation of the required hours of supervised clinical training;

(iii) submit documentation of the postgraduate clinical or doctoral clinical experience meeting the requirements of section 148.515, subdivision 4; and

(iv) submit documentation of receiving a qualifying score on an examination meeting the requirements of section 148.515, subdivision 6.

(b) In addition, an applicant must:

(1) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(2) submit with the application all fees required by section 148.5194;

(3) sign a waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has engaged in the practice of speech-language pathology or audiology; and

(4) consent to a fingerprint-based criminal history background check as required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 13. Minnesota Statutes 2022, section 148.519, is amended by adding a subdivision to read:

Subd. 1a. **Applications for licensure; speech-language pathology assistants.** An applicant for licensure as a speech-language pathology assistant must:

(1) submit a completed application on forms provided by the commissioner. The application must include the applicant's name, business address and telephone number, home address and telephone number, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the application date. The commissioner may ask the applicant to provide additional information needed to clarify information submitted in the application;

(2) submit a transcript showing the completion of the requirements set forth in section 148.5181;

(3) submit a signed statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) submit all fees required under section 148.5194;

(5) submit a signed waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has worked as a speech-language pathology assistant; and

(6) consent to a fingerprint-based criminal history background check as required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has lapsed since the applicant last applied for a license.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 14. Minnesota Statutes 2022, section 148.5191, subdivision 1, is amended to read:

Subdivision 1. **Renewal requirements.** To renew licensure, an applicant for license renewal as a speech-language pathologist or audiologist must:

(1) biennially complete a renewal application on a form provided by the commissioner and submit the biennial renewal fee;

(2) meet the continuing education requirements of section 148.5193 and submit evidence of attending continuing education courses, as required in section 148.5193, subdivision 6; and

(3) submit additional information if requested by the commissioner to clarify information presented in the renewal application. The information must be submitted within 30 days after the commissioner's request.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 148.5191, is amended by adding a subdivision to read:

Subd. 1a. **Renewal requirements; speech-language pathology assistant.** To renew licensure, an applicant for license renewal as a speech-language pathology assistant must:

(1) biennially complete a renewal application on a form provided by the commissioner and submit the biennial renewal fee;

(2) meet the continuing education requirements of section 148.5193, subdivision 1a, and submit evidence of attending continuing education courses, as required in section 148.5193, subdivision 1a; and

(3) submit additional information if requested by the commissioner to clarify information presented in the renewal application. The information must be submitted within 30 days after the commissioner's request.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 16. Minnesota Statutes 2022, section 148.5192, subdivision 1, is amended to read:

Subdivision 1. **Delegation requirements.** A licensed speech-language pathologist may delegate duties to a licensed speech-language pathology assistant in accordance with this section following an initial introduction to a client with the speech-language pathologist and speech-language pathology assistant present. ~~Duties may only be delegated to an~~

~~individual who has documented with a transcript from an educational institution satisfactory completion of either:~~

~~(1) an associate degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner; or~~

~~(2) a bachelor's degree in the discipline of communication sciences or disorders with additional transcript credit in the area of instruction in assistant-level service delivery practices and completion of at least 100 hours of supervised field work experience as a speech-language pathology assistant student.~~

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 17. Minnesota Statutes 2022, section 148.5192, subdivision 2, is amended to read:

Subd. 2. **Delegated duties; prohibitions.** (a) A speech-language pathology assistant may perform only those duties delegated by a licensed speech-language pathologist and must be limited to duties within the training and experience of the speech-language pathology assistant.

(b) Duties may include the following as delegated by the supervising speech-language pathologist:

(1) assist with speech language and hearing screenings;

(2) implement documented treatment plans or protocols developed by the supervising speech-language pathologist;

(3) document client performance, including writing progress notes;

(4) assist with assessments of clients;

(5) assist with preparing materials and scheduling activities as directed;

(6) perform checks and maintenance of equipment;

(7) support the supervising speech-language pathologist in research projects, in-service training, and public relations programs; and

(8) collect data for quality improvement.

(c) A speech-language pathology assistant may not:

(1) perform standardized or nonstandardized diagnostic tests, perform formal or informal evaluations, or interpret test results;

(2) ~~screen or diagnose clients for feeding or swallowing disorders, including using a checklist or tabulating results of feeding or swallowing evaluations, or demonstrate swallowing strategies or precautions to clients or the clients' families~~ demonstrate strategies included in the feeding and swallowing plan developed by the speech-language pathologist or share such information with students, patients, clients, families, staff, and caregivers;

(3) participate in parent conferences, case conferences, or ~~any~~ interdisciplinary team ~~without the presence of the supervising speech-language pathologist or other licensed speech-language pathologist as authorized by the supervising speech-language pathologist~~ meetings without approval from the speech-language pathologist or misrepresent themselves as a speech-language pathologist at such a conference or meeting. The speech-language pathologist and speech-language pathology assistant are required to meet prior to the parent conferences, case conferences, or interdisciplinary team meetings to determine the information to be shared;

(4) provide client or family counseling or consult with the client or the family regarding the client status or service;

(5) write, develop, or modify a client's individualized treatment plan or individualized education program;

(6) select clients for service;

(7) discharge clients from service;

(8) disclose ~~clinical or confidential information either orally or in writing to anyone other than the supervising speech-language pathologist~~ information to other team members without permission from the supervising speech-language pathologist; or

(9) make referrals for additional services.

(d) A speech-language pathology assistant must ~~not~~ only sign ~~any formal~~ documents, including treatment plans, education plans, reimbursement forms, or reports, when cosigned by the supervising speech-language pathologist. The speech-language pathology assistant must sign or initial all treatment notes written by the assistant, which must then also be cosigned by the supervising speech-language pathologist.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 18. Minnesota Statutes 2022, section 148.5192, subdivision 3, is amended to read:

Subd. 3. **Supervision requirements.** (a) A supervising speech-language pathologist shall authorize and accept full responsibility for the performance, practice, and activity of

a speech-language pathology assistant. The amount and type of supervision required must be based on the skills and experience of the speech-language pathology assistant. A minimum of one hour every 30 days of consultative supervision time must be documented for each speech-language pathology assistant.

(b) A supervising speech-language pathologist must:

(1) be licensed under sections 148.511 to 148.5198;

(2) hold a certificate of clinical competence from the American Speech-Language-Hearing Association or its equivalent as approved by the commissioner; and

(3) have completed at least ~~one~~ ten hours of continuing education ~~unit~~ in supervision.

(c) ~~The supervision of a speech-language pathology assistant shall be maintained on the following schedule:~~

~~(1) for the first 90 workdays, within a 40-hour work week, 30 percent of the work performed by the speech-language pathology assistant must be supervised and at least 20 percent of the work performed must be under direct supervision; and~~

~~(2) for the work period after the initial 90-day period, within a 40-hour work week, 20 percent of the work performed must be supervised and at least ten percent of the work performed must be under direct supervision~~ Once every 60 days, the supervising speech-language pathologist must treat or cotreat with the speech-language pathology assistant each client on the speech-language pathology assistant's caseload.

(d) For purposes of this section, "direct supervision" means ~~on-site, in-view~~ observation and guidance by the supervising speech-language pathologist during the performance of a delegated duty that occurs either on-site and in-view or through the use of real-time, two-way interactive audio and visual communication. The supervision requirements described in this section are minimum requirements. Additional supervision requirements may be imposed at the discretion of the supervising speech-language pathologist.

(e) A supervising speech-language pathologist must be available to communicate with a speech-language pathology assistant at any time the assistant is in direct contact with a client.

(f) A supervising speech-language pathologist must document activities performed by the assistant that are directly supervised by the supervising speech-language pathologist. At a minimum, the documentation must include:

(1) information regarding the quality of the speech-language pathology assistant's performance of the delegated duties; and

(2) verification that any delegated clinical activity was limited to duties authorized to be performed by the speech-language pathology assistant under this section.

(g) A supervising speech-language pathologist must review and cosign all informal treatment notes signed or initialed by the speech-language pathology assistant.

(h) A full-time, speech-language pathologist may supervise no more than ~~one~~ two full-time, speech-language pathology ~~assistant~~ assistants or the equivalent of ~~one~~ two full-time ~~assistant~~ assistants.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 19. Minnesota Statutes 2022, section 148.5193, subdivision 1, is amended to read:

Subdivision 1. **Number of contact hours required; speech-language pathologists and audiologists.** (a) An applicant for licensure renewal as a speech-language pathologist or audiologist must meet the requirements for continuing education stipulated by the American Speech-Language-Hearing Association or the American Board of Audiology, or satisfy the requirements described in paragraphs (b) to (e).

(b) Within one month following expiration of a license, an applicant for licensure renewal as either a speech-language pathologist or an audiologist must provide evidence to the commissioner of a minimum of 30 contact hours of continuing education obtained within the two years immediately preceding licensure expiration. A minimum of 20 contact hours of continuing education must be directly related to the licensee's area of licensure. Ten contact hours of continuing education may be in areas generally related to the licensee's area of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(c) An applicant for licensure renewal as both a speech-language pathologist and an audiologist must attest to and document completion of a minimum of 36 contact hours of continuing education offered by a continuing education sponsor within the two years immediately preceding licensure renewal. A minimum of 15 contact hours must be received in the area of speech-language pathology and a minimum of 15 contact hours must be received in the area of audiology. Six contact hours of continuing education may be in areas

generally related to the licensee's areas of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(d) If the licensee is licensed by the Professional Educator Licensing and Standards Board:

(1) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, items A and B, and that relate to speech-language pathology, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) directly related to speech-language pathology;

(2) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) generally related to speech-language pathology; and

(3) one clock hour as defined in Minnesota Rules, part 8710.7200, subpart 1, is equivalent to 1.0 contact hours of continuing education.

(e) Contact hours may not be accumulated in advance and transferred to a future continuing education period.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 20. Minnesota Statutes 2022, section 148.5193, is amended by adding a subdivision to read:

Subd. 1a. **Continuing education; speech-language pathology assistants.** An applicant for licensure renewal as a speech-language pathology assistant must meet the requirements for continuing education established by the American Speech-Language-Hearing Association and submit evidence of attending continuing education courses. A licensee must receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was completed. Continuing education contact hours obtained in one licensure period must not be transferred to a future licensure period.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 21. Minnesota Statutes 2022, section 148.5194, is amended by adding a subdivision to read:

Subd. 3b. **Speech-language pathology assistant licensure fees.** The fee for initial licensure as a speech-language pathology assistant is $493. The fee for licensure renewal for a speech-language pathology assistant is $493.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 22. Minnesota Statutes 2022, section 148.5194, subdivision 8, is amended to read:

Subd. 8. **Penalty fees.** (a) The penalty fee for practicing speech-language pathology or audiology, practicing as a speech-language pathology assistant, or using protected titles without a current license after the credential has expired and before it is renewed is the amount of the license renewal fee for any part of the first month, plus the license renewal fee for any part of any subsequent month up to 36 months.

(b) The penalty fee for applicants who engage in the unauthorized practice of speech-language pathology or audiology, practice as a speech-language pathology assistant, or ~~using~~ use of protected titles before being issued a license is the amount of the license application fee for any part of the first month, plus the license application fee for any part of any subsequent month up to 36 months. This paragraph does not apply to applicants not qualifying for a license who engage in the unauthorized practice of speech language pathology or audiology or in the unauthorized practice as a speech-language pathology assistant.

(c) The penalty fee for practicing speech-language pathology or audiology and failing to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is $100 plus $20 for each missing clock hour. The penalty fee for a licensed speech-language pathology assistant who fails to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is $100 plus $20 for each missing clock hour. "Missing" means not obtained between the effective and expiration dates of the certificate, the one-month period following the certificate expiration date, or the 30 days following notice of a penalty fee for failing to report all continuing education hours. The licensee must obtain the missing number of continuing education hours by the next reporting due date.

(d) Civil penalties and discipline incurred by licensees prior to August 1, 2005, for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty fees. For conduct described in paragraph (a) or (b) occurring after August 1, 2005, and

exceeding six months, payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 23. Minnesota Statutes 2023 Supplement, section 148.5195, subdivision 3, is amended to read:

Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

(1) intentionally submitted false or misleading information to the commissioner or the advisory council;

(2) failed, within 30 days, to provide information in response to a written request by the commissioner or advisory council;

(3) performed services of a speech-language pathologist ~~or~~, audiologist, or speech-language pathology assistant in an incompetent or negligent manner;

(4) violated sections 148.511 to 148.5198;

(5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to the practice of speech-language pathology or audiology or to the practice of a speech-language pathology assistant. Conviction for violating any state or federal law which relates to speech-language pathology ~~or~~, audiology, or to the practice of a speech-language pathology assistant is necessarily considered to constitute a violation, except as provided in chapter 364;

(7) aided or abetted another person in violating any provision of sections 148.511 to 148.5198;

(8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;

(9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;

(10) advertised in a manner that is false or misleading;

(11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(15) performed services for a client who had no possibility of benefiting from the services;

(16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) had the certification required by chapter 153A denied, suspended, or revoked according to chapter 153A;

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent;

(19) failed to comply with the requirements of section 148.5192 regarding supervision of speech-language pathology assistants; or

(20) if the individual is an audiologist or certified prescription hearing aid dispenser:

(i) prescribed to a consumer or potential consumer the use of a prescription hearing aid, unless the prescription from a physician, an audiologist, or a certified dispenser is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION MAY BE FILLED BY, AND PRESCRIPTION HEARING AIDS MAY BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

(ii) failed to give a copy of the audiogram, upon which the prescription is based, to the consumer when the consumer requests a copy;

(iii) failed to provide the consumer rights brochure required by section 148.5197, subdivision 3;

(iv) failed to comply with restrictions on sales of prescription hearing aids in sections 148.5197, subdivision 3, and 148.5198;

(v) failed to return a consumer's prescription hearing aid used as a trade-in or for a discount in the price of a new prescription hearing aid when requested by the consumer upon cancellation of the purchase agreement;

(vi) failed to follow Food and Drug Administration or Federal Trade Commission regulations relating to dispensing prescription hearing aids;

(vii) failed to dispense a prescription hearing aid in a competent manner or without appropriate training;

(viii) delegated prescription hearing aid dispensing authority to a person not authorized to dispense a prescription hearing aid under this chapter or chapter 153A;

(ix) failed to comply with the requirements of an employer or supervisor of a prescription hearing aid dispenser trainee;

(x) violated a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the individual's prescription hearing aid dispensing; or

(xi) failed to include on the audiogram the practitioner's printed name, credential type, credential number, signature, and date.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 24. Minnesota Statutes 2022, section 148.5195, subdivision 5, is amended to read:

Subd. 5. **Consequences of disciplinary actions.** Upon the suspension or revocation of licensure, the speech-language pathologist or audiologist, or speech-language pathology assistant, shall cease to practice speech-language pathology or audiology, or practice as a speech-language pathology assistant, to use titles protected under sections 148.511 to 148.5198, and to represent to the public that the speech-language pathologist or audiologist, or speech-language pathology assistant, is licensed by the commissioner.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 25. Minnesota Statutes 2022, section 148.5195, subdivision 6, is amended to read:

Subd. 6. **Reinstatement requirements after disciplinary action.** A speech-language pathologist or audiologist, or speech-language pathology assistant, who has had licensure suspended may petition on forms provided by the commissioner for reinstatement following the period of suspension specified by the commissioner. The requirements of section 148.5191 for renewing licensure must be met before licensure may be reinstated.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 26. Minnesota Statutes 2023 Supplement, section 148.5196, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint ~~12~~ 13 persons to a Speech-Language Pathologist and Audiologist Advisory Council. The ~~12~~ 13 persons must include:

(1) three public members, as defined in section 214.02. Two of the public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons, and at least one of the public members shall be either a hearing aid user or an advocate of one;

(2) three speech-language pathologists licensed under sections 148.511 to 148.5198, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in speech-language pathology by the Professional Educator Licensing and Standards Board;

(4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are currently and have been, for the five years immediately preceding the appointment, engaged in the practice of audiology and the dispensing of prescription hearing aids in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies;

(5) one nonaudiologist prescription hearing aid dispenser recommended by a professional association representing prescription hearing aid dispensers; ~~and~~

(6) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology, Head and Neck Surgery; and

(7) one speech-language pathology assistant licensed under sections 148.511 to 148.5198.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 27. Minnesota Statutes 2022, section 148.5196, subdivision 3, is amended to read:

Subd. 3. **Duties.** The advisory council shall:

(1) advise the commissioner regarding speech-language pathologist and audiologist licensure standards;

(2) advise the commissioner regarding the delegation of duties to, the licensure standards for, and the training required for speech-language pathology assistants;

(3) advise the commissioner on enforcement of sections 148.511 to 148.5198;

(4) provide for distribution of information regarding speech-language pathologist ~~and~~, audiologist, and speech-language pathology assistant licensure standards;

(5) review applications and make recommendations to the commissioner on granting or denying licensure or licensure renewal;

(6) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether licensure should be denied or disciplinary action taken against the individual;

(7) advise the commissioner regarding approval of continuing education activities provided by sponsors using the criteria in section 148.5193, subdivision 2; and

(8) perform other duties authorized for advisory councils under chapter 214, or as directed by the commissioner.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 28. Minnesota Statutes 2023 Supplement, section 245C.031, subdivision 4, is amended to read:

Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner of health.** The commissioner shall conduct an alternative background study, including a check of state data, and a national criminal history records check of the following individuals.

For studies under this section, the following persons shall complete a consent form and criminal history disclosure form:

(1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist ~~or~~, speech-language pathologist, or speech-language pathologist assistant, or an applicant for initial certification as a hearing instrument dispenser who must submit to a background study under section 144.0572.

(2) An applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

## ARTICLE 13
## APPROPRIATIONS

Section 1. **COMMISSIONER OF HEALTH.**

Subdivision 1. **Registration of transfer care specialists.** $198,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement registration requirements for transfer care specialists under Minnesota Statutes, section 149A.47. The base for this appropriation is $105,000 in fiscal year 2026 and $105,000 in fiscal year 2027.

Subd. 2. **Licensure of speech-language pathology assistants.** $105,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement licensing requirements for speech-language pathology assistants under Minnesota Statutes, section 148.5181. The base for this appropriation is $22,000 in fiscal year 2026 and $22,000 in fiscal year 2027.

Subd. 3. **Audiology and speech-language interstate compact.** $279,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement the audiology and speech-language pathology interstate compact under Minnesota Statutes, section 148.5185. The base for this appropriation is $106,000 in fiscal year 2026 and $106,000 in fiscal year 2027.

Sec. 2. **BOARD OF BEHAVIORAL HEALTH AND THERAPY; LICENSED PROFESSIONAL COUNSELOR INTERSTATE COMPACT.**

$159,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Behavioral Health and Therapy to implement the licensed professional

counselor interstate compact under Minnesota Statutes, section 148B.75. The base for this appropriation is $95,000 in fiscal year 2026 and $95,000 in fiscal year 2027.

Sec. 3. **BOARD OF DENTISTRY.**

Subdivision 1. **Licensure by credential for dental assistants.** $2,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Dentistry to implement modifications to licensing requirements under Minnesota Statutes, section 150A.06, subdivision 8. The base for this appropriation is $3,000 in fiscal year 2026 and $5,000 in fiscal year 2027.

Subd. 2. **Dentist and dental hygienist compact.** $41,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Dentistry to implement the dentist and dental hygienist compact under Minnesota Statutes, section 150A.051. The base for this appropriation is $42,000 in fiscal year 2026 and $42,000 in fiscal year 2027.

Sec. 4. **BOARD OF MARRIAGE AND FAMILY THERAPY; LICENSED MARRIAGE AND FAMILY THERAPIST GUEST LICENSE.**

$18,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Marriage and Family Therapy to implement the licensed marriage and family therapist guest license under Minnesota Statutes, section 148B.331. The base for this appropriation is $1,000 in fiscal year 2026 and $1,000 in fiscal year 2027.

Sec. 5. **BOARD OF MEDICAL PRACTICE.**

Subdivision 1. **Licensing requirements for graduates of foreign medical schools.** $81,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement licensing requirements for graduates of foreign medical schools under Minnesota Statutes, section 147.037. The base for this appropriation is $74,000 in fiscal year 2026 and $60,000 in fiscal year 2027.

Subd. 2. **Physician assistant licensure compact.** $113,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement the physician assistant licensure compact under Minnesota Statutes, section 148.675. The base for this appropriation is $142,000 in fiscal year 2026 and $96,000 in fiscal year 2027.

Sec. 6. **BOARD OF OCCUPATIONAL THERAPY PRACTICE; OCCUPATIONAL THERAPY LICENSURE COMPACT.**

$143,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Occupational Therapy Practice to implement the occupational therapy licensure compact under Minnesota Statutes, section 148.645. The base for this appropriation is $80,000 in fiscal year 2026 and $80,000 in fiscal year 2027.

Sec. 7. **BOARD OF PHYSICAL THERAPY; PHYSICAL THERAPY LICENSURE COMPACT.**

$160,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Physical Therapy to implement the physical therapy licensure compact under Minnesota Statutes, section 148.676. The base for this appropriation is $95,000 in fiscal year 2026 and $95,000 in fiscal year 2027.

Sec. 8. **BOARD OF PSYCHOLOGY; LICENSING REQUIREMENTS FOR BEHAVIOR ANALYSTS AND ASSISTANT BEHAVIOR ANALYSTS.**

$81,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Psychology to implement licensing requirements for behavior analysts and assistant behavior analysts under Minnesota Statutes, sections 148.9981 to 148.9995. The base for this appropriation is $47,000 in fiscal year 2026 and $47,000 in fiscal year 2027.

Sec. 9. **BOARD OF SOCIAL WORK.**

Subdivision 1. **Social worker provisional licensing.** $133,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Social Work to implement social worker provisional licensing requirements. The base for this appropriation is $80,000 in fiscal year 2026 and $80,000 in fiscal year 2027.

Subd. 2. **Social work interstate compact.** $3,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Social Work to implement the social work interstate compact under Minnesota Statutes, sections 148E.40 to 148E.55. The base for this appropriation is $149,000 in fiscal year 2026 and $83,000 in fiscal year 2027.

Sec. 10. **BOARD OF VETERINARY MEDICINE; LICENSING REQUIREMENTS FOR VETERINARY TECHNICIANS.**

$23,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Veterinary Medicine to implement licensing requirements for veterinary technicians under Minnesota Statutes, section 156.077. The base for this appropriation is $52,000 in fiscal year 2026 and $52,000 in fiscal year 2027.

Sec. 11. **EFFECTIVE DATE.**

This article is effective July 1, 2024.

## ARTICLE 14
## PHYSICIAN ASSISTANTS

Section 1. **[148.675] PHYSICIAN ASSISTANT LICENSURE COMPACT.**

The physician assistant (PA) licensure compact is enacted into law and entered into with all other jurisdictions legally joining in it in the form substantially specified in this section.

### ARTICLE I
### TITLE

This statute shall be known and cited as the physician assistant licensure compact.

### ARTICLE II
### DEFINITIONS

As used in this compact, and except as otherwise provided, the following terms have the meanings given them.

(a) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws that is imposed by a licensing board or other authority against a PA license, license application, or compact privilege such as license denial, censure, revocation, suspension, probation, monitoring of the licensee, or restriction on the licensee's practice.

(b) "Charter participating states" means the states that enacted the compact prior to the commission convening.

(c) "Compact privilege" means the authorization granted by a remote state to allow a licensee from another participating state to practice as a PA to provide medical services or

other licensed activities to a patient located in the remote state under the remote state's laws and regulations.

(d) "Conviction" means a finding by a court that an individual is guilty of a felony or misdemeanor offense through adjudication or entry of a plea of guilt or no contest to the charge by the offender.

(e) "Criminal background check" means the submission of fingerprints or other biometric-based information for a license applicant for the purpose of obtaining that applicant's criminal history record information, as defined in Code of Federal Regulations, title 28, part 20, subpart 20.3, clause (d), from the state's criminal history record repository, as defined in Code of Federal Regulations, title 28, part 20, subpart 20.3, clause (f).

(f) "Data system" means the repository of information about licensees, including but not limited to license status and adverse action, that is created and administered under the terms of this compact.

(g) "Executive committee" means a group of directors and ex officio individuals elected or appointed pursuant to article VII, paragraph (f), clause (2).

(h) "Impaired practitioner" means a PA whose practice is adversely affected by a health-related condition that impacts the PA's ability to practice.

(i) "Investigative information" means information, records, and documents received or generated by a licensing board pursuant to an investigation.

(j) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of a PA in a state.

(k) "License" means current authorization by a state, other than authorization pursuant to a compact privilege, for a PA to provide medical services, which would be unlawful without current authorization.

(l) "Licensee" means an individual who holds a license from a state to provide medical services as a PA.

(m) "Licensing board" means any state entity authorized to license and otherwise regulate PAs.

(n) "Medical services" means health care services provided for the diagnosis, prevention, treatment, cure, or relief of a health condition, injury, or disease, as defined by a state's laws and regulations.

(o) "Model compact" means the model for the PA licensure compact on file with the Council of State Governments or other entity as designated by the commission.

(p) "Participating state" means a state that has enacted this compact.

(q) "PA" means an individual who is licensed as a physician assistant in a state. For purposes of this compact, any other title or status adopted by a state to replace the term "physician assistant" shall be deemed synonymous with "physician assistant" and shall confer the same rights and responsibilities to the licensee under the provisions of this compact at the time of its enactment.

(r) "PA Licensure Compact Commission" or "compact commission" or "commission" means the national administrative body created pursuant to article VII, paragraph (a).

(s) "Qualifying license" means an unrestricted license issued by a participating state to provide medical services as a PA.

(t) "Remote state" means a participating state where a licensee who is not licensed as a PA is exercising or seeking to exercise the compact privilege.

(u) "Rule" means a regulation promulgated by an entity that has the force and effect of law.

(v) "Significant investigative information" means investigative information that a licensing board, after an inquiry or investigation that includes notification and an opportunity for the PA to respond if required by state law, has reason to believe is not groundless and, if proven true, would indicate more than a minor infraction.

(w) "State" means any state, commonwealth, district, or territory of the United States.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(a) To participate in this compact, a participating state must:

(1) license PAs;

(2) participate in the commission's data system;

(3) have a mechanism in place for receiving and investigating complaints against licensees and license applicants;

(4) notify the commission, in compliance with the terms of this compact and commission rules, of any adverse action against the licensee or license applicant and the existence of significant investigative information regarding a licensee or license applicant;

(5) fully implement a criminal background check requirement, within a time frame established by commission rule, by its licensing board receiving the results of a criminal background check and reporting to the commission whether the license applicant has been granted a license;

(6) fully comply with the rules of the compact commission;

(7) utilize a recognized national examination such as the National Commission on Certification of Physician Assistants (NCCPA) physician assistant national certifying examination as a requirement for PA licensure; and

(8) grant the compact privilege to a holder of a qualifying license in a participating state.

(b) Nothing in this compact prohibits a participating state from charging a fee for granting the compact privilege.

ARTICLE IV

COMPACT PRIVILEGE

(a) To exercise the compact privilege, a licensee must:

(1) have graduated from a PA program accredited by the Accreditation Review Commission on Education for the Physician Assistant, Inc. or other programs authorized by commission rule;

(2) hold current NCCPA certification;

(3) have no felony or misdemeanor convictions;

(4) have never had a controlled substance license, permit, or registration suspended or revoked by a state or by the United States Drug Enforcement Administration;

(5) have a unique identifier as determined by commission rule;

(6) hold a qualifying license;

(7) have had no revocation of a license or limitation or restriction due to an adverse action on any currently held license;

(8) if a licensee has had a limitation or restriction on a license or compact privilege due to an adverse action, two years must have elapsed from the date on which the license or compact privilege is no longer limited or restricted due to the adverse action;

(9) if a compact privilege has been revoked or is limited or restricted in a participating state for conduct that would not be a basis for disciplinary action in a participating state in which the licensee is practicing or applying to practice under a compact privilege, that

participating state shall have the discretion not to consider such action as an adverse action requiring the denial or removal of a compact privilege in that state;

(10) notify the compact commission that the licensee is seeking the compact privilege in a remote state;

(11) meet any jurisprudence requirement of a remote state in which the licensee is seeking to practice under the compact privilege and pay any fees applicable to satisfying the jurisprudence requirement; and

(12) report to the commission any adverse action taken by any nonparticipating state within 30 days after the date the action is taken.

(b) The compact privilege is valid until the expiration or revocation of the qualifying license unless terminated pursuant to an adverse action. The licensee must also comply with all of the requirements of paragraph (a) to maintain the compact privilege in a remote state. If the participating state takes adverse action against a qualifying license, the licensee shall lose the compact privilege in any remote state in which the licensee has a compact privilege until all of the following occur:

(1) the license is no longer limited or restricted; and

(2) two years have elapsed from the date on which the license is no longer limited or restricted due to the adverse action.

(c) Once a restricted or limited license satisfies the requirements of paragraph (b), the licensee must meet the requirements of paragraph (a) to obtain a compact privilege in any remote state.

(d) For each remote state in which a PA seeks authority to prescribe controlled substances, the PA shall satisfy all requirements imposed by such state in granting or renewing such authority.

ARTICLE V

DESIGNATION OF THE STATE FROM WHICH LICENSEE IS APPLYING FOR COMPACT PRIVILEGE

Upon a licensee's application for a compact privilege, the licensee must identify to the commission the participating state from which the licensee is applying, in accordance with applicable rules adopted by the commission, and subject to the following requirements:

(1) the licensee must provide the commission with the address of the licensee's primary residence and thereafter shall immediately report to the commission any change in the address of the licensee's primary residence; and

(2) the licensee must consent to accept service of process by mail at the licensee's primary residence on file with the commission with respect to any action brought against the licensee by the commission or a participating state, including a subpoena, with respect to any action brought or investigation conducted by the commission or a participating state.

ARTICLE VI

ADVERSE ACTIONS

(a) A participating state in which a licensee is licensed shall have exclusive power to impose adverse action against the qualifying license issued by that participating state.

(b) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to do the following:

(1) take adverse action against a PA's compact privilege in the state to remove a licensee's compact privilege or take other action necessary under applicable law to protect the health and safety of its citizens; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a licensing board in a participating state for the attendance and testimony of witnesses or the production of evidence from another participating state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(c) Notwithstanding paragraph (b), clause (1), subpoenas may not be issued by a participating state to gather evidence of conduct in another state that is lawful in that other state, for the purpose of taking adverse action against a licensee's compact privilege or application for a compact privilege in that participating state.

(d) Nothing in this compact authorizes a participating state to impose discipline against a PA's compact privilege or to deny an application for a compact privilege in that participating state for the individual's otherwise lawful practice in another state.

(e) For purposes of taking adverse action, the participating state which issued the qualifying license shall give the same priority and effect to reported conduct received from

any other participating state as it would if the conduct had occurred within the participating state which issued the qualifying license. In so doing, that participating state shall apply its own state laws to determine appropriate action.

(f) A participating state, if otherwise permitted by state law, may recover from the affected PA the costs of investigations and disposition of cases resulting from any adverse action taken against that PA.

(g) A participating state may take adverse action based on the factual findings of a remote state, provided that the participating state follows its own procedures for taking the adverse action.

(h) Joint investigations:

(1) in addition to the authority granted to a participating state by its respective state PA laws and regulations or other applicable state law, any participating state may participate with other participating states in joint investigations of licensees; and

(2) participating states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under this compact.

(i) If an adverse action is taken against a PA's qualifying license, the PA's compact privilege in all remote states shall be deactivated until two years have elapsed after all restrictions have been removed from the state license. All disciplinary orders by the participating state which issued the qualifying license that impose adverse action against a PA's license shall include a statement that the PA's compact privilege is deactivated in all participating states during the pendency of the order.

(j) If any participating state takes adverse action, it promptly shall notify the administrator of the data system.

## ARTICLE VII

## ESTABLISHMENT OF THE PA LICENSURE COMPACT COMMISSION

(a) The participating states hereby create and establish a joint government agency and national administrative body known as the PA Licensure Compact Commission. The commission is an instrumentality of the compact states acting jointly, and is not an instrumentality of any one state. The commission shall come into existence on or after the effective date of the compact as set forth in article XI, paragraph (a).

(b) Membership, voting, and meetings:

(1) each participating state shall have and be limited to one delegate selected by that participating state's licensing board or, if the state has more than one licensing board, selected collectively by the participating state's licensing boards;

(2) the delegate shall be:

(i) a current PA, physician, or public member of a licensing board or PA council or committee; or

(ii) an administrator of a licensing board;

(3) any delegate may be removed or suspended from office as provided by the laws of the state from which the delegate is appointed;

(4) the participating state board shall fill any vacancy occurring in the commission within 60 days;

(5) each delegate shall be entitled to one vote on all matters voted on by the commission and shall otherwise have an opportunity to participate in the business and affairs of the commission;

(6) a delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telecommunications, video conference, or other means of communication;

(7) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in this compact and the bylaws; and

(8) the commission shall establish by rule a term of office for delegates.

(c) The commission shall have the following powers and duties:

(1) establish a code of ethics for the commission;

(2) establish the fiscal year of the commission;

(3) establish fees;

(4) establish bylaws;

(5) maintain its financial records in accordance with the bylaws;

(6) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(7) promulgate rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all participating states;

(8) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state licensing board to sue or be sued under applicable law shall not be affected;

(9) purchase and maintain insurance and bonds;

(10) borrow, accept, or contract for services of personnel, including but not limited to employees of a participating state;

(11) hire employees and engage contractors, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(12) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same, provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(13) lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use, any property, real, personal, or mixed, provided that at all times the commission shall avoid any appearance of impropriety;

(14) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(15) establish a budget and make expenditures;

(16) borrow money;

(17) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(18) provide and receive information from, and cooperate with, law enforcement agencies;

(19) elect a chair, vice chair, secretary, and treasurer and such other officers of the commission as provided in the commission's bylaws;

(20) reserve for itself, in addition to those reserved exclusively to the commission under the compact, powers that the executive committee may not exercise;

(21) approve or disapprove a state's participation in the compact based upon its determination as to whether the state's compact legislation departs in a material manner from the model compact language;

(22) prepare and provide to the participating states an annual report; and

(23) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of PA licensure and practice.

(d) Meetings of the commission:

(1) all meetings of the commission that are not closed pursuant to this paragraph shall be open to the public. Notice of public meetings shall be posted on the commission's website at least 30 days prior to the public meeting;

(2) notwithstanding clause (1), the commission may convene a public meeting by providing at least 24 hours' prior notice on the commission's website, and any other means as provided in the commission's rules, for any of the reasons it may dispense with notice of proposed rulemaking under article IX, paragraph (l);

(3) the commission may convene in a closed, nonpublic meeting or nonpublic part of a public meeting to receive legal advice or to discuss:

(i) noncompliance of a participating state with its obligations under this compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees, or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of, or for use of, the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to this compact;

(x) legal advice; or

(xi) matters specifically exempted from disclosure by federal or participating states' statutes;

(4) if a meeting, or portion of a meeting, is closed pursuant to clause (3), the chair of the meeting or the chair's designee shall certify that the meeting or portion of the meeting may be closed and shall reference each relevant exempting provision; and

(5) the commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(e) Financing of the commission:

(1) the commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities;

(2) the commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services;

(3) the commission may levy on and collect an annual assessment from each participating state and may impose compact privilege fees on licensees of participating states to whom a compact privilege is granted, to cover the cost of the operations and activities of the commission and its staff. The cost of the operations and activities of the commission and its staff must be in a total amount sufficient to cover its annual budget as approved by the commission each year for which revenue is not provided by other sources. The aggregate annual assessment amount levied on participating states shall be allocated based upon a formula to be determined by commission rule:

(i) a compact privilege expires when the licensee's qualifying license in the participating state from which the licensee applied for the compact privilege expires; and

(ii) if the licensee terminates the qualifying license through which the licensee applied for the compact privilege before its scheduled expiration, and the licensee has a qualifying license in another participating state, the licensee shall inform the commission that it is

changing the participating state through which it applies for a compact privilege to the other participating state and pay to the commission any compact privilege fee required by commission rule;

(4) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same, nor shall the commission pledge the credit of any of the participating states, except by and with the authority of the participating state; and

(5) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the financial review and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the commission.

(f) The executive committee:

(1) the executive committee shall have the power to act on behalf of the commission according to the terms of this compact and commission rules;

(2) the executive committee shall be composed of nine members as follows:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) one ex officio, nonvoting member from a recognized national PA professional association; and

(iii) one ex officio, nonvoting member from a recognized national PA certification organization;

(3) the ex officio members will be selected by their respective organizations;

(4) the commission may remove any member of the executive committee as provided in its bylaws;

(5) the executive committee shall meet at least annually;

(6) the executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the commission's rules or bylaws, changes to this compact legislation, fees paid by compact participating states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of participating states and provide compliance reports to the commission;

(vi) establish additional committees as necessary;

(vii) exercise the powers and duties of the commission during the interim between commission meetings, except for issuing proposed rulemaking or adopting commission rules or bylaws, or exercising any other powers and duties exclusively reserved to the commission by the commission's rules; and

(viii) perform other duties as provided in commission's rules or bylaws;

(7) all meetings of the executive committee at which it votes or plans to vote on matters in exercising the powers and duties of the commission shall be open to the public, and public notice of such meetings shall be given as public meetings of the commission are given; and

(8) the executive committee may convene in a closed, nonpublic meeting for the same reasons that the commission may convene in a nonpublic meeting as set forth in paragraph (d), clause (3), and shall announce the closed meeting as the commission is required to under paragraph (d), clause (4), and keep minutes of the closed meeting as the commission is required to under paragraph (d), clause (5).

(g) Qualified immunity, defense, and indemnification:

(1) the members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, both personally and in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities, provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the commission shall not in any way compromise or limit the immunity granted hereunder;

(2) the commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense, and provided further that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct;

(3) the commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person;

(4) except as provided under paragraph (i), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses in any proceedings as authorized by commission rules;

(5) nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws;

(6) nothing herein shall be construed to designate the venue or jurisdiction to bring actions for alleged acts of malpractice, professional misconduct, negligence, or other such civil action pertaining to the practice of a PA. All such matters shall be determined exclusively by state law other than this compact;

(7) nothing in this compact shall be interpreted to waive or otherwise abrogate a participating state's state action immunity or state action affirmative defense with respect to antitrust claims under the federal Sherman Act, Clayton Act, or any other state or federal antitrust or anticompetitive law or regulation; and

(8) nothing in this compact shall be construed to be a waiver of sovereign immunity by the participating states or by the commission.

(h) Notwithstanding paragraph (g), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(i) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

ARTICLE VIII

DATA SYSTEM

(a) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure and adverse action information, and the reporting of significant investigative information on all licensed PAs and applicants denied a license in participating states.

(b) Notwithstanding any other state law to the contrary, a participating state shall submit a uniform data set to the data system on all PAs to whom this compact is applicable, using a unique identifier, as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

(4) any denial of application for licensure and the reason or reasons for the denial, excluding the reporting of any criminal history record information where prohibited by law;

(5) the existence of significant investigative information; and

(6) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(c) Significant investigative information pertaining to a licensee in any participating state shall only be available to other participating states.

(d) The commission shall promptly notify all participating states of any reports it receives of any adverse action taken against a licensee or an individual applying for a license. This adverse action information shall be available to any other participating state.

(e) Participating states contributing information to the data system may, in accordance with state or federal law, designate information that may not be shared with the public without the express permission of the contributing state. Notwithstanding any such designation, such information shall be reported to the commission through the data system.

(f) Any information submitted to the data system that is subsequently expunged by federal law or the laws of the participating state contributing the information shall be removed from the data system upon reporting of such by the participating state to the commission.

(g) The records and information provided to a participating state pursuant to this compact or through the data system, when certified by the commission or an agent thereof, shall constitute the authenticated business records of the commission and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a participating state.

## ARTICLE IX

## RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Commission rules shall become binding as of the date specified by the commission for each rule.

(b) The commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer this compact and achieve its purposes. A commission rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the commission exercised its rulemaking authority in a manner that is beyond the scope of the purposes of this compact, or the powers granted hereunder, or based upon another applicable standard of review.

(c) The rules of the commission shall have the force of law in each participating state, provided however that where the rules of the commission conflict with the laws of the participating state that establish the medical services a PA may perform in the participating state, as held by a court of competent jurisdiction, the rules of the commission shall be ineffective in that state to the extent of the conflict.

(d) If a majority of the legislatures of the participating states rejects a commission rule, by enactment of a statute or resolution in the same manner used to adopt the compact within

four years of the date of adoption of the rule, then such rule shall have no further force and effect in any participating state or in any state applying to participate in the compact.

(e) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(f) Prior to promulgation and adoption of a final rule or rules by the commission and at least 30 days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform;

(2) to persons who have requested notice of the commission's notices of proposed rulemaking; and

(3) in such other ways as the commission may specify by rule.

(g) The notice of proposed rulemaking shall include:

(1) the time, date, and location of the public hearing on the proposed rule;

(2) the time, date, and location of the public hearing in which the proposed rule will be considered and voted upon;

(3) the text of the proposed rule and the reason for the proposed rule;

(4) a request for comments on the proposed rule from any interested person and the date by which written comments must be received; and

(5) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(h) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(i) If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing:

(1) all persons wishing to be heard at the hearing shall notify the commission of their desire to appear and testify at the hearing, not less than five business days before the scheduled date of the hearing, as directed in the notice of proposed rulemaking;

(2) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing;

(3) all hearings shall be recorded. A copy of the recording and the written comments, data, facts, opinions, and arguments received in response to the proposed rulemaking shall be made available to a person on request; and

(4) nothing in this section shall be construed as requiring a separate hearing on each rule. Proposed rules may be grouped for the convenience of the commission at hearings required by this article.

(j) Following the public hearing, the commission shall consider all written and oral comments timely received.

(k) The commission shall, by majority vote of all delegates, take final action on the proposed rule and shall determine the effective date of the rule, if adopted, based on the rulemaking record and the full text of the rule. The commission:

(1) shall, if adopted, post the rule on the commission's website;

(2) may adopt changes to the proposed rule provided the changes do not expand the original purpose of the proposed rule;

(3) shall provide on its website an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters; and

(4) shall determine a reasonable effective date for the rule. Except for an emergency as provided in paragraph (l), the effective date of the rule shall be no sooner than 30 days after the commission issued the notice that it adopted the rule.

(l) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule with 24 hours' prior notice, without the opportunity for comment or hearing, provided that the usual rulemaking procedures provided in the compact and in this article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately by the commission in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or participating state funds;

(3) meet a deadline for the promulgation of a commission rule that is established by federal law or rule; or

(4) protect public health and safety.

(m) The commission or an authorized committee of the commission may direct revisions to a previously adopted commission rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made as set forth in the notice of revisions and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

(n) No participating state's rulemaking requirements shall apply under this compact.

ARTICLE X

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) the executive and judicial branches of state government in each participating state shall enforce this compact and take all actions necessary and appropriate to implement the compact;

(2) venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter; and

(3) the commission shall be entitled to receive service of process in any such proceeding regarding the enforcement or interpretation of the compact or the commission's rules and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or commission rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a participating state has defaulted in the performance of its obligations or responsibilities under this compact or the commission rules, the commission shall:

(i) provide written notice to the defaulting state and other participating states describing the default, the proposed means of curing the default, or any other action that the commission may take; and

(ii) offer remedial training and specific technical assistance regarding the default;

(2) if a state in default fails to cure the default, the defaulting state may be terminated from this compact upon an affirmative vote of a majority of the delegates of the participating states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;

(3) termination of participation in this compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and the licensing board or boards of each of the participating states;

(4) a state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination;

(5) the commission shall not bear any costs related to a state that is found to be in default or that has been terminated from this compact, unless agreed upon in writing between the commission and the defaulting state;

(6) the defaulting state may appeal its termination from the compact by the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(7) upon the termination of a state's participation in the compact, the state shall immediately provide notice to all licensees within that state of such termination:

(i) licensees who have been granted a compact privilege in that state shall retain the compact privilege for 180 days following the effective date of such termination; and

(ii) licensees who are licensed in that state who have been granted a compact privilege in a participating state shall retain the compact privilege for 180 days, unless the licensee also has a qualifying license in a participating state or obtains a qualifying license in a participating state before the 180-day period ends, in which case the compact privilege shall continue.

(c) Dispute resolution:

(1) upon request by a participating state, the commission shall attempt to resolve disputes related to this compact that arise among participating states and between participating and nonparticipating states; and

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate.

(d) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact and rules of the commission;

(2) if compliance is not secured after all means to secure compliance have been exhausted, by majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a participating state in default, to enforce compliance with the provisions of this compact and the commission's promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

(e) Legal action against the commission:

(1) a participating state may initiate legal action against the commission in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and the commission's rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees; and

(2) no person other than a participating state shall enforce this compact against the commission.

ARTICLE XI

DATE OF IMPLEMENTATION OF THE PA LICENSURE COMPACT COMMISSION

(a) This compact shall come into effect on the date on which the compact statute is enacted into law in the seventh participating state.

(b) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the charter participating states to determine if the statute enacted by each charter participating state is materially different than the model compact. A charter participating state whose enactment is found to be materially different from the model compact shall be entitled to the default process set forth in article X, paragraph (b).

(c) If any participating state later withdraws from the compact or its participation is terminated, the commission shall remain in existence and the compact shall remain in effect even if the number of participating states should be less than seven. Participating states enacting the compact subsequent to the commission convening shall be subject to the process set forth in article VII, paragraph (c), clause (21), to determine if their enactments are materially different from the model compact and whether they qualify for participation in the compact.

(d) Any participating state enacting the compact subsequent to the seven initial charter participating states shall be subject to the process set forth in article VII, paragraph (c), clause (21), to determine if the state's enactment is materially different from the model compact and whether the state qualifies for participation in the compact.

(e) All actions taken for the benefit of the commission or in furtherance of the purposes of the administration of the compact prior to the effective date of the compact or the commission coming into existence shall be considered to be actions of the commission unless specifically repudiated by the commission.

(f) Any state that joins this compact shall be subject to the commission's rules and bylaws as they exist on the date on which this compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day this compact becomes law in that state.

(g) Any participating state may withdraw from this compact by enacting a statute repealing the same:

(1) a participating state's withdrawal shall not take effect until 180 days after enactment of the repealing statute. During this 180-day period, all compact privileges that were in effect in the withdrawing state and were granted to licensees licensed in the withdrawing state shall remain in effect. If any licensee licensed in the withdrawing state is also licensed in another participating state or obtains a license in another participating state within the 180 days, the licensee's compact privileges in other participating states shall not be affected by the passage of the 180 days;

(2) withdrawal shall not affect the continuing requirement of the state licensing board or boards of the withdrawing state to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal; and

(3) upon the enactment of a statute withdrawing a state from this compact, the state shall immediately provide notice of such withdrawal to all licensees within that state. Such withdrawing state shall continue to recognize all licenses granted pursuant to this compact for a minimum of 180 days after the date of such notice of withdrawal.

(h) Nothing contained in this compact shall be construed to invalidate or prevent any PA licensure agreement or other cooperative arrangement between participating states or a participating state and a nonparticipating state that does not conflict with the provisions of this compact.

(i) This compact may be amended by the participating states. No amendment to this compact shall become effective and binding upon any participating state until it is enacted materially in the same manner into the laws of all participating states, as determined by the commission.

## ARTICLE XII

## CONSTRUCTION AND SEVERABILITY

(a) This compact and the commission's rulemaking authority shall be liberally construed so as to effectuate the purposes of the compact and its implementation and administration. Provisions of the compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the commission's rulemaking authority solely for those purposes.

(b) The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is held by a court of competent jurisdiction to be contrary to the constitution of any participating state, of a state seeking participation in the compact, or of the United States, or the applicability thereof to any government, agency, person, or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby.

(c) Notwithstanding paragraph (b) or any provision of this article, the commission may deny a state's participation in the compact or, in accordance with the requirements of article X, paragraph (b), terminate a participating state's participation in the compact, if it determines that a constitutional requirement of a participating state is, or would be with respect to a state seeking to participate in the compact, a material departure from the compact. Otherwise,

if this compact shall be held to be contrary to the constitution of any participating state, the compact shall remain in full force and effect as to the remaining participating states and in full force and effect as to the participating state affected as to all severable matters.

ARTICLE XIII

BINDING EFFECT OF THE COMPACT

(a) Nothing herein prevents the enforcement of any other law of a participating state that is not inconsistent with this compact.

(b) Any laws in a participating state in conflict with this compact are superseded to the extent of the conflict.

(c) All agreements between the commission and the participating states are binding in accordance with their terms.

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

Sec. 2. **DIRECTION TO BOARD OF MEDICAL PRACTICE.**

The Board of Medical Practice must publish the effective date of the compact in Minnesota Statutes, section 148.675, in the State Register and on the board's website.

## ARTICLE 15

## OCCUPATIONAL THERAPISTS

Section 1. **[148.645] OCCUPATIONAL THERAPY LICENSURE COMPACT.**

ARTICLE I

TITLE

This statute shall be known and cited as the occupational therapist licensure compact.

ARTICLE II

DEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions shall apply:

(A) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, sections 1209 and 1211.

(B) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against an occupational therapist or occupational therapy assistant, including actions against an individual's license or compact privilege such as censure, revocation, suspension, probation, monitoring of the licensee, or restriction on the licensee's practice.

(C) "Alternative program" means a nondisciplinary monitoring process approved by an occupational therapy licensing board.

(D) "Compact privilege" means the authorization, which is equivalent to a license, granted by a remote state to allow a licensee from another member state to practice as an occupational therapist or practice as an occupational therapy assistant in the remote state under its laws and rules. The practice of occupational therapy occurs in the member state where the patient or client is located at the time of the patient or client encounter.

(E) "Continuing competence" or "continuing education" means a requirement, as a condition of license renewal, to provide evidence of participation in, and completion of, educational and professional activities relevant to practice or area of work.

(F) "Current significant investigative information" means investigative information that a licensing board, after an inquiry or investigation that includes notification and an opportunity for the occupational therapist or occupational therapy assistant to respond, if required by state law, has reason to believe is not groundless and, if proven true, would indicate more than a minor infraction.

(G) "Data system" means a repository of information about licensees, including but not limited to license status, investigative information, compact privileges, and adverse actions.

(H) "Encumbered license" means a license in which an adverse action restricts the practice of occupational therapy by the licensee or said adverse action has been reported to the National Practitioners Data Bank (NPDB).

(I) "Executive committee" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(J) "Home state" means the member state that is the licensee's primary state of residence.

(K) "Impaired practitioner" means an individual whose professional practice is adversely affected by substance abuse, addiction, or other health-related conditions.

(L) "Investigative information" means information, records, or documents received or generated by an occupational therapy licensing board pursuant to an investigation.

(M) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of occupational therapy in a state.

(N) "Licensee" means an individual who currently holds an authorization from the state to practice as an occupational therapist or as an occupational therapy assistant.

(O) "Member state" means a state that has enacted the compact.

(P) "Occupational therapist" means an individual who is licensed by a state to practice occupational therapy.

(Q) "Occupational therapy assistant" means an individual who is licensed by a state to assist in the practice of occupational therapy.

(R) "Occupational therapy," "occupational therapy practice," and "the practice of occupational therapy" mean the care and services provided by an occupational therapist or an occupational therapy assistant as set forth in the member state's statutes and regulations.

(S) "Occupational therapy compact commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(T) "Occupational therapy licensing board" or "licensing board" means the agency of a state that is authorized to license and regulate occupational therapists and occupational therapy assistants.

(U) "Primary state of residence" means the state, also known as the home state, in which an occupational therapist or occupational therapy assistant who is not active duty military declares a primary residence for legal purposes as verified by driver's license, federal income tax return, lease, deed, mortgage, or voter registration or other verifying documentation as further defined by commission rules.

(V) "Remote state" means a member state other than the home state where a licensee is exercising or seeking to exercise the compact privilege.

(W) "Rule" means a regulation promulgated by the commission that has the force of law.

(X) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of occupational therapy.

(Y) "Single-state license" means an occupational therapist or occupational therapy assistant license issued by a member state that authorizes practice only within the issuing state and does not include a compact privilege in any other member state.

(Z) "Telehealth" means the application of telecommunication technology to deliver occupational therapy services for assessment, intervention, or consultation.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(A) To participate in the compact, a member state shall:

(1) license occupational therapists and occupational therapy assistants;

(2) participate fully in the commission's data system, including but not limited to using the commission's unique identifier as defined in rules of the commission;

(3) have a mechanism in place for receiving and investigating complaints about licensees;

(4) notify the commission, in compliance with the terms of the compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

(5) implement or utilize procedures for considering the criminal history records of applicants for an initial compact privilege. These procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(i) A member state shall, within a time frame established by the commission, require a criminal background check for a licensee seeking or applying for a compact privilege whose primary state of residence is that member state by receiving the results of the Federal Bureau of Investigation criminal record search, and shall use the results in making licensure decisions.

(ii) Communication between a member state, the commission, and among member states regarding the verification of eligibility for licensure through the compact shall not include any information received from the Federal Bureau of Investigation relating to a federal criminal records check performed by a member state under Public Law 92-544;

(6) comply with the rules of the commission;

(7) utilize only a recognized national examination as a requirement for licensure pursuant to the rules of the commission; and

(8) have continuing competence or education requirements as a condition for license renewal.

(B) A member state shall grant the compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the compact and rules.

(C) Member states may charge a fee for granting a compact privilege.

(D) A member state shall provide for the state's delegate to attend all occupational therapy compact commission meetings.

(E) Individuals not residing in a member state shall continue to be able to apply for a member state's single-state license as provided under the laws of each member state. However, the single-state license granted to these individuals shall not be recognized as granting the compact privilege in any other member state.

(F) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

ARTICLE IV

COMPACT PRIVILEGE

(A) To exercise the compact privilege under the terms and provisions of the compact, the licensee shall:

(1) hold a license in the home state;

(2) have a valid United States Social Security number or national practitioner identification number;

(3) have no encumbrance on any state license;

(4) be eligible for a compact privilege in any member state in accordance with Article IV, (D), (F), (G), and (H);

(5) have paid all fines and completed all requirements resulting from any adverse action against any license or compact privilege, and two years have elapsed from the date of such completion;

(6) notify the commission that the licensee is seeking the compact privilege within a remote state or states;

(7) pay any applicable fees, including any state fee, for the compact privilege;

(8) complete a criminal background check in accordance with Article III, (A)(5). The licensee shall be responsible for the payment of any fee associated with the completion of a criminal background check;

(9) meet any jurisprudence requirements established by the remote state or states in which the licensee is seeking a compact privilege; and

(10) report to the commission adverse action taken by any nonmember state within 30 days from the date the adverse action is taken.

(B) The compact privilege is valid until the expiration date of the home state license. The licensee must comply with the requirements of Article IV, (A), to maintain the compact privilege in the remote state.

(C) A licensee providing occupational therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(D) Occupational therapy assistants practicing in a remote state shall be supervised by an occupational therapist licensed or holding a compact privilege in that remote state.

(E) A licensee providing occupational therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens. The licensee may be ineligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

(F) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) two years have elapsed from the date on which the home state license is no longer encumbered in accordance with Article IV, (F)(1).

(G) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of Article IV, (A), to obtain a compact privilege in any remote state.

(H) If a licensee's compact privilege in any remote state is removed, the individual may lose the compact privilege in any other remote state until the following occur:

(1) the specific period of time for which the compact privilege was removed has ended;

(2) all fines have been paid and all conditions have been met;

(3) two years have elapsed from the date of completing requirements for Article IV, (H)(1) and (2); and

(4) the compact privileges are reinstated by the commission and the compact data system is updated to reflect reinstatement.

(I) If a licensee's compact privilege in any remote state is removed due to an erroneous charge, privileges shall be restored through the compact data system.

(J) Once the requirements of Article IV, (H), have been met, the licensee must meet the requirements in Article IV, (A), to obtain a compact privilege in a remote state.

ARTICLE V

OBTAINING A NEW HOME STATE LICENSE BY VIRTUE OF COMPACT PRIVILEGE

(A) An occupational therapist or occupational therapy assistant may hold a home state license, which allows for compact privileges in member states, in only one member state at a time.

(B) If an occupational therapist or occupational therapy assistant changes their primary state of residence by moving between two member states:

(1) the occupational therapist or occupational therapy assistant shall file an application for obtaining a new home state license by virtue of a compact privilege, pay all applicable fees, and notify the current and new home state in accordance with applicable rules adopted by the commission;

(2) upon receipt of an application for obtaining a new home state license by virtue of compact privilege, the new home state shall verify that the occupational therapist or occupational therapy assistant meets the pertinent criteria outlined in Article IV via the data system, without need for primary source verification except for:

(i) an FBI fingerprint-based criminal background check if not previously performed or updated pursuant to applicable rules adopted by the commission in accordance with Public Law 92-544;

(ii) other criminal background checks as required by the new home state; and

(iii) submission of any requisite jurisprudence requirements of the new home state;

(3) the former home state shall convert the former home state license into a compact privilege once the new home state has activated the new home state license in accordance with applicable rules adopted by the commission;

(4) notwithstanding any other provision of this compact, if the occupational therapist or occupational therapy assistant cannot meet the criteria in Article IV, the new home state shall apply its requirements for issuing a new single-state license; and

(5) the occupational therapist or the occupational therapy assistant shall pay all applicable fees to the new home state in order to be issued a new home state license.

(C) If an occupational therapist or occupational therapy assistant changes their primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, the state criteria shall apply for issuance of a single-state license in the new state.

(D) Nothing in this compact shall interfere with a licensee's ability to hold a single-state license in multiple states; however, for the purposes of this compact, a licensee shall have only one home state license.

(E) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

ARTICLE VI

ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

Active duty military personnel, or their spouses, shall designate a home state where the individual has a current license in good standing. The individual may retain the home state designation during the period the service member is on active duty. Subsequent to designating a home state, the individual shall only change their home state through application for licensure in the new state or through the process described in Article V.

ARTICLE VII

ADVERSE ACTIONS

(A) A home state shall have exclusive power to impose adverse action against an occupational therapist's or occupational therapy assistant's license issued by the home state.

(B) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against an occupational therapist's or occupational therapy assistant's compact privilege within that member state; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before that court. The issuing authority shall pay

any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(C) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(D) The home state shall complete any pending investigations of an occupational therapist or occupational therapy assistant who changes their primary state of residence during the course of the investigations. The home state, where the investigations were initiated, shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the compact commission data system. The occupational therapy compact commission data system administrator shall promptly notify the new home state of any adverse actions.

(E) A member state, if otherwise permitted by state law, may recover from the affected occupational therapist or occupational therapy assistant the costs of investigations and disposition of cases resulting from any adverse action taken against that occupational therapist or occupational therapy assistant.

(F) A member state may take adverse action based on the factual findings of the remote state, provided that the member state follows its own procedures for taking the adverse action.

(G) Joint Investigations:

(1) In addition to the authority granted to a member state by its respective state occupational therapy laws and regulations or other applicable state law, any member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(H) If an adverse action is taken by the home state against an occupational therapist's or occupational therapy assistant's license, the occupational therapist's or occupational therapy assistant's compact privilege in all other member states shall be deactivated until all encumbrances have been removed from the state license. All home state disciplinary orders that impose adverse action against an occupational therapist's or occupational therapy assistant's license shall include a statement that the occupational therapist's or occupational

therapy assistant's compact privilege is deactivated in all member states during the pendency of the order.

(I) If a member state takes adverse action, the member state shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state of any adverse actions by remote states.

(J) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

ARTICLE VIII

ESTABLISHMENT OF THE OCCUPATIONAL THERAPY COMPACT COMMISSION

(A) The compact member states hereby create and establish a joint public agency known as the occupational therapy compact commission:

(1) The commission is an instrumentality of the compact states.

(2) Except as provided under paragraph (I), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(3) Nothing in this compact shall be construed to be a waiver of sovereign immunity.

(B) Membership, Voting, and Meetings:

(1) Each member state shall have and be limited to one delegate selected by that member state's licensing board.

(2) The delegate shall be either:

(i) a current member of the licensing board who is an occupational therapist, occupational therapy assistant, or public member; or

(ii) an administrator of the licensing board.

(3) Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

(4) The member state board shall fill any vacancy occurring in the commission within 90 days.

(5) Each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business

and affairs of the commission. A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

(6) The commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(7) The commission shall establish by rule a term of office for delegates.

(C) The commission shall have the following powers and duties:

(1) establish a code of ethics for the commission;

(2) establish the fiscal year of the commission;

(3) establish bylaws;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(6) promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all member states;

(7) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state occupational therapy licensing board to sue or be sued under applicable law shall not be affected;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(10) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(11) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(12) lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold, improve, or use any property, real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(13) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(14) establish a budget and make expenditures;

(15) borrow money;

(16) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, and consumer representatives, and other interested persons as may be designated in this compact and the bylaws;

(17) provide and receive information from, and cooperate with, law enforcement agencies;

(18) establish and elect an executive committee; and

(19) perform other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of occupational therapy licensure and practice.

(D) The Executive Committee:

(1) The executive committee shall have the power to act on behalf of the commission according to the terms of this compact.

(2) The executive committee shall be composed of nine members:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) one ex-officio, nonvoting member from a recognized national occupational therapy professional association; and

(iii) one ex-officio, nonvoting member from a recognized national occupational therapy certification organization.

(3) The ex-officio members will be selected by their respective organizations.

(4) The commission may remove any member of the executive committee as provided in the bylaws.

(5) The executive committee shall meet at least annually.

(6) The executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) perform other duties as provided in rules or bylaws.

(E) Meetings of the Commission:

(1) All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Article X.

(2) The commission or the executive committee or other committees of the commission may convene in a closed, nonpublic meeting if the commission or executive committee or other committees of the commission must discuss:

(i) noncompliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute.

(3) If a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(4) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(F) Financing of the Commission:

(1) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

(3) The commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved by the commission each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states.

(4) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state.

(5) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public

accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(G) Qualified Immunity, Defense, and Indemnification:

(1) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(H) Notwithstanding paragraph (G), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly

incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(I) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(J) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE IX

DATA SYSTEM

(A) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(B) A member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable, utilizing a unique identifier, as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

(4) nonconfidential information related to alternative program participation;

(5) any denial of application for licensure and the reason or reasons for such denial;

(6) other information that may facilitate the administration of this compact, as determined by the rules of the commission; and

(7) current significant investigative information.

(C) Current significant investigative information and other investigative information pertaining to a licensee in any member state will only be available to other member states.

(D) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(E) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(F) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE X

RULEMAKING

(A) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this Article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(B) The commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of the compact. Notwithstanding the foregoing, in the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of the compact, or the powers granted hereunder, then such an action by the commission shall be invalid and have no force and effect.

(C) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(D) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(E) Prior to promulgation and adoption of a final rule or rules by the commission, and at least 30 days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state occupational therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(F) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(G) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(H) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association or organization having at least 25 members.

(I) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing:

(1) All persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing.

(2) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

(3) All hearings will be recorded. A copy of the recording will be made available on request.

(4) Nothing in this Article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this Article.

(J) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(K) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(L) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(M) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided that the usual rulemaking procedures provided in the compact and in this Article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or member state funds;

(3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

(4) protect public health and safety.

(N) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

## ARTICLE XI

## OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(A) Oversight:

(1) The executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law.

(2) All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the commission.

(3) The commission shall be entitled to receive service of process in any such proceeding, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(B) Default, Technical Assistance, and Termination:

(1) If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default.

(2) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(3) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(4) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(5) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(6) The defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the

commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(C) Dispute Resolution:

(1) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states.

(2) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(D) Enforcement:

(1) The commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

(2) By majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event that judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(3) The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XII

DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR OCCUPATIONAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

(A) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(B) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes

law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(C) Any member state may withdraw from this compact by enacting a statute repealing the same:

(1) A member state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's occupational therapy licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(D) Nothing contained in this compact shall be construed to invalidate or prevent any occupational therapy licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(E) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XIII

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any member state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE XIV

BINDING EFFECT OF COMPACT AND OTHER LAWS

(A) A licensee providing occupational therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(B) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(C) Any laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(D) Any lawful actions of the commission, including all rules and bylaws promulgated by the commission, are binding upon the member states.

(E) All agreements between the commission and the member states are binding in accordance with their terms.

(F) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, the provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

## ARTICLE 16

## PHYSICAL THERAPISTS

Section 1. **[148.676] PHYSICAL THERAPY LICENSURE COMPACT.**

The physical therapy licensure compact is enacted into law and entered into with all other jurisdictions legally joining in the compact in the form substantially specified in this section.

### ARTICLE I

### TITLE

This statute shall be known and cited as the physical therapy licensure compact.

### ARTICLE II

### DEFINITIONS

As used in this compact, and except as otherwise provided, the following terms have the meanings given them.

(a) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, chapters 1209 and 1211.

(b) "Adverse action" means disciplinary action taken by a physical therapy licensing board based upon misconduct, unacceptable performance, or a combination of both.

(c) "Alternative program" means a nondisciplinary monitoring or practice remediation process approved by a physical therapy licensing board. Alternative program includes but is not limited to substance abuse issues.

(d) "Compact privilege" means the authorization granted by a remote state to allow a licensee from another member state to practice as a physical therapist or work as a physical therapist assistant in the remote state under its laws and rules. The practice of physical therapy occurs in the member state where the patient or client is located at the time of the patient or client encounter.

(e) "Continuing competence" means a requirement, as a condition of license renewal, to provide evidence of participation in, or completion of, educational and professional activities relevant to practice or area of work.

(f) "Data system" means a repository of information about licensees, including examination, licensure, investigative, compact privilege, and adverse action.

(g) "Encumbered license" means a license that a physical therapy licensing board has limited in any way.

(h) "Executive board" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(i) "Home state" means the member state that is the licensee's primary state of residence.

(j) "Investigative information" means information, records, and documents received or generated by a physical therapy licensing board pursuant to an investigation.

(k) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of physical therapy in a state.

(l) "Licensee" means an individual who currently holds an authorization from the state to practice as a physical therapist or to work as a physical therapist assistant.

(m) "Member state" means a state that has enacted the compact.

(n) "Party state" means any member state in which a licensee holds a current license or compact privilege or is applying for a license or compact privilege.

(o) "Physical therapist" means an individual who is licensed by a state to practice physical therapy.

(p) "Physical therapist assistant" means an individual who is licensed or certified by a state and who assists the physical therapist in selected components of physical therapy.

(q) "Physical therapy," "physical therapy practice," or "the practice of physical therapy" means the care and services provided by or under the direction and supervision of a licensed physical therapist.

(r) "Physical Therapy Compact Commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(s) "Physical therapy licensing board" or "licensing board" means the agency of a state that is responsible for the licensing and regulation of physical therapists and physical therapist assistants.

(t) "Remote state" means a member state other than the home state where a licensee is exercising or seeking to exercise the compact privilege.

(u) "Rule" means a regulation, principle, or directive promulgated by the commission that has the force of law.

(v) "State" means any state, commonwealth, district, or territory of the United States that regulates the practice of physical therapy.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(a) To participate in the compact, a state must:

(1) participate fully in the commission's data system, including using the commission's unique identifier as defined in rules;

(2) have a mechanism in place for receiving and investigating complaints about licensees;

(3) notify the commission, in compliance with the terms of the compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

(4) fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions in accordance with paragraph (b);

(5) comply with the rules of the commission;

(6) utilize a recognized national examination as a requirement for licensure pursuant to the rules of the commission; and

(7) have continuing competence requirements as a condition for license renewal.

(b) Upon adoption of this compact, the member state shall have the authority to obtain biometric-based information from each physical therapy licensure applicant and submit this information to the Federal Bureau of Investigation for a criminal background check in accordance with United States Code, title 28, section 534, and United States Code, title 42, section 14616.

(c) A member state shall grant the compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the compact and rules.

(d) Member states may charge a fee for granting a compact privilege.

ARTICLE IV

COMPACT PRIVILEGE

(a) To exercise the compact privilege under the terms and provisions of the compact, the licensee shall:

(1) hold a license in the home state;

(2) have no encumbrance on any state license;

(3) be eligible for a compact privilege in any member state in accordance with paragraphs (d), (g), and (h);

(4) have not had any adverse action against any license or compact privilege within the previous two years;

(5) notify the commission that the licensee is seeking the compact privilege within a remote state or states;

(6) pay any applicable fees, including any state fee, for the compact privilege;

(7) meet any jurisprudence requirements established by the remote state or states in which the licensee is seeking a compact privilege; and

(8) report to the commission adverse action taken by any nonmember state within 30 days from the date the adverse action is taken.

(b) The compact privilege is valid until the expiration date of the home license. The licensee must comply with the requirements of paragraph (a) to maintain the compact privilege in the remote state.

(c) A licensee providing physical therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(d) A licensee providing physical therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens. The licensee is not eligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

(e) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) two years have elapsed from the date of the adverse action.

(f) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of paragraph (a) to obtain a compact privilege in any remote state.

(g) If a licensee's compact privilege in any remote state is removed, the individual shall lose the compact privilege in any remote state until the following occur:

(1) the specific period of time for which the compact privilege was removed has ended;

(2) all fines have been paid; and

(3) two years have elapsed from the date of the adverse action.

(h) Once the requirements of paragraph (g) have been met, the licensee must meet the requirements in paragraph (a) to obtain a compact privilege in a remote state.

ARTICLE V

ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

A licensee who is active duty military or is the spouse of an individual who is active duty military may designate one of the following as the home state:

(1) home of record;

(2) permanent change of station (PCS) state; or

(3) state of current residence if different than the PCS state or home of record.

ARTICLE VI

ADVERSE ACTIONS

(a) A home state shall have exclusive power to impose adverse action against a license issued by the home state.

(b) A home state may take adverse action based on the investigative information of a remote state, so long as the home state follows its own procedures for imposing adverse action.

(c) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain nonpublic if required by the member state's laws. Member states must require licensees who enter any alternative programs in lieu of discipline to agree not to practice in any other member state during the term of the alternative program without prior authorization from such other member state.

(d) Any member state may investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant holds a license or compact privilege.

(e) A remote state shall have the authority to:

(1) take adverse actions as set forth in article IV, paragraph (d), against a licensee's compact privilege in the state;

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a physical therapy licensing board in a party state for the attendance and testimony of witnesses, or the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence are located; and

(3) if otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

(f) In addition to the authority granted to a member state by its respective physical therapy practice act or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(g) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

ARTICLE VII

ESTABLISHMENT OF THE PHYSICAL THERAPY COMPACT COMMISSION

(a) The compact member states hereby create and establish a joint public agency known as the Physical Therapy Compact Commission:

(1) the commission is an instrumentality of the compact states;

(2) except as provided under paragraph (h), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings; and

(3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings:

(1) each member state shall have and be limited to one delegate selected by that member state's licensing board;

(2) the delegate shall be a current member of the licensing board who is a physical therapist, physical therapist assistant, public member, or the board administrator;

(3) each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission;

(4) a delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication;

(5) any delegate may be removed or suspended from office as provided by the laws of the state from which the delegate is appointed;

(6) the member state board shall fill any vacancy occurring in the commission;

(7) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws;

(8) all meetings shall be open to the public and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in article IX;

(9) the commission or the executive board or other committees of the commission may convene in a closed, nonpublic meeting if the commission or executive board or other committees of the commission must discuss:

(i) noncompliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute;

(10) if a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision; and

(11) the commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(c) The commission shall have the following powers and duties:

(1) establish the fiscal year of the commission;

(2) establish bylaws;

(3) maintain its financial records in accordance with the bylaws;

(4) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(5) promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all member states;

(6) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state physical therapy licensing board to sue or be sued under applicable law shall not be affected;

(7) purchase and maintain insurance and bonds;

(8) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(9) hire employees; elect or appoint officers; fix compensation; define duties; grant such individuals appropriate authority to carry out the purposes of the compact; and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(10) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services and receive, utilize, and dispose of the same, provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(11) lease; purchase; accept appropriate gifts or donations of; or otherwise to own, hold, improve, or use any property, real, personal, or mixed, provided that at all times the commission shall avoid any appearance of impropriety;

(12) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(13) establish a budget and make expenditures;

(14) borrow money;

(15) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(16) provide and receive information from, and cooperate with, law enforcement agencies;

(17) establish and elect an executive board; and

(18) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of physical therapy licensure and practice.

(d) The executive board:

(1) the executive board shall have the power to act on behalf of the commission according to the terms of this compact;

(2) the executive board shall be composed of nine members as follows:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) one ex officio, nonvoting member from the recognized national physical therapy professional association; and

(iii) one ex officio, nonvoting member from the recognized membership organization of the physical therapy licensing boards;

(3) the ex officio members must be selected by their respective organizations;

(4) the commission may remove any member of the executive board as provided in the bylaws;

(5) the executive board shall meet at least annually; and

(6) the executive board shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) other duties as provided in rules or bylaws.

(e) Financing of the commission:

(1) the commission shall pay, or provide for the payment of, the reasonable expenses of the commission's establishment, organization, and ongoing activities;

(2) the commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services;

(3) the commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and the commission's staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states;

(4) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state; and

(5) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under the commission's bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

(f) Qualified immunity, defense, and indemnification:

(1) the members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities, provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person;

(2) the commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out

of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel, and provided further that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person; and

(3) the commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(g) Notwithstanding paragraph (f), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(h) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(i) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE VIII

DATA SYSTEM

(a) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(b) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

(4) nonconfidential information related to alternative program participation;

(5) any denial of application for licensure and the reason or reasons for the denial; and

(6) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(c) Investigative information pertaining to a licensee in any member state will only be available to other party states.

(d) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(e) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(f) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE IX

RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(b) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(c) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(d) Prior to promulgation and adoption of a final rule or rules by the commission and at least 30 days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state physical therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(e) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(f) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(g) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association having at least 25 members.

(h) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing:

(1) all persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing;

(2) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing;

(3) all hearings will be recorded. A copy of the recording will be made available on request; and

(4) nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this section.

(i) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(j) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(k) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(l) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rulemaking procedures provided in the compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or member state funds;

(3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

(4) protect public health and safety.

(m) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period.

If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

## ARTICLE X

## OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) the executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law;

(2) all courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the commission; and

(3) the commission shall be entitled to receive service of process in any such proceeding and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default;

(2) if a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;

(3) termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall

be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states;

(4) a state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination;

(5) the commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state; and

(6) the defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(c) Dispute resolution:

(1) upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states; and

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(d) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact;

(2) by majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XI

DATE OF IMPLEMENTATION OF THE INTERSTATE COMPACT FOR PHYSICAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENTS

(a) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(b) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(c) Any member state may withdraw from this compact by enacting a statute repealing the same:

(1) a member state's withdrawal shall not take effect until six months after enactment of the repealing statute; and

(2) withdrawal shall not affect the continuing requirement of the withdrawing state's physical therapy licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(d) Nothing contained in this compact shall be construed to invalidate or prevent any physical therapy licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(e) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XII

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this

compact shall be held contrary to the constitution of any party state, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

**EFFECTIVE DATE.** This section is effective the day following final enactment. The Board of Physical Therapy must publish the effective date of the compact in the State Register and on the board's website.

## ARTICLE 17
## PROFESSIONAL COUNSELORS

Section 1. **[148B.75] LICENSED PROFESSIONAL COUNSELOR INTERSTATE COMPACT.**

The licensed professional counselor interstate compact is enacted into law and entered into with all other jurisdictions legally joining in it, in the form substantially specified in this section.

### ARTICLE I
### TITLE

This statute shall be known and cited as the professional counselors licensure compact.

### ARTICLE II
### DEFINITIONS

(a) As used in this compact, and except as otherwise provided, the following definitions shall apply.

(b) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the national guard and reserve on active duty orders pursuant to United States Code, title 10, chapters 1209 and 1211.

(c) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against a licensed professional counselor, including actions against an individual's license or privilege to practice such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a licensed professional counselor's authorization to practice, including issuance of a cease and desist action.

(d) "Alternative program" means a non-disciplinary monitoring or practice remediation process approved by a professional counseling licensing board to address impaired practitioners.

(e) "Continuing competence" and "continuing education" means a requirement, as a condition of license renewal, to provide evidence of participation in, or completion of, educational and professional activities relevant to practice or area of work.

(f) "Counseling compact commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(g) "Current significant investigative information" means:

(1) investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the licensed professional counselor to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or

(2) investigative information that indicates that the licensed professional counselor represents an immediate threat to public health and safety regardless of whether the licensed professional counselor has been notified and had an opportunity to respond.

(h) "Data system" means a repository of information about licensees, including but not limited to continuing education, examination, licensure, investigative, privilege to practice, and adverse action information.

(i) "Encumbered license" means a license in which an adverse action restricts the practice of licensed professional counseling by the licensee and said adverse action has been reported to the National Practitioners Data Bank (NPDB).

(j) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of licensed professional counseling by a licensing board.

(k) "Executive committee" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(l) "Home state" means the member state that is the licensee's primary state of residence.

(m) "Impaired practitioner" means an individual who has a condition that may impair their ability to practice as a licensed professional counselor without some type of intervention and may include but is not limited to alcohol and drug dependence, mental health impairment, and neurological or physical impairment.

(n) "Investigative information" means information, records, and documents received or generated by a professional counseling licensing board pursuant to an investigation.

(o) "Jurisprudence requirement," if required by a member state, means the assessment of an individual's knowledge of the laws and rules governing the practice of professional counseling in a state.

(p) "Licensed professional counselor" means a counselor licensed by a member state, regardless of the title used by that state, to independently assess, diagnose, and treat behavioral health conditions.

(q) "Licensee" means an individual who currently holds an authorization from the state to practice as a licensed professional counselor.

(r) "Licensing board" means the agency of a state, or equivalent, that is responsible for the licensing and regulation of licensed professional counselors.

(s) "Member state" means a state that has enacted the compact.

(t) "Privilege to practice" means a legal authorization, which is equivalent to a license, permitting the practice of professional counseling in a remote state.

(u) "Professional counseling" means the assessment, diagnosis, and treatment of behavioral health conditions by a licensed professional counselor.

(v) "Remote state" means a member state other than the home state, where a licensee is exercising or seeking to exercise the privilege to practice.

(w) "Rule" means a regulation promulgated by the commission that has the force of law.

(x) "Single state license" means a licensed professional counselor license issued by a member state that authorizes practice only within the issuing state and does not include a privilege to practice in any other member state.

(y) "State" means any state, commonwealth, district, or territory of the United States that regulates the practice of professional counseling.

(z) "Telehealth" means the application of telecommunication technology to deliver professional counseling services remotely to assess, diagnose, and treat behavioral health conditions.

(aa) "Unencumbered license" means a license that authorizes a licensed professional counselor to engage in the full and unrestricted practice of professional counseling.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(a) To participate in the compact, a state must currently:

(1) license and regulate licensed professional counselors;

(2) require licensees to pass a nationally recognized exam approved by the commission;

(3) require licensees to have a 60 semester-hour or 90 quarter-hour master's degree in counseling or 60 semester-hours or 90 quarter-hours of graduate coursework including the following topic areas:

(i) professional counseling orientation and ethical practice;

(ii) social and cultural diversity;

(iii) human growth and development;

(iv) career development;

(v) counseling and helping relationships;

(vi) group counseling and group work;

(vii) diagnosis and treatment; assessment and testing;

(viii) research and program evaluation; and

(ix) other areas as determined by the commission;

(4) require licensees to complete a supervised postgraduate professional experience as defined by the commission; and

(5) have a mechanism in place for receiving and investigating complaints about licensees.

(b) A member state shall:

(1) participate fully in the commission's data system, including using the commission's unique identifier as defined in rules;

(2) notify the commission, in compliance with the terms of the compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

(3) implement or utilize procedures for considering the criminal history records of applicants for an initial privilege to practice. These procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(i) a member state must fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search and shall use the results in making licensure decisions; and

(ii) communication between a member state, the commission, and among member states regarding the verification of eligibility for licensure through the compact shall not include any information received from the Federal Bureau of Investigation relating to a federal criminal records check performed by a member state under Public Law 92-544;

(4) comply with the rules of the commission;

(5) require an applicant to obtain or retain a license in the home state and meet the home state's qualifications for licensure or renewal of licensure, as well as all other applicable state laws;

(6) grant the privilege to practice to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the compact and rules; and

(7) provide for the attendance of the state's commissioner to the counseling compact commission meetings.

(c) Member states may charge a fee for granting the privilege to practice.

(d) Individuals not residing in a member state shall continue to be able to apply for a member state's single state license as provided under the laws of each member state. However, the single state license granted to these individuals shall not be recognized as granting a privilege to practice professional counseling in any other member state.

(e) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single state license.

(f) A license issued to a licensed professional counselor by a home state to a resident in that state shall be recognized by each member state as authorizing a licensed professional counselor to practice professional counseling, under a privilege to practice, in each member state.

ARTICLE IV

PRIVILEGE TO PRACTICE

(a) To exercise the privilege to practice under the terms and provisions of the compact, the licensee shall:

(1) hold a license in the home state;

(2) have a valid United States Social Security number or national practitioner identifier;

(3) be eligible for a privilege to practice in any member state in accordance with this article, paragraphs (d), (g), and (h);

(4) have not had any encumbrance or restriction against any license or privilege to practice within the previous two years;

(5) notify the commission that the licensee is seeking the privilege to practice within a remote state(s);

(6) pay any applicable fees, including any state fee, for the privilege to practice;

(7) meet any continuing competence or education requirements established by the home state;

(8) meet any jurisprudence requirements established by the remote state in which the licensee is seeking a privilege to practice; and

(9) report to the commission any adverse action, encumbrance, or restriction on license taken by any nonmember state within 30 days from the date the action is taken.

(b) The privilege to practice is valid until the expiration date of the home state license. The licensee must comply with the requirements of this article, paragraph (a), to maintain the privilege to practice in the remote state.

(c) A licensee providing professional counseling in a remote state under the privilege to practice shall adhere to the laws and regulations of the remote state.

(d) A licensee providing professional counseling services in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's privilege to practice in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens. The licensee may be ineligible for a privilege to practice in any member state until the specific time for removal has passed and all fines are paid.

(e) If a home state license is encumbered, the licensee shall lose the privilege to practice in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) have not had any encumbrance or restriction against any license or privilege to practice within the previous two years.

(f) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of this article, paragraph (a), to obtain a privilege to practice in any remote state.

(g) If a licensee's privilege to practice in any remote state is removed, the individual may lose the privilege to practice in all other remote states until the following occur:

(1) the specific period of time for which the privilege to practice was removed has ended;

(2) all fines have been paid; and

(3) have not had any encumbrance or restriction against any license or privilege to practice within the previous two years.

(h) Once the requirements of this article, paragraph (g), have been met, the licensee must meet the requirements in this article, paragraph (a), to obtain a privilege to practice in a remote state.

ARTICLE V

OBTAINING A NEW HOME STATE LICENSE BASED ON A PRIVILEGE TO PRACTICE

(a) A licensed professional counselor may hold a home state license, which allows for a privilege to practice in other member states, in only one member state at a time.

(b) If a licensed professional counselor changes primary state of residence by moving between two member states:

(1) the licensed professional counselor shall file an application for obtaining a new home state license based on a privilege to practice, pay all applicable fees, and notify the current and new home state in accordance with applicable rules adopted by the commission;

(2) upon receipt of an application for obtaining a new home state license by virtue of a privilege to practice, the new home state shall verify that the licensed professional counselor meets the pertinent criteria outlined in article IV via the data system, without need for primary source verification, except for:

(i) a Federal Bureau of Investigation fingerprint-based criminal background check if not previously performed or updated pursuant to applicable rules adopted by the commission in accordance with Public Law 92-544;

(ii) other criminal background checks as required by the new home state; and

(iii) completion of any requisite jurisprudence requirements of the new home state;

(3) the former home state shall convert the former home state license into a privilege to practice once the new home state has activated the new home state license in accordance with applicable rules adopted by the commission;

(4) notwithstanding any other provision of this compact, if the licensed professional counselor cannot meet the criteria in article VI, the new home state may apply its requirements for issuing a new single state license; and

(5) the licensed professional counselor shall pay all applicable fees to the new home state in order to be issued a new home state license.

(c) If a licensed professional counselor changes primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, the state criteria shall apply for issuance of a single state license in the new state.

(d) Nothing in this compact shall interfere with a licensee's ability to hold a single state license in multiple states, however, for the purposes of this compact, a licensee shall have only one home state license.

(e) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single state license.

## ARTICLE VI

## ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

Active duty military personnel, or their spouse, shall designate a home state where the individual has a current license in good standing. The individual may retain the home state designation during the period the service member is on active duty. Subsequent to designating a home state, the individual shall only change their home state through application for licensure in the new state or through the process outlined in article V.

## ARTICLE VII

## COMPACT PRIVILEGE TO PRACTICE TELEHEALTH

(a) Member states shall recognize the right of a licensed professional counselor, licensed by a home state in accordance with article III and under rules promulgated by the commission, to practice professional counseling in any member state via telehealth under a privilege to practice as provided in the compact and rules promulgated by the commission.

(b) A licensee providing professional counseling services in a remote state under the privilege to practice shall adhere to the laws and regulations of the remote state.

## ARTICLE VIII

ADVERSE ACTIONS

(a) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against a licensed professional counselor's privilege to practice within that member state; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(b) Only the home state shall have the power to take adverse action against a licensed professional counselor's license issued by the home state.

(c) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(d) The home state shall complete any pending investigations of a licensed professional counselor who changes primary state of residence during the course of the investigations. The home state shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the data system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any adverse actions.

(e) A member state, if otherwise permitted by state law, may recover from the affected licensed professional counselor the costs of investigations and dispositions of cases resulting from any adverse action taken against that licensed professional counselor.

(f) A member state may take adverse action based on the factual findings of the remote state, provided that the member state follows its own procedures for taking the adverse action.

(g) Joint investigations:

(1) in addition to the authority granted to a member state by its respective professional counseling practice act or other applicable state law, any member state may participate with other member states in joint investigations of licensees; and

(2) member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(h) If adverse action is taken by the home state against the license of a licensed professional counselor, the licensed professional counselor's privilege to practice in all other member states shall be deactivated until all encumbrances have been removed from the state license. All home state disciplinary orders that impose adverse action against the license of a licensed professional counselor shall include a statement that the licensed professional counselor's privilege to practice is deactivated in all member states during the pendency of the order.

(i) If a member state takes adverse action, it shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state of any adverse actions by remote states.

(j) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

ARTICLE IX

ESTABLISHMENT OF COUNSELING COMPACT COMMISSION

(a) The compact member states hereby create and establish a joint public agency known as the counseling compact commission:

(1) the commission is an instrumentality of the compact states;

(2) except as provided under paragraph (i), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings; and

(3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings:

(1) each member state shall have and be limited to one delegate selected by that member state's licensing board;

(2) the delegate shall be either:

(i) a current member of the licensing board at the time of appointment who is a licensed professional counselor or public member; or

(ii) an administrator of the licensing board;

(3) any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed;

(4) the member state licensing board shall fill any vacancy occurring on the commission within 60 days;

(5) each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission;

(6) a delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication;

(7) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws; and

(8) the commission shall by rule establish a term of office for delegates and may by rule establish term limits.

(c) The commission shall have the following powers and duties:

(1) establish the fiscal year of the commission;

(2) establish bylaws;

(3) maintain its financial records in accordance with the bylaws;

(4) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(5) promulgate rules which shall be binding to the extent and in the manner provided for in the compact;

(6) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state licensing board to sue or be sued under applicable law shall not be affected;

(7) purchase and maintain insurance and bonds;

(8) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(9) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(10) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety and conflict of interest;

(11) lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(12) sell convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(13) establish a budget and make expenditures;

(14) borrow money;

(15) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(16) provide and receive information from, and cooperate with, law enforcement agencies;

(17) establish and elect an executive committee; and

(18) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of professional counseling licensure and practice.

(d) The executive committee:

(1) the executive committee shall have the power to act on behalf of the commission according to the terms of this compact;

(2) the executive committee shall be composed of up to eleven members:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) up to four ex-officio, nonvoting members from four recognized national professional counselor organizations; and

(iii) the ex-officio members will be selected by their respective organizations;

(3) the commission may remove any member of the executive committee as provided in the bylaws;

(4) the executive committee shall meet at least annually; and

(5) the executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the privilege to practice;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) other duties as provided in rules or bylaws.

(e) Meetings of the commission:

(1) all meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in article XI;

(2) the commission or the executive committee or other committees of the commission may convene in a closed, non-public meeting if the commission or executive committee or other committees of the commission must discuss:

(i) non-compliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute;

(3) if a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision; and

(4) the commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(f) Financing of the commission:

(i) the commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities;

(ii) the commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services;

(iii) the commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states;

(iv) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state; and

(v) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(g) Qualified immunity, defense, and indemnification:

(1) the members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person;

(2) the commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct; and

(3) the commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(h) Notwithstanding paragraph (g), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(i) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(j) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE X

DATA SYSTEM

(a) The commission shall provide for the development, maintenance, operation, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(b) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or privilege to practice;

(4) nonconfidential information related to alternative program participation;

(5) any denial of application for licensure and the reason for such denial;

(6) current significant investigative information; and

(7) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(c) Investigative information pertaining to a licensee in any member state will only be available to other member states.

(d) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(e) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(f) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

## ARTICLE XI

## RULEMAKING

(a) The commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purpose of the compact. Notwithstanding the foregoing, in the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of the compact, or the powers granted hereunder, then such an action by the commission shall be invalid and have no force or effect.

(b) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(c) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(d) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(e) Prior to promulgation and adoption of a final rule or rules by the commission, and at least thirty days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state professional counseling licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(f) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(g) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(h) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association having at least 25 members.

(i) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing:

(1) all persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing;

(2) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing;

(3) all hearings will be recorded. A copy of the recording will be made available on request; and

(4) nothing in this article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this article.

(j) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(k) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(l) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(m) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rulemaking procedures provided in the compact and in this article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or member state funds;

(3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

(4) protect public health and safety.

(n) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of thirty days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

## ARTICLE XII

## OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) the executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate

the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law;

(2) all courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the commission; and

(3) the commission shall be entitled to receive service of process in any such proceeding and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default.

(c) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(d) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(e) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(f) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(g) The defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(h) Dispute resolution:

(1) upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states; and

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(i) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact;

(2) by majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XIII

DATE OF IMPLEMENTATION OF THE COUNSELING COMPACT COMMISSION AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

(a) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(b) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes

law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(c) Any member state may withdraw from this compact by enacting a statute repealing the same.

(1) a member state's withdrawal shall not take effect until six months after enactment of the repealing statute; and

(2) withdrawal shall not affect the continuing requirement of the withdrawing state's professional counseling licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(d) Nothing contained in this compact shall be construed to invalidate or prevent any professional counseling licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(e) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XIV

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any member state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE XV

BINDING EFFECT OF COMPACT AND OTHER LAWS

(a) A licensee providing professional counseling services in a remote state under the privilege to practice shall adhere to the laws and regulations, including scope of practice, of the remote state.

(b) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(c) Any laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(d) Any lawful actions of the commission, including all rules and bylaws properly promulgated by the commission, are binding upon the member states.

(e) All permissible agreements between the commission and the member states are binding in accordance with their terms.

(f) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, the provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

## ARTICLE 18

## AUDIOLOGIST AND SPEECH-LANGUAGE PATHOLOGISTS

Section 1. **[148.5185] AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY INTERSTATE COMPACT.**

The Audiology and Speech-Language Pathology Interstate Compact is enacted into law and entered into with all other jurisdictions legally joining in it in the form substantially specified in this section.

### ARTICLE I

### DEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions shall apply:

(A) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, sections 1209 and 1211.

(B) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against an audiologist or speech-language pathologist, including actions against an individual's license or privilege to practice such as revocation, suspension, probation, monitoring of the licensee, or restriction on the licensee's practice.

(C) "Alternative program" means a non-disciplinary monitoring process approved by an audiology or speech-language pathology licensing board to address impaired practitioners.

(D) "Audiologist" means an individual who is licensed by a state to practice audiology.

(E) "Audiology" means the care and services provided by a licensed audiologist as set forth in the member state's statutes and rules.

(F) "Audiology and Speech-Language Pathology Compact Commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(G) "Audiology and speech-language pathology licensing board," "audiology licensing board," "speech-language pathology licensing board," or "licensing board" means the agency of a state that is responsible for the licensing and regulation of audiologists or speech-language pathologists or both.

(H) "Compact privilege" means the authorization granted by a remote state to allow a licensee from another member state to practice as an audiologist or speech-language pathologist in the remote state under its laws and rules. The practice of audiology or speech-language pathology occurs in the member state where the patient, client, or student is located at the time of the patient, client, or student encounter.

(I) "Current significant investigative information" means investigative information that a licensing board, after an inquiry or investigation that includes notification and an opportunity for the audiologist or speech-language pathologist to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction.

(J) "Data system" means a repository of information about licensees, including but not limited to continuing education, examination, licensure, investigation, compact privilege, and adverse action.

(K) "Encumbered license" means a license in which an adverse action restricts the practice of audiology or speech-language pathology by the licensee and said adverse action has been reported to the National Practitioners Data Bank (NPDB).

(L) "Executive committee" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(M) "Home state" means the member state that is the licensee's primary state of residence.

(N) "Impaired practitioner" means individuals whose professional practice is adversely affected by substance abuse, addiction, or other health-related conditions.

(O) "Licensee" means an individual who currently holds an authorization from the state licensing board to practice as an audiologist or speech-language pathologist.

(P) "Member state" means a state that has enacted the compact.

(Q) "Privilege to practice" means a legal authorization permitting the practice of audiology or speech-language pathology in a remote state.

(R) "Remote state" means a member state other than the home state where a licensee is exercising or seeking to exercise the compact privilege.

(S) "Rule" means a regulation, principle, or directive promulgated by the commission that has the force of law.

(T) "Single-state license" means an audiology or speech-language pathology license issued by a member state that authorizes practice only within the issuing state and does not include a privilege to practice in any other member state.

(U) "Speech-language pathologist" means an individual who is licensed by a state to practice speech-language pathology.

(V) "Speech-language pathology" means the care and services provided by a licensed speech-language pathologist as set forth in the member state's statutes and rules.

(W) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of audiology and speech-language pathology.

(X) "State practice laws" means a member state's laws, rules, and regulations that govern the practice of audiology or speech-language pathology, define the scope of audiology or speech-language pathology practice, and create the methods and grounds for imposing discipline.

(Y) "Telehealth" means the application of telecommunication technology to deliver audiology or speech-language pathology services at a distance for assessment, intervention, or consultation.

ARTICLE II

STATE PARTICIPATION IN THE COMPACT

(A) A license issued to an audiologist or speech-language pathologist by a home state to a resident in that state shall be recognized by each member state as authorizing an

audiologist or speech-language pathologist to practice audiology or speech-language pathology, under a privilege to practice, in each member state.

(B) A state must implement or utilize procedures for considering the criminal history records of applicants for initial privilege to practice. These procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(1) A member state must fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions.

(2) Communication between a member state and the commission and among member states regarding the verification of eligibility for licensure through the compact shall not include any information received from the Federal Bureau of Investigation relating to a federal criminal records check performed by a member state under Public Law 92-544.

(C) Upon application for a privilege to practice, the licensing board in the issuing remote state shall ascertain, through the data system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or privilege to practice held by the applicant, and whether any adverse action has been taken against any license or privilege to practice held by the applicant.

(D) Each member state shall require an applicant to obtain or retain a license in the home state and meet the home state's qualifications for licensure or renewal of licensure, as well as all other applicable state laws.

(E) An audiologist must:

(1) meet one of the following educational requirements:

(i) on or before December 31, 2007, have graduated with a master's degree or doctoral degree in audiology, or equivalent degree regardless of degree name, from a program that is accredited by an accrediting agency recognized by the Council for Higher Education Accreditation, or its successor, or by the United States Department of Education and operated by a college or university accredited by a regional or national accrediting organization recognized by the board; or

(ii) on or after January 1, 2008, have graduated with a doctoral degree in audiology, or equivalent degree regardless of degree name, from a program that is accredited by an

accrediting agency recognized by the Council for Higher Education Accreditation, or its successor, or by the United States Department of Education and operated by a college or university accredited by a regional or national accrediting organization recognized by the board; or

(iii) have graduated from an audiology program that is housed in an institution of higher education outside of the United States (a) for which the program and institution have been approved by the authorized accrediting body in the applicable country and (b) the degree program has been verified by an independent credentials review agency to be comparable to a state licensing board-approved program;

(2) have completed a supervised clinical practicum experience from an accredited educational institution or its cooperating programs as required by the board;

(3) have successfully passed a national examination approved by the commission;

(4) hold an active, unencumbered license;

(5) not have been convicted or found guilty, and not have entered into an agreed disposition, of a felony related to the practice of audiology, under applicable state or federal criminal law; and

(6) have a valid United States Social Security or National Practitioner Identification number.

(F) A speech-language pathologist must:

(1) meet one of the following educational requirements:

(i) have graduated with a master's degree from a speech-language pathology program that is accredited by an organization recognized by the United States Department of Education and operated by a college or university accredited by a regional or national accrediting organization recognized by the board; or

(ii) have graduated from a speech-language pathology program that is housed in an institution of higher education outside of the United States (a) for which the program and institution have been approved by the authorized accrediting body in the applicable country and (b) the degree program has been verified by an independent credentials review agency to be comparable to a state licensing board-approved program;

(2) have completed a supervised clinical practicum experience from an educational institution or its cooperating programs as required by the commission;

(3) have completed a supervised postgraduate professional experience as required by the commission;

(4) have successfully passed a national examination approved by the commission;

(5) hold an active, unencumbered license;

(6) not have been convicted or found guilty, and not have entered into an agreed disposition, of a felony related to the practice of speech-language pathology, under applicable state or federal criminal law; and

(7) have a valid United States Social Security or National Practitioner Identification number.

(G) The privilege to practice is derived from the home state license.

(H) An audiologist or speech-language pathologist practicing in a member state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of audiology and speech-language pathology shall include all audiology and speech-language pathology practice as defined by the state practice laws of the member state in which the client is located. The practice of audiology and speech-language pathology in a member state under a privilege to practice shall subject an audiologist or speech-language pathologist to the jurisdiction of the licensing board, the courts and the laws of the member state in which the client is located at the time service is provided.

(I) Individuals not residing in a member state shall continue to be able to apply for a member state's single-state license as provided under the laws of each member state. However, the single-state license granted to these individuals shall not be recognized as granting the privilege to practice audiology or speech-language pathology in any other member state. Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

(J) Member states may charge a fee for granting a compact privilege.

(K) Member states must comply with the bylaws and rules and regulations of the commission.

ARTICLE III

COMPACT PRIVILEGE

(A) To exercise the compact privilege under the terms and provisions of the compact, the audiologist or speech-language pathologist shall:

(1) hold an active license in the home state;

(2) have no encumbrance on any state license;

(3) be eligible for a compact privilege in any member state in accordance with Article II;

(4) have not had any adverse action against any license or compact privilege within the previous two years from date of application;

(5) notify the commission that the licensee is seeking the compact privilege within a remote state or states;

(6) pay any applicable fees, including any state fee, for the compact privilege; and

(7) report to the commission adverse action taken by any nonmember state within 30 days from the date the adverse action is taken.

(B) For the purposes of the compact privilege, an audiologist or speech-language pathologist shall only hold one home state license at a time.

(C) Except as provided in Article V, if an audiologist or speech-language pathologist changes primary state of residence by moving between two member states, the audiologist or speech-language pathologist must apply for licensure in the new home state, and the license issued by the prior home state shall be deactivated in accordance with applicable rules adopted by the commission.

(D) The audiologist or speech-language pathologist may apply for licensure in advance of a change in primary state of residence.

(E) A license shall not be issued by the new home state until the audiologist or speech-language pathologist provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a license from the new home state.

(F) If an audiologist or speech-language pathologist changes primary state of residence by moving from a member state to a nonmember state, the license issued by the prior home state shall convert to a single-state license, valid only in the former home state.

(G) The compact privilege is valid until the expiration date of the home state license. The licensee must comply with the requirements of Article III, (A), to maintain the compact privilege in the remote state.

(H) A licensee providing audiology or speech-language pathology services in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(I) A licensee providing audiology or speech-language pathology services in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens.

(J) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) two years have elapsed from the date of the adverse action.

(K) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of Article III, (A), to obtain a compact privilege in any remote state.

(L) Once the requirements of Article III, (J), have been met, the licensee must meet the requirements in Article III, (A), to obtain a compact privilege in a remote state.

ARTICLE IV

COMPACT PRIVILEGE TO PRACTICE TELEHEALTH

Member states shall recognize the right of an audiologist or speech-language pathologist, licensed by a home state in accordance with Article II and under rules promulgated by the commission, to practice audiology or speech-language pathology in a member state via telehealth under a privilege to practice as provided in the compact and rules promulgated by the commission.

ARTICLE V

ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

Active duty military personnel, or their spouse, shall designate a home state where the individual has a current license in good standing. The individual may retain the home state designation during the period the service member is on active duty. Subsequent to designating a home state, the individual shall only change their home state through application for licensure in the new state.

ARTICLE VI

ADVERSE ACTIONS

(A) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against an audiologist's or speech-language pathologist's privilege to practice within that member state; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(B) Only the home state shall have the power to take adverse action against an audiologist's or speech-language pathologist's license issued by the home state.

(C) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(D) The home state shall complete any pending investigations of an audiologist or speech-language pathologist who changes primary state of residence during the course of the investigations. The home state shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the data system. The administrator of the data system shall promptly notify the new home state of any adverse actions.

(E) If otherwise permitted by state law, the member state may recover from the affected audiologist or speech-language pathologist the costs of investigations and disposition of cases resulting from any adverse action taken against that audiologist or speech-language pathologist.

(F) The member state may take adverse action based on the factual findings of the remote state, provided that the member state follows the member state's own procedures for taking the adverse action.

(G) Joint Investigations:

(1) In addition to the authority granted to a member state by its respective audiology or speech-language pathology practice act or other applicable state law, any member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

(H) If adverse action is taken by the home state against an audiologist's or speech-language pathologist's license, the audiologist's or speech-language pathologist's privilege to practice in all other member states shall be deactivated until all encumbrances have been removed from the state license. All home state disciplinary orders that impose adverse action against an audiologist's or speech-language pathologist's license shall include a statement that the audiologist's or speech-language pathologist's privilege to practice is deactivated in all member states during the pendency of the order.

(I) If a member state takes adverse action, it shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state of any adverse actions by remote states.

(J) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

ARTICLE VII

ESTABLISHMENT OF THE AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY COMPACT COMMISSION

(A) The compact member states hereby create and establish a joint public agency known as the Audiology and Speech-Language Pathology Compact Commission:

(1) The commission is an instrumentality of the compact states.

(2) Except as provided under paragraph (H), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(3) Nothing in this compact shall be construed to be a waiver of sovereign immunity.

(B) Membership, Voting, and Meetings:

(1) Each member state shall have two delegates selected by that member state's licensing board. The delegates shall be current members of the licensing board. One shall be an audiologist and one shall be a speech-language pathologist.

(2) An additional five delegates, who are either a public member or board administrator from a state licensing board, shall be chosen by the executive committee from a pool of nominees provided by the commission at large.

(3) Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

(4) The member state board shall fill any vacancy occurring on the commission, within 90 days.

(5) Each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission.

(6) A delegate shall vote in person or by other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

(7) The commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(C) The commission shall have the following powers and duties:

(1) establish the fiscal year of the commission;

(2) establish bylaws;

(3) establish a code of ethics;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take actions as are consistent with the provisions of this compact and the bylaws;

(6) promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all member states;

(7) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state audiology or speech-language pathology licensing board to sue or be sued under applicable law shall not be affected;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(10) hire employees, elect or appoint officers, fix compensation, define duties, grant individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(11) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(12) lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold, improve, or use any property real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(13) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(14) establish a budget and make expenditures;

(15) borrow money;

(16) appoint committees, including standing committees composed of members and other interested persons as may be designated in this compact and the bylaws;

(17) provide and receive information from, and cooperate with, law enforcement agencies;

(18) establish and elect an executive committee; and

(19) perform other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of audiology and speech-language pathology licensure and practice.

(D) The Executive Committee:

The executive committee shall have the power to act on behalf of the commission according to the terms of this compact. The executive committee shall be composed of ten members:

(1) seven voting members who are elected by the commission from the current membership of the commission;

(2) two ex officios, consisting of one nonvoting member from a recognized national audiology professional association and one nonvoting member from a recognized national speech-language pathology association; and

(3) one ex officio, nonvoting member from the recognized membership organization of the audiology and speech-language pathology licensing boards.

(E) The ex officio members shall be selected by their respective organizations.

(1) The commission may remove any member of the executive committee as provided in bylaws.

(2) The executive committee shall meet at least annually.

(3) The executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) other duties as provided in rules or bylaws.

(4) All meetings of the commission shall be open to the public and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Article IX.

(5) The commission or the executive committee or other committees of the commission may convene in a closed, nonpublic meeting if the commission or executive committee or other committees of the commission must discuss:

(i) noncompliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute.

(6) If a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(7) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(8) Financing of the Commission:

(i) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(ii) The commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

(iii) The commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The

aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states.

(9) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state.

(10) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(F) Qualified Immunity, Defense, and Indemnification:

(1) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or

responsibilities, or that person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(G) Notwithstanding paragraph (F), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(H) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(I) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE VIII

DATA SYSTEM

(A) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(B) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

(4) nonconfidential information related to alternative program participation;

(5) any denial of application for licensure, and the reason or reasons for denial; and

(6) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(C) Investigative information pertaining to a licensee in any member state shall only be available to other member states.

(D) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state shall be available to any other member state.

(E) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(F) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE IX

RULEMAKING

(A) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(B) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, the rule shall have no further force and effect in any member state.

(C) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(D) Prior to promulgation and adoption of a final rule or rules by the commission, and at least 30 days in advance of the meeting at which the rule shall be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state audiology or speech-language pathology licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(E) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule shall be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(F) Prior to the adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(G) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association having at least 25 members.

(H) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing.

(1) All persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing.

(2) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

(3) All hearings shall be recorded. A copy of the recording shall be made available on request.

(4) Nothing in this Article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this Article.

(I) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(J) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(K) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(L) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided that the usual rulemaking procedures provided in the compact and in this Article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or member state funds; or

(3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule.

(M) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision shall take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

## ARTICLE X

## OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(A) Dispute Resolution:

(1) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states.

(2) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for such disputes as appropriate.

(B) Enforcement:

(1) The commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

(2) By majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of litigation, including reasonable attorney's fees.

(3) The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XI

DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

(A) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(B) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(C) Any member state may withdraw from this compact by enacting a statute repealing the same.

(1) A member state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's audiology or speech-language pathology licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(D) Nothing contained in this compact shall be construed to invalidate or prevent any audiology or speech-language pathology licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(E) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

## ARTICLE XII

## CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any member state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

## ARTICLE XIII

## BINDING EFFECT OF COMPACT AND OTHER LAWS

(A) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(B) All laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(C) All lawful actions of the commission, including all rules and bylaws promulgated by the commission, are binding upon the member states.

(D) All agreements between the commission and the member states are binding in accordance with their terms.

(E) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, the provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

Sec. 2. **[148.5186] APPLICATION OF AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY INTERSTATE COMPACT TO EXISTING LAWS.**

Subdivision 1. **Rulemaking.** Rules developed by the Audiology and Speech-Language Pathology Compact Commission under section 148.5185 are not subject to sections 14.05 to 14.389.

Subd. 2. **Background studies.** The commissioner of health is authorized to require an audiologist or speech-language pathologist licensed in Minnesota as the home state to submit to a criminal history background check under section 144.0572.

## ARTICLE 19

## DENTIST AND DENTAL HYGIENISTS

Section 1. **[150A.051] DENTIST AND DENTAL HYGIENIST COMPACT.**

The dentist and dental hygienist compact is enacted into law and entered into with all other jurisdictions legally joining in the compact in the form substantially specified in this section.

### ARTICLE I

### TITLE

This statute shall be known and cited as the dentist and dental hygienist compact.

### ARTICLE II

### DEFINITIONS

As used in this compact, unless the context requires otherwise, the following definitions shall apply:

(A) "Active military member" means any person with full-time duty status in the armed forces of the United States including members of the National Guard and Reserve.

(B) "Adverse action" means disciplinary action or encumbrance imposed on a license or compact privilege by a state licensing authority.

(C) "Alternative program" means a nondisciplinary monitoring or practice remediation process applicable to a dentist or dental hygienist approved by a state licensing authority of a participating state in which the dentist or dental hygienist is licensed. This includes but is not limited to programs to which licensees with substance abuse or addiction issues are referred in lieu of adverse action.

(D) "Clinical assessment" means examination or process, required for licensure as a dentist or dental hygienist as applicable, that provides evidence of clinical competence in dentistry or dental hygiene.

(E) "Commissioner" means the individual appointed by a participating state to serve as the member of the commission for that participating state.

(F) "Compact" means this dentist and dental hygienist compact.

(G) "Compact privilege" means the authorization granted by a remote state to allow a licensee from a participating state to practice as a dentist or dental hygienist in a remote state.

(H) "Continuing professional development" means a requirement as a condition of license renewal to provide evidence of successful participation in educational or professional activities relevant to practice or area of work.

(I) "Criminal background check" means the submission of fingerprints or other biometric-based information for a license applicant for the purpose of obtaining that applicant's criminal history record information, as defined in Code of Federal Regulations, title 28, section 20.3(d), from the Federal Bureau of Investigation and the state's criminal history record repository as defined in Code of Federal Regulations, title 28, section 20.3(f).

(J) "Data system" means the commission's repository of information about licensees, including but not limited to examination, licensure, investigative, compact privilege, adverse action, and alternative program.

(K) "Dental hygienist" means an individual who is licensed by a state licensing authority to practice dental hygiene.

(L) "Dentist" means an individual who is licensed by a state licensing authority to practice dentistry.

(M) "Dentist and dental hygienist compact commission" or "commission" means a joint government agency established by this compact comprised of each state that has enacted the compact and a national administrative body comprised of a commissioner from each state that has enacted the compact.

(N) "Encumbered license" means a license that a state licensing authority has limited in any way other than through an alternative program.

(O) "Executive board" means the chair, vice chair, secretary, and treasurer and any other commissioners as may be determined by commission rule or bylaw.

(P) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of dentistry or dental hygiene, as applicable, in a state.

(Q) "License" means current authorization by a state, other than authorization pursuant to a compact privilege, or other privilege, for an individual to practice as a dentist or dental hygienist in that state.

(R) "Licensee" means an individual who holds an unrestricted license from a participating state to practice as a dentist or dental hygienist in that state.

(S) "Model compact" means the model for the dentist and dental hygienist compact on file with the council of state governments or other entity as designated by the commission.

(T) "Participating state" means a state that has enacted the compact and been admitted to the commission in accordance with the provisions herein and commission rules.

(U) "Qualifying license" means a license that is not an encumbered license issued by a participating state to practice dentistry or dental hygiene.

(V) "Remote state" means a participating state where a licensee who is not licensed as a dentist or dental hygienist is exercising or seeking to exercise the compact privilege.

(W) "Rule" means a regulation promulgated by an entity that has the force of law.

(X) "Scope of practice" means the procedures, actions, and processes a dentist or dental hygienist licensed in a state is permitted to undertake in that state and the circumstances under which the licensee is permitted to undertake those procedures, actions, and processes. Such procedures, actions, and processes and the circumstances under which they may be undertaken may be established through means, including but not limited to statute, regulations, case law, and other processes available to the state licensing authority or other government agency.

(Y) "Significant investigative information" means information, records, and documents received or generated by a state licensing authority pursuant to an investigation for which a determination has been made that there is probable cause to believe that the licensee has violated a statute or regulation that is considered more than a minor infraction for which the state licensing authority could pursue adverse action against the licensee.

(Z) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practices of dentistry and dental hygiene.

(AA) "State licensing authority" means an agency or other entity of a state that is responsible for the licensing and regulation of dentists or dental hygienists.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(A) In order to join the compact and thereafter continue as a participating state, a state must:

(1) enact a compact that is not materially different from the model compact as determined in accordance with commission rules;

(2) participate fully in the commission's data system;

(3) have a mechanism in place for receiving and investigating complaints about its licensees and license applicants;

(4) notify the commission, in compliance with the terms of the compact and commission rules, of any adverse action or the availability of significant investigative information regarding a licensee and license applicant;

(5) fully implement a criminal background check requirement, within a time frame established by commission rule, by receiving the results of a qualifying criminal background check;

(6) comply with the commission rules applicable to a participating state;

(7) accept the national board examinations of the joint commission on national dental examinations or another examination accepted by commission rule as a licensure examination;

(8) accept for licensure that applicants for a dentist license graduate from a predoctoral dental education program accredited by the Commission on Dental Accreditation, or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs, leading to the Doctor of Dental Surgery (D.D.S.) or Doctor of Dental Medicine (D.M.D.) degree;

(9) accept for licensure that applicants for a dental hygienist license graduate from a dental hygiene education program accredited by the Commission on Dental Accreditation or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs;

(10) require for licensure that applicants successfully complete a clinical assessment;

(11) have continuing professional development requirements as a condition for license renewal; and

(12) pay a participation fee to the commission as established by commission rule.

(B) Providing alternative pathways for an individual to obtain an unrestricted license does not disqualify a state from participating in the compact.

(C) When conducting a criminal background check, the state licensing authority shall:

(1) consider that information in making a licensure decision;

(2) maintain documentation of completion of the criminal background check and background check information to the extent allowed by state and federal law; and

(3) report to the commission whether it has completed the criminal background check and whether the individual was granted or denied a license.

(D) A licensee of a participating state who has a qualifying license in that state and does not hold an encumbered license in any other participating state, shall be issued a compact privilege in a remote state in accordance with the terms of the compact and commission rules. If a remote state has a jurisprudence requirement a compact privilege will not be issued to the licensee unless the licensee has satisfied the jurisprudence requirement.

ARTICLE IV

COMPACT PRIVILEGE

(A) To obtain and exercise the compact privilege under the terms and provisions of the compact, the licensee shall:

(1) have a qualifying license as a dentist or dental hygienist in a participating state;

(2) be eligible for a compact privilege in any remote state in accordance with (D), (G), and (H) of this article;

(3) submit to an application process whenever the licensee is seeking a compact privilege;

(4) pay any applicable commission and remote state fees for a compact privilege in the remote state;

(5) meet any jurisprudence requirement established by a remote state in which the licensee is seeking a compact privilege;

(6) have passed a National Board Examination of the Joint Commission on National Dental Examinations or another examination accepted by commission rule;

(7) for a dentist, have graduated from a predoctoral dental education program accredited by the Commission on Dental Accreditation, or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs, leading to the Doctor of Dental Surgery (D.D.S.) or Doctor of Dental Medicine (D.M.D.) degree;

(8) for a dental hygienist, have graduated from a dental hygiene education program accredited by the Commission on Dental Accreditation or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs;

(9) have successfully completed a clinical assessment for licensure;

(10) report to the commission adverse action taken by any nonparticipating state when applying for a compact privilege and, otherwise, within 30 days from the date the adverse action is taken;

(11) report to the commission when applying for a compact privilege the address of the licensee's primary residence and thereafter immediately report to the commission any change in the address of the licensee's primary residence; and

(12) consent to accept service of process by mail at the licensee's primary residence on record with the commission with respect to any action brought against the licensee by the commission or a participating state, and consent to accept service of a subpoena by mail at the licensee's primary residence on record with the commission with respect to any action brought or investigation conducted by the commission or a participating state.

(B) The licensee must comply with the requirements of (A) of this article to maintain the compact privilege in the remote state. If those requirements are met, the compact privilege will continue as long as the licensee maintains a qualifying license in the state through which the licensee applied for the compact privilege and pays any applicable compact privilege renewal fees.

(C) A licensee providing dentistry or dental hygiene in a remote state under the compact privilege shall function within the scope of practice authorized by the remote state for a dentist or dental hygienist licensed in that state.

(D) A licensee providing dentistry or dental hygiene pursuant to a compact privilege in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, by adverse action revoke or remove a licensee's compact privilege in the remote state for a specific period of time and impose fines or take

any other necessary actions to protect the health and safety of its citizens. If a remote state imposes an adverse action against a compact privilege that limits the compact privilege, that adverse action applies to all compact privileges in all remote states. A licensee whose compact privilege in a remote state is removed for a specified period of time is not eligible for a compact privilege in any other remote state until the specific time for removal of the compact privilege has passed and all encumbrance requirements are satisfied.

(E) If a license in a participating state is an encumbered license, the licensee shall lose the compact privilege in a remote state and shall not be eligible for a compact privilege in any remote state until the license is no longer encumbered.

(F) Once an encumbered license in a participating state is restored to good standing, the licensee must meet the requirements of (A) of this article to obtain a compact privilege in a remote state.

(G) If a licensee's compact privilege in a remote state is removed by the remote state, the individual shall lose or be ineligible for the compact privilege in any remote state until the following occur:

(1) the specific period of time for which the compact privilege was removed has ended; and

(2) all conditions for removal of the compact privilege have been satisfied.

(H) Once the requirements of (G) of this article have been met, the licensee must meet the requirements in (A) of this article to obtain a compact privilege in a remote state.

ARTICLE V

ACTIVE MILITARY MEMBER OR THEIR SPOUSES

An active military member and their spouse shall not be required to pay to the commission for a compact privilege the fee otherwise charged by the commission. If a remote state chooses to charge a fee for a compact privilege, it may choose to charge a reduced fee or no fee to an active military member and their spouse for a compact privilege.

ARTICLE VI

ADVERSE ACTIONS

(A) A participating state in which a licensee is licensed shall have exclusive authority to impose adverse action against the qualifying license issued by that participating state.

(B) A participating state may take adverse action based on the significant investigative information of a remote state, so long as the participating state follows its own procedures for imposing adverse action.

(C) Nothing in this compact shall override a participating state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain nonpublic if required by the participating state's laws. Participating states must require licensees who enter any alternative program in lieu of discipline to agree not to practice pursuant to a compact privilege in any other participating state during the term of the alternative program without prior authorization from such other participating state.

(D) Any participating state in which a licensee is applying to practice or is practicing pursuant to a compact privilege may investigate actual or alleged violations of the statutes and regulations authorizing the practice of dentistry or dental hygiene in any other participating state in which the dentist or dental hygienist holds a license or compact privilege.

(E) A remote state shall have the authority to:

(1) take adverse actions as set forth in article IV, (D), against a licensee's compact privilege in the state;

(2) in furtherance of its rights and responsibilities under the compact and the commission's rules issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a state licensing authority in a participating state for the attendance and testimony of witnesses, or the production of evidence from another participating state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence are located; and

(3) if otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

(F) Joint Investigations:

(1) In addition to the authority granted to a participating state by its dentist or dental hygienist licensure act or other applicable state law, a participating state may jointly investigate licensees with other participating states.

(2) Participating states shall share any significant investigative information, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(G) Authority to Continue Investigation:

(1) After a licensee's compact privilege in a remote state is terminated, the remote state may continue an investigation of the licensee that began when the licensee had a compact privilege in that remote state.

(2) If the investigation yields what would be significant investigative information had the licensee continued to have a compact privilege in that remote state, the remote state shall report the presence of such information to the data system as required by article VIII, (B), (6), as if it was significant investigative information.

ARTICLE VII

ESTABLISHMENT AND OPERATION OF THE COMMISSION

(A) The compact participating states hereby create and establish a joint government agency whose membership consists of all participating states that have enacted the compact. The commission is an instrumentality of the participating states acting jointly and not an instrumentality of any one state. The commission shall come into existence on or after the effective date of the compact as set forth in article XI, (A).

(B) Participation, Voting, and Meetings:

(1) Each participating state shall have and be limited to one commissioner selected by that participating state's state licensing authority or, if the state has more than one state licensing authority, selected collectively by the state licensing authorities.

(2) The commissioner shall be a member or designee of such authority or authorities.

(3) The commission may by rule or bylaw establish a term of office for commissioners and may by rule or bylaw establish term limits.

(4) The commission may recommend to a state licensing authority or authorities, as applicable, removal or suspension of an individual as the state's commissioner.

(5) A participating state's state licensing authority or authorities, as applicable, shall fill any vacancy of its commissioner on the commission within 60 days of the vacancy.

(6) Each commissioner shall be entitled to one vote on all matters that are voted upon by the commission.

(7) The commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws. The commission may meet by telecommunication, video conference, or other similar electronic means.

(C) The commission shall have the following powers:

(1) establish the fiscal year of the commission;

(2) establish a code of conduct and conflict of interest policies;

(3) adopt rules and bylaws;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take such actions as are consistent with the provisions of this compact, the commission's rules, and the bylaws;

(6) initiate and conclude legal proceedings or actions in the name of the commission, provided that the standing of any state licensing authority to sue or be sued under applicable law shall not be affected;

(7) maintain and certify records and information provided to a participating state as the authenticated business records of the commission, and designate a person to do so on the commission's behalf;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a participating state;

(10) conduct an annual financial review;

(11) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(12) as set forth in the commission rules, charge a fee to a licensee for the grant of a compact privilege in a remote state and thereafter, as may be established by commission rule, charge the licensee a compact privilege renewal fee for each renewal period in which that licensee exercises or intends to exercise the compact privilege in that remote state. Nothing herein shall be construed to prevent a remote state from charging a licensee a fee for a compact privilege or renewals of a compact privilege, or a fee for the jurisprudence requirement if the remote state imposes such a requirement for the grant of a compact privilege;

(13) accept any and all appropriate gifts, donations, grants of money, other sources of revenue, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety and conflict of interest;

(14) lease, purchase, retain, own, hold, improve, or use any property real, personal, or mixed, or any undivided interest therein;

(15) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(16) establish a budget and make expenditures;

(17) borrow money;

(18) appoint committees, including standing committees, which may be composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(19) provide and receive information from, and cooperate with, law enforcement agencies;

(20) elect a chair, vice chair, secretary, and treasurer and such other officers of the commission as provided in the commission's bylaws;

(21) establish and elect an executive board;

(22) adopt and provide to the participating states an annual report;

(23) determine whether a state's enacted compact is materially different from the model compact language such that the state would not qualify for participation in the compact; and

(24) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact.

(D) Meetings of the Commission:

(1) All meetings of the commission that are not closed pursuant to (D)(4) of this article shall be open to the public. Notice of public meetings shall be posted on the commission's website at least 30 days prior to the public meeting.

(2) Notwithstanding (D)(1) of this article, the commission may convene an emergency public meeting by providing at least 24 hours prior notice on the commission's website, and any other means as provided in the commission's rules, for any of the reasons it may dispense

with notice of proposed rulemaking under article IX, (L). The commission's legal counsel shall certify that one of the reasons justifying an emergency public meeting has been met.

(3) Notice of all commission meetings shall provide the time, date, and location of the meeting, and if the meeting is to be held or accessible via telecommunication, video conference, or other electronic means, the notice shall include the mechanism for access to the meeting through such means.

(4) The commission may convene in a closed, nonpublic meeting for the commission to receive legal advice or to discuss:

(i) noncompliance of a participating state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current or threatened discipline of a licensee or compact privilege holder by the commission or by a participating state's licensing authority;

(iv) current, threatened, or reasonably anticipated litigation;

(v) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(vi) accusing any person of a crime or formally censuring any person;

(vii) trade secrets or commercial or financial information that is privileged or confidential;

(viii) information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(ix) investigative records compiled for law enforcement purposes;

(x) information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact;

(xi) legal advice;

(xii) matters specifically exempted from disclosure to the public by federal or participating state law; and

(xiii) other matters as promulgated by the commission by rule.

(5) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that the meeting will be closed and reference each relevant exempting provision, and such reference shall be recorded in the minutes.

(6) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the commission or order of a court of competent jurisdiction.

(E) Financing of the Commission:

(1) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The commission may accept any and all appropriate sources of revenue, donations, and grants of money, equipment, supplies, materials, and services.

(3) The commission may levy on and collect an annual assessment from each participating state and impose fees on licensees of participating states when a compact privilege is granted to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each fiscal year for which sufficient revenue is not provided by other sources. The aggregate annual assessment amount for participating states shall be allocated based upon a formula that the commission shall promulgate by rule.

(4) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any participating state, except by and with the authority of the participating state.

(5) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the financial review and accounting procedures established under the commission's bylaws. All receipts and disbursements of funds handled by the commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the commission.

(F) The Executive Board:

(1) The executive board shall have the power to act on behalf of the commission according to the terms of this compact. The powers, duties, and responsibilities of the executive board shall include:

(i) overseeing the day-to-day activities of the administration of the compact including compliance with the provisions of the compact and the commission's rules and bylaws;

(ii) recommending to the commission changes to the rules or bylaws, changes to this compact legislation, fees charged to compact participating states, fees charged to licensees, and other fees;

(iii) ensuring compact administration services are appropriately provided, including by contract;

(iv) preparing and recommending the budget;

(v) maintaining financial records on behalf of the commission;

(vi) monitoring compact compliance of participating states and providing compliance reports to the commission;

(vii) establishing additional committees as necessary;

(viii) exercising the powers and duties of the commission during the interim between commission meetings, except for adopting or amending rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the commission by rule or bylaw; and

(ix) other duties as provided in the rules or bylaws of the commission.

(2) The executive board shall be composed of up to seven members:

(i) the chair, vice chair, secretary, and treasurer of the commission and any other members of the commission who serve on the executive board shall be voting members of the executive board; and

(ii) other than the chair, vice chair, secretary, and treasurer, the commission may elect up to three voting members from the current membership of the commission.

(3) The commission may remove any member of the executive board as provided in the commission's bylaws.

(4) The executive board shall meet at least annually.

(i) An executive board meeting at which it takes or intends to take formal action on a matter shall be open to the public, except that the executive board may meet in a closed,

nonpublic session of a public meeting when dealing with any of the matters covered under (D)(4) of this article.

(ii) The executive board shall give five business days' notice of its public meetings, posted on its website and as it may otherwise determine to provide notice to persons with an interest in the public matters the executive board intends to address at those meetings.

(5) The executive board may hold an emergency meeting when acting for the commission to:

(i) meet an imminent threat to public health, safety, or welfare;

(ii) prevent a loss of commission or participating state funds; or

(iii) protect public health and safety.

(G) Qualified Immunity, Defense, and Indemnification:

(1) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, both personally and in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the commission shall not in any way compromise or limit the immunity granted hereunder.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or as determined by the commission that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) Notwithstanding (G)(1) of this article, should any member, officer, executive director, employee, or representative of the commission be held liable for the amount of any settlement or judgment arising out of any actual or alleged act, error, or omission that occurred within

the scope of that individual's employment, duties, or responsibilities for the commission, or that the person to whom that individual is liable had a reasonable basis for believing occurred within the scope of the individual's employment, duties, or responsibilities for the commission, the commission shall indemnify and hold harmless such individual; provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of the individual.

(4) Nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

(5) Nothing in this compact shall be interpreted to waive or otherwise abrogate a participating state's state action immunity or state action affirmative defense with respect to antitrust claims under the Sherman Act, Clayton Act, or any other state or federal antitrust or anticompetitive law or regulation.

(6) Nothing in this compact shall be construed to be a waiver of sovereign immunity by the participating states or by the commission.

(H) Notwithstanding paragraph (G), clause (1), of this article, the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(I) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(J) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

## ARTICLE VIII

## DATA SYSTEM

(A) The commission shall provide for the development, maintenance, operation, and utilization of a coordinated database and reporting system containing licensure, adverse

action, and the presence of significant investigative information on all licensees and applicants for a license in participating states.

(B) Notwithstanding any other provision of state law to the contrary, a participating state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a licensee, license applicant, or compact privilege and information related thereto;

(4) nonconfidential information related to alternative program participation, the beginning and ending dates of such participation, and other information related to such participation;

(5) any denial of an application for licensure, and the reasons for such denial, excluding the reporting of any criminal history record information where prohibited by law;

(6) the presence of significant investigative information; and

(7) other information that may facilitate the administration of this compact or the protection of the public, as determined by the rules of the commission.

(C) The records and information provided to a participating state pursuant to this compact or through the data system, when certified by the commission or an agent thereof, shall constitute the authenticated business records of the commission, and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a participating state.

(D) Significant investigative information pertaining to a licensee in any participating state will only be available to other participating states.

(E) It is the responsibility of the participating states to monitor the database to determine whether adverse action has been taken against a licensee or license applicant. Adverse action information pertaining to a licensee or license applicant in any participating state will be available to any other participating state.

(F) Participating states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(G) Any information submitted to the data system that is subsequently expunged pursuant to federal law or the laws of the participating state contributing the information shall be removed from the data system.

## ARTICLE IX

## RULEMAKING

(A) The commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer the purposes and provisions of the compact. A commission rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the commission exercised its rulemaking authority in a manner that is beyond the scope and purposes of the compact, or the powers granted hereunder, or based upon another applicable standard of review.

(B) The rules of the commission shall have the force of law in each participating state, provided that where the rules of the commission conflict with the laws of the participating state that establish the participating state's scope of practice as held by a court of competent jurisdiction, the rules of the commission shall be ineffective in that state to the extent of the conflict.

(C) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules shall become binding as of the date specified by the commission for each rule.

(D) If a majority of the legislatures of the participating states rejects a commission rule or portion of a commission rule, by enactment of a statute or resolution in the same manner used to adopt the compact, within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any participating state or to any state applying to participate in the compact.

(E) Rules shall be adopted at a regular or special meeting of the commission.

(F) Prior to adoption of a proposed rule, the commission shall hold a public hearing and allow persons to provide oral and written comments, data, facts, opinions, and arguments.

(G) Prior to adoption of a proposed rule by the commission, and at least 30 days in advance of the meeting at which the commission will hold a public hearing on the proposed rule, the commission shall provide a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform;

(2) to persons who have requested notice of the commission's notices of proposed rulemaking; and

(3) in such other ways as the commission may by rule specify.

(H) The notice of proposed rulemaking shall include:

(1) the time, date, and location of the public hearing at which the commission will hear public comments on the proposed rule and, if different, the time, date, and location of the meeting where the commission will consider and vote on the proposed rule;

(2) if the hearing is held via telecommunication, video conference, or other electronic means, the commission shall include the mechanism for access to the hearing in the notice of proposed rulemaking;

(3) the text of the proposed rule and the reason therefor;

(4) a request for comments on the proposed rule from any interested person; and

(5) the manner in which interested persons may submit written comments.

(I) All hearings will be recorded. A copy of the recording and all written comments and documents received by the commission in response to the proposed rule shall be available to the public.

(J) Nothing in this article shall be construed as requiring a separate hearing on each commission rule. Rules may be grouped for the convenience of the commission at hearings required by this article.

(K) The commission shall, by majority vote of all commissioners, take final action on the proposed rule based on the rulemaking record.

(1) The commission may adopt changes to the proposed rule provided the changes do not enlarge the original purpose of the proposed rule.

(2) The commission shall provide an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters.

(3) The commission shall determine a reasonable effective date for the rule. Except for an emergency as provided in (L) of this article, the effective date of the rule shall be no sooner than 30 days after the commission issuing the notice that it adopted or amended the rule.

(L) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule with 24 hours' notice, with opportunity to comment, provided that the usual rulemaking procedures provided in the compact and in this article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or participating state funds;

(3) meet a deadline for the promulgation of a rule that is established by federal law or rule; or

(4) protect public health and safety.

(M) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

(N) No participating state's rulemaking requirements shall apply under this compact.

ARTICLE X

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(A) Oversight:

(1) The executive and judicial branches of state government in each participating state shall enforce this compact and take all actions necessary and appropriate to implement the compact.

(2) Except as provided under article VII, paragraph (I), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or

limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter.

(3) The commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the compact or commission rule and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the commission service of process shall render a judgment or order void as to the commission, this compact, or the promulgated rules.

(B) Default, Technical Assistance, and Termination:

(1) If the commission determines that a participating state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall provide written notice to the defaulting state. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the commission may take, and shall offer training and specific technical assistance regarding the default.

(2) The commission shall provide a copy of the notice of default to the other participating states.

(C) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the commissioners, and all rights, privileges, and benefits conferred on that state by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(D) Termination of participation in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, the defaulting state's state licensing authority or authorities, as applicable, and each of the participating states' state licensing authority or authorities, as applicable.

(E) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(F) Upon the termination of a state's participation in this compact, that state shall immediately provide notice to all licensees of the state, including licensees of other participating states issued a compact privilege to practice within that state, of such

termination. The terminated state shall continue to recognize all compact privileges then in effect in that state for a minimum of 180 days after the date of said notice of termination.

(G) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(H) The defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(I) Dispute Resolution:

(1) Upon request by a participating state, the commission shall attempt to resolve disputes related to the compact that arise among participating states and between participating states and nonparticipating states.

(2) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(J) Enforcement:

(1) The commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact and the commission's rules.

(2) By majority vote, the commission may initiate legal action against a participating state in default in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees. The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or the defaulting participating state's law.

(3) A participating state may initiate legal action against the commission in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(4) No individual or entity other than a participating state may enforce this compact against the commission.

ARTICLE XI

EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

(A) The compact shall come into effect on the date on which the compact statute is enacted into law in the seventh participating state.

(1) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the states that enacted the compact prior to the commission convening ("charter participating states") to determine if the statute enacted by each such charter participating state is materially different than the model compact.

(i) A charter participating state whose enactment is found to be materially different from the model compact shall be entitled to the default process set forth in article X.

(ii) If any participating state is later found to be in default, or is terminated or withdraws from the compact, the commission shall remain in existence and the compact shall remain in effect even if the number of participating states should be less than seven.

(2) Participating states enacting the compact subsequent to the charter participating states shall be subject to the process set forth in article VII, (C)(23), to determine if their enactments are materially different from the model compact and whether they qualify for participation in the compact.

(3) All actions taken for the benefit of the commission or in furtherance of the purposes of the administration of the compact prior to the effective date of the compact or the commission coming into existence shall be considered to be actions of the commission unless specifically repudiated by the commission.

(4) Any state that joins the compact subsequent to the commission's initial adoption of the rules and bylaws shall be subject to the commission's rules and bylaws as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(B) Any participating state may withdraw from this compact by enacting a statute repealing that state's enactment of the compact.

(1) A participating state's withdrawal shall not take effect until 180 days after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's licensing authority or authorities to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(3) Upon the enactment of a statute withdrawing from this compact, the state shall immediately provide notice of such withdrawal to all licensees within that state. Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing state shall continue to recognize all compact privileges to practice within that state granted pursuant to this compact for a minimum of 180 days after the date of such notice of withdrawal.

(C) Nothing contained in this compact shall be construed to invalidate or prevent any licensure agreement or other cooperative arrangement between a participating state and a nonparticipating state that does not conflict with the provisions of this compact.

(D) This compact may be amended by the participating states. No amendment to this compact shall become effective and binding upon any participating state until it is enacted into the laws of all participating states.

ARTICLE XII

CONSTRUCTION AND SEVERABILITY

(A) This compact and the commission's rulemaking authority shall be liberally construed so as to effectuate the purposes and the implementation and administration of the compact. Provisions of the compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the commission's rulemaking authority solely for those purposes.

(B) The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is held by a court of competent jurisdiction to be contrary to the constitution of any participating state, a state seeking participation in the compact, or of the United States, or the applicability thereof to any government, agency, person, or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this compact and the applicability thereof to any other government, agency, person, or circumstance shall not be affected thereby.

(C) Notwithstanding (B) of this article, the commission may deny a state's participation in the compact or, in accordance with the requirements of article X, (B), terminate a participating state's participation in the compact, if it determines that a constitutional requirement of a participating state is a material departure from the compact. Otherwise, if this compact shall be held to be contrary to the constitution of any participating state, the

compact shall remain in full force and effect as to the remaining participating states and in full force and effect as to the participating state affected as to all severable matters.

ARTICLE XIII

CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

(A) Nothing herein shall prevent or inhibit the enforcement of any other law of a participating state that is not inconsistent with the compact.

(B) Any laws, statutes, regulations, or other legal requirements in a participating state in conflict with the compact are superseded to the extent of the conflict.

(C) All permissible agreements between the commission and the participating states are binding in accordance with their terms.

## ARTICLE 20

## SOCIAL WORKERS

Section 1. **[148E.40] TITLE.**

Sections 148E.40 to 148E.55 shall be known and cited as the social work services licensure compact.

Sec. 2. **[148E.41] DEFINITIONS.**

As used in this Compact, and except as otherwise provided, the following definitions shall apply:

(1) "Active military member" means any individual with full-time duty status in the active armed forces of the United States, including members of the National Guard and Reserve.

(2) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing authority or other authority against a regulated social worker, including actions against an individual's license or multistate authorization to practice such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a regulated social worker's authorization to practice, including issuance of a cease and desist action.

(3) "Alternative program" means a nondisciplinary monitoring or practice remediation process approved by a licensing authority to address practitioners with an impairment.

(4) "Charter member states" means member states who have enacted legislation to adopt this Compact where such legislation predates the effective date of this Compact as described in section 148E.53.

(5) "Compact" means sections 148E.40 to 148E.55.

(6) "Compact Commission" or "Commission" means the government agency whose membership consists of all States that have enacted this Compact, which is known as the Social Work Licensure Compact Commission, as described in section 148E.49, and which shall operate as an instrumentality of the member states.

(7) "Current significant investigative information" means:

(i) investigative information that a licensing authority, after a preliminary inquiry that includes notification and an opportunity for the regulated social worker to respond, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction as may be defined by the Commission; or

(ii) investigative information that indicates that the regulated social worker represents an immediate threat to public health and safety, as may be defined by the Commission, regardless of whether the regulated social worker has been notified and has had an opportunity to respond.

(8) "Data system" means a repository of information about licensees, including continuing education, examinations, licensure, current significant investigative information, disqualifying events, multistate licenses, and adverse action information or other information as required by the Commission.

(9) "Disqualifying event" means any adverse action or incident which results in an encumbrance that disqualifies or makes the licensee ineligible to obtain, retain, or renew a multistate license.

(10) "Domicile" means the jurisdiction in which the licensee resides and intends to remain indefinitely.

(11) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of social work licensed and regulated by a licensing authority.

(12) "Executive Committee" means a group of delegates elected or appointed to act on behalf of, and within the powers granted to them by, the Compact and Commission.

(13) "Home state" means the member state that is the licensee's primary domicile.

(14) "Impairment" means a condition that may impair a practitioner's ability to engage in full and unrestricted practice as a regulated social worker without some type of intervention and may include alcohol and drug dependence, mental health impairment, and neurological or physical impairments.

(15) "Licensee" means an individual who currently holds a license from a state to practice as a regulated social worker.

(16) "Licensing authority" means the board or agency of a member state, or equivalent, that is responsible for the licensing and regulation of regulated social workers.

(17) "Member state" means a state, commonwealth, district, or territory of the United States of America that has enacted this Compact.

(18) "Multistate authorization to practice" means a legally authorized privilege to practice, which is equivalent to a license, associated with a multistate license permitting the practice of social work in a remote state.

(19) "Multistate license" means a license to practice as a regulated social worker issued by a home state licensing authority that authorizes the regulated social worker to practice in all member states under multistate authorization to practice.

(20) "Qualifying national exam" means a national licensing examination approved by the Commission.

(21) "Regulated social worker" means any clinical, master's, or bachelor's social worker licensed by a member state regardless of the title used by that member state.

(22) "Remote state" means a member state other than the licensee's home state.

(23) "Rule" or "rule of the Commission" means a regulation or regulations duly promulgated by the Commission, as authorized by the Compact, that has the force of law.

(24) "Single state license" means a social work license issued by any state that authorizes practice only within the issuing state and does not include multistate authorization to practice in any member state.

(25) "Social work" or "social work services" means the application of social work theory, knowledge, methods, ethics, and the professional use of self to restore or enhance social, psychosocial, or biopsychosocial functioning of individuals, couples, families, groups, organizations, and communities through the care and services provided by a regulated social worker as set forth in the member state's statutes and regulations in the state where the services are being provided.

(26) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of social work.

(27) "Unencumbered license" means a license that authorizes a regulated social worker to engage in the full and unrestricted practice of social work.

Sec. 3. **[148E.42] STATE PARTICIPATION IN THE COMPACT.**

(a) To be eligible to participate in the compact, a potential member state must currently meet all of the following criteria:

(1) license and regulate the practice of social work at either the clinical, master's, or bachelor's category;

(2) require applicants for licensure to graduate from a program that:

(i) is operated by a college or university recognized by the licensing authority;

(ii) is accredited, or in candidacy by an institution that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation, or its successor; or

(B) the United States Department of Education; and

(iii) corresponds to the licensure sought as outlined in section 148E.43;

(3) require applicants for clinical licensure to complete a period of supervised practice; and

(4) have a mechanism in place for receiving, investigating, and adjudicating complaints about licensees.

(b) To maintain membership in the Compact, a member state shall:

(1) require that applicants for a multistate license pass a qualifying national exam for the corresponding category of multistate license sought as outlined in section 148E.43;

(2) participate fully in the Commission's data system, including using the Commission's unique identifier as defined in rules;

(3) notify the Commission, in compliance with the terms of the Compact and rules, of any adverse action or the availability of current significant investigative information regarding a licensee;

(4) implement procedures for considering the criminal history records of applicants for a multistate license. Such procedures shall include the submission of fingerprints or other

biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(5) comply with the rules of the Commission;

(6) require an applicant to obtain or retain a license in the home state and meet the home state's qualifications for licensure or renewal of licensure, as well as all other applicable home state laws;

(7) authorize a licensee holding a multistate license in any member state to practice in accordance with the terms of the Compact and rules of the Commission; and

(8) designate a delegate to participate in the Commission meetings.

(c) A member state meeting the requirements of paragraphs (a) and (b) shall designate the categories of social work licensure that are eligible for issuance of a multistate license for applicants in such member state. To the extent that any member state does not meet the requirements for participation in the Compact at any particular category of social work licensure, such member state may choose but is not obligated to issue a multistate license to applicants that otherwise meet the requirements of section 148E.43 for issuance of a multistate license in such category or categories of licensure.

(d) The home state may charge a fee for granting the multistate license.

Sec. 4. **[148E.43] SOCIAL WORKER PARTICIPATION IN THE COMPACT.**

(a) To be eligible for a multistate license under the terms and provisions of the Compact, an applicant, regardless of category, must:

(1) hold or be eligible for an active, unencumbered license in the home state;

(2) pay any applicable fees, including any state fee, for the multistate license;

(3) submit, in connection with an application for a multistate license, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(4) notify the home state of any adverse action, encumbrance, or restriction on any professional license taken by any member state or nonmember state within 30 days from the date the action is taken;

(5) meet any continuing competence requirements established by the home state; and

(6) abide by the laws, regulations, and applicable standards in the member state where the client is located at the time care is rendered.

(b) An applicant for a clinical-category multistate license must meet all of the following requirements:

(1) fulfill a competency requirement, which shall be satisfied by either:

(i) passage of a clinical-category qualifying national exam;

(ii) licensure of the applicant in their home state at the clinical category, beginning prior to such time as a qualifying national exam was required by the home state and accompanied by a period of continuous social work licensure thereafter, all of which may be further governed by the rules of the Commission; or

(iii) the substantial equivalency of the foregoing competency requirements which the Commission may determine by rule;

(2) attain at least a master's degree in social work from a program that is:

(i) operated by a college or university recognized by the licensing authority; and

(ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation or its successor; or

(B) the United States Department of Education; and

(3) fulfill a practice requirement, which shall be satisfied by demonstrating completion of:

(i) a period of postgraduate supervised clinical practice equal to a minimum of 3,000 hours;

(ii) a minimum of two years of full-time postgraduate supervised clinical practice; or

(iii) the substantial equivalency of the foregoing practice requirements which the Commission may determine by rule.

(c) An applicant for a master's-category multistate license must meet all of the following requirements:

(1) fulfill a competency requirement, which shall be satisfied by either:

(i) passage of a masters-category qualifying national exam;

(ii) licensure of the applicant in their home state at the master's category, beginning prior to such time as a qualifying national exam was required by the home state at the master's category and accompanied by a continuous period of social work licensure thereafter, all of which may be further governed by the rules of the Commission; or

(iii) the substantial equivalency of the foregoing competency requirements which the Commission may determine by rule; and

(2) attain at least a master's degree in social work from a program that is:

(i) operated by a college or university recognized by the licensing authority; and

(ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation or its successor; or

(B) the United States Department of Education.

(d) An applicant for a bachelor's-category multistate license must meet all of the following requirements:

(1) fulfill a competency requirement, which shall be satisfied by either:

(i) passage of a bachelor's-category qualifying national exam;

(ii) licensure of the applicant in their home state at the bachelor's category, beginning prior to such time as a qualifying national exam was required by the home state and accompanied by a period of continuous social work licensure thereafter, all of which may be further governed by the rules of the Commission; or

(iii) the substantial equivalency of the foregoing competency requirements which the Commission may determine by rule; and

(2) attain at least a bachelor's degree in social work from a program that is:

(i) operated by a college or university recognized by the licensing authority; and

(ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation or its successor; or

(B) the United States Department of Education.

(e) The multistate license for a regulated social worker is subject to the renewal requirements of the home state. The regulated social worker must maintain compliance with the requirements of paragraph (a) to be eligible to renew a multistate license.

(f) The regulated social worker's services in a remote state are subject to that member state's regulatory authority. A remote state may, in accordance with due process and that member state's laws, remove a regulated social worker's multistate authorization to practice in the remote state for a specific period of time, impose fines, and take any other necessary actions to protect the health and safety of its citizens.

(g) If a multistate license is encumbered, the regulated social worker's multistate authorization to practice shall be deactivated in all remote states until the multistate license is no longer encumbered.

(h) If a multistate authorization to practice is encumbered in a remote state, the regulated social worker's multistate authorization to practice may be deactivated in that state until the multistate authorization to practice is no longer encumbered.

Sec. 5. **[148E.44] ISSUANCE OF A MULTISTATE LICENSE.**

(a) Upon receipt of an application for multistate license, the home state licensing authority shall determine the applicant's eligibility for a multistate license in accordance with section 148E.43.

(b) If such applicant is eligible pursuant to section 148E.43, the home state licensing authority shall issue a multistate license that authorizes the applicant or regulated social worker to practice in all member states under a multistate authorization to practice.

(c) Upon issuance of a multistate license, the home state licensing authority shall designate whether the regulated social worker holds a multistate license in the bachelor's, master's, or clinical category of social work.

(d) A multistate license issued by a home state to a resident in that state shall be recognized by all Compact member states as authorizing social work practice under a multistate authorization to practice corresponding to each category of licensure regulated in each member state.

Sec. 6. **[148E.45] AUTHORITY OF INTERSTATE COMPACT COMMISSION AND MEMBER STATE LICENSING AUTHORITIES.**

(a) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to enact and enforce laws,

regulations, or other rules related to the practice of social work in that state, where those laws, regulations, or other rules are not inconsistent with the provisions of this Compact.

(b) Nothing in this Compact shall affect the requirements established by a member state for the issuance of a single state license.

(c) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to take adverse action against a licensee's single state license to practice social work in that state.

(d) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a remote state to take adverse action against a licensee's multistate authorization to practice in that state.

(e) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a licensee's home state to take adverse action against a licensee's multistate license based upon information provided by a remote state.

Sec. 7. **[148E.46] REISSUANCE OF A MULTISTATE LICENSE BY A NEW HOME STATE.**

(a) A licensee can hold a multistate license, issued by their home state, in only one member state at any given time.

(b) If a licensee changes their home state by moving between two member states:

(1) The licensee shall immediately apply for the reissuance of their multistate license in their new home state. The licensee shall pay all applicable fees and notify the prior home state in accordance with the rules of the Commission.

(2) Upon receipt of an application to reissue a multistate license, the new home state shall verify that the multistate license is active, unencumbered, and eligible for reissuance under the terms of the Compact and the rules of the Commission. The multistate license issued by the prior home state will be deactivated and all member states notified in accordance with the applicable rules adopted by the Commission.

(3) Prior to the reissuance of the multistate license, the new home state shall conduct procedures for considering the criminal history records of the licensee. Such procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(4) If required for initial licensure, the new home state may require completion of jurisprudence requirements in the new home state.

(5) Notwithstanding any other provision of this Compact, if a licensee does not meet the requirements set forth in this Compact for the reissuance of a multistate license by the new home state, then the licensee shall be subject to the new home state requirements for the issuance of a single state license in that state.

(c) If a licensee changes their primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, then the licensee shall be subject to the state requirements for the issuance of a single state license in the new home state.

(d) Nothing in this Compact shall interfere with a licensee's ability to hold a single state license in multiple states; however, for the purposes of this Compact, a licensee shall have only one home state, and only one multistate license.

(e) Nothing in this Compact shall interfere with the requirements established by a member state for the issuance of a single state license.

Sec. 8. **[148E.47] MILITARY FAMILIES.**

An active military member or their spouse shall designate a home state where the individual has a multistate license. The individual may retain their home state designation during the period the service member is on active duty.

Sec. 9. **[148E.48] ADVERSE ACTIONS.**

(a) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against a regulated social worker's multistate authorization to practice only within that member state, and issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing authority in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing licensing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located; and

(2) only the home state shall have the power to take adverse action against a regulated social worker's multistate license.

(b) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(c) The home state shall complete any pending investigations of a regulated social worker who changes their home state during the course of the investigations. The home state shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the data system. The administrator of the data system shall promptly notify the new home state of any adverse actions.

(d) A member state, if otherwise permitted by state law, may recover from the affected regulated social worker the costs of investigations and dispositions of cases resulting from any adverse action taken against that regulated social worker.

(e) A member state may take adverse action based on the factual findings of another member state, provided that the member state follows its own procedures for taking the adverse action.

(f) Joint investigations:

(1) In addition to the authority granted to a member state by its respective social work practice act or other applicable state law, any member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

(g) If adverse action is taken by the home state against the multistate license of a regulated social worker, the regulated social worker's multistate authorization to practice in all other member states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders that impose adverse action against the license of a regulated social worker shall include a statement that the regulated social worker's multistate authorization to practice is deactivated in all member states until all conditions of the decision, order, or agreement are satisfied.

(h) If a member state takes adverse action, it shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state and all other member states of any adverse actions by remote states.

(i) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

(j) Nothing in this Compact shall authorize a member state to demand the issuance of subpoenas for attendance and testimony of witnesses or the production of evidence from another member state for lawful actions within that member state.

(k) Nothing in this Compact shall authorize a member state to impose discipline against a regulated social worker who holds a multistate authorization to practice for lawful actions within another member state.

Sec. 10. **[148E.49] ESTABLISHMENT OF SOCIAL WORK LICENSURE COMPACT COMMISSION.**

(a) The Compact member states hereby create and establish a joint government agency whose membership consists of all member states that have enacted the compact known as the Social Work Licensure Compact Commission. The Commission is an instrumentality of the Compact states acting jointly and not an instrumentality of any one state. The Commission shall come into existence on or after the effective date of the Compact as set forth in section 148E.53.

(b) Membership, voting, and meetings:

(1) Each member state shall have and be limited to one delegate selected by that member state's state licensing authority.

(2) The delegate shall be either:

(i) a current member of the state licensing authority at the time of appointment, who is a regulated social worker or public member of the state licensing authority; or

(ii) an administrator of the state licensing authority or their designee.

(3) The Commission shall by rule or bylaw establish a term of office for delegates and may by rule or bylaw establish term limits.

(4) The Commission may recommend removal or suspension of any delegate from office.

(5) A member state's state licensing authority shall fill any vacancy of its delegate occurring on the Commission within 60 days of the vacancy.

(6) Each delegate shall be entitled to one vote on all matters before the Commission requiring a vote by Commission delegates.

(7) A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates to meet by telecommunication, video conference, or other means of communication.

(8) The Commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws. The Commission may meet by telecommunication, video conference, or other similar electronic means.

(c) The Commission shall have the following powers:

(1) establish the fiscal year of the Commission;

(2) establish code of conduct and conflict of interest policies;

(3) establish and amend rules and bylaws;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take such actions as are consistent with the provisions of this Compact, the Commission's rules, and the bylaws;

(6) initiate and conclude legal proceedings or actions in the name of the Commission, provided that the standing of any state licensing board to sue or be sued under applicable law shall not be affected;

(7) maintain and certify records and information provided to a member state as the authenticated business records of the Commission, and designate an agent to do so on the Commission's behalf;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(10) conduct an annual financial review;

(11) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the Compact, and establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(12) assess and collect fees;

(13) accept any and all appropriate gifts, donations, grants of money, other sources of revenue, equipment, supplies, materials, and services, and receive, utilize, and dispose of

the same, provided that at all times the Commission shall avoid any appearance of impropriety or conflict of interest;

(14) lease, purchase, retain, own, hold, improve, or use any property real, personal, or mixed, or any undivided interest therein;

(15) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(16) establish a budget and make expenditures;

(17) borrow money;

(18) appoint committees, including standing committees, composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this Compact and the bylaws;

(19) provide and receive information from, and cooperate with, law enforcement agencies;

(20) establish and elect an Executive Committee, including a chair and a vice chair;

(21) determine whether a state's adopted language is materially different from the model compact language such that the state would not qualify for participation in the Compact; and

(22) perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact.

(d) The Executive Committee:

(1) The Executive Committee shall have the power to act on behalf of the Commission according to the terms of this Compact. The powers, duties, and responsibilities of the Executive Committee shall include:

(i) oversee the day-to-day activities of the administration of the Compact, including enforcement and compliance with the provisions of the Compact, its rules and bylaws, and other such duties as deemed necessary;

(ii) recommend to the Commission changes to the rules or bylaws, changes to this Compact legislation, fees charged to Compact member states, fees charged to licensees, and other fees;

(iii) ensure Compact administration services are appropriately provided, including by contract;

(iv) prepare and recommend the budget;

(v) maintain financial records on behalf of the Commission;

(vi) monitor Compact compliance of member states and provide compliance reports to the Commission;

(vii) establish additional committees as necessary;

(viii) exercise the powers and duties of the Commission during the interim between Commission meetings, except for adopting or amending rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the Commission by rule or bylaw; and

(ix) other duties as provided in the rules or bylaws of the Commission.

(2) The Executive Committee shall be composed of up to 11 members:

(i) the chair and vice chair of the Commission shall be voting members of the Executive Committee;

(ii) the Commission shall elect five voting members from the current membership of the Commission;

(iii) up to four ex-officio, nonvoting members from four recognized national social work organizations; and

(iv) the ex-officio members will be selected by their respective organizations.

(3) The Commission may remove any member of the Executive Committee as provided in the Commission's bylaws.

(4) The Executive Committee shall meet at least annually.

(i) Executive Committee meetings shall be open to the public, except that the Executive Committee may meet in a closed, nonpublic meeting as provided in paragraph (f), clause (2).

(ii) The Executive Committee shall give seven days' notice of its meetings posted on its website and as determined to provide notice to persons with an interest in the business of the Commission.

(iii) The Executive Committee may hold a special meeting in accordance with paragraph (f), clause (1), item (ii).

(e) The Commission shall adopt and provide to the member states an annual report.

(f) Meetings of the Commission:

(1) All meetings shall be open to the public, except that the Commission may meet in a closed, nonpublic meeting as provided in paragraph (f), clause (2).

(i) Public notice for all meetings of the full Commission of meetings shall be given in the same manner as required under the rulemaking provisions in section 148E.51, except that the Commission may hold a special meeting as provided in paragraph (f), clause (1), item (ii).

(ii) The Commission may hold a special meeting when it must meet to conduct emergency business by giving 48 hours' notice to all commissioners on the Commission's website and other means as provided in the Commission's rules. The Commission's legal counsel shall certify that the Commission's need to meet qualifies as an emergency.

(2) The Commission or the Executive Committee or other committees of the Commission may convene in a closed, nonpublic meeting for the Commission or Executive Committee or other committees of the Commission to receive legal advice or to discuss:

(i) noncompliance of a member state with its obligations under the Compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees;

(iii) current or threatened discipline of a licensee by the Commission or by a member state's licensing authority;

(iv) current, threatened, or reasonably anticipated litigation;

(v) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(vi) accusing any person of a crime or formally censuring any person;

(vii) trade secrets or commercial or financial information that is privileged or confidential;

(viii) information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(ix) investigative records compiled for law enforcement purposes;

(x) information related to any investigative reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the Compact;

(xi) matters specifically exempted from disclosure by federal or member state law; or

(xii) other matters as promulgated by the Commission by rule.

(3) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that the meeting will be closed and reference each relevant exempting provision, and such reference shall be recorded in the minutes.

(4) The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the Commission or order of a court of competent jurisdiction.

(g) Financing of the Commission:

(1) The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The Commission may accept any and all appropriate revenue sources as provided in paragraph (c), clause (13).

(3) The Commission may levy on and collect an annual assessment from each member state and impose fees on licensees of member states to whom it grants a multistate license to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount for member states shall be allocated based upon a formula that the Commission shall promulgate by rule.

(4) The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the member states, except by and with the authority of the member state.

(5) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the financial review and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the Commission.

(h) Qualified immunity, defense, and indemnification:

(1) The members, officers, executive director, employees, and representatives of the Commission shall be immune from suit and liability, both personally and in their official

capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the Commission shall not in any way compromise or limit the immunity granted hereunder.

(2) The Commission shall defend any member, officer, executive director, employee, and representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or as determined by the Commission that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense, and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The Commission shall indemnify and hold harmless any member, officer, executive director, employee, and representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(4) Nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

(5) Nothing in this Compact shall be interpreted to waive or otherwise abrogate a member state's state action immunity or state action affirmative defense with respect to antitrust claims under the Sherman Act, Clayton Act, or any other state or federal antitrust or anticompetitive law or regulation.

(6) Nothing in this Compact shall be construed to be a waiver of sovereign immunity by the member states or by the Commission.

(i) Notwithstanding paragraph (h), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(j) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

Sec. 11. **[148E.50] DATA SYSTEM.**

(a) The Commission shall provide for the development, maintenance, operation, and utilization of a coordinated data system.

(b) The Commission shall assign each applicant for a multistate license a unique identifier, as determined by the rules of the Commission.

(c) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this Compact is applicable as required by the rules of the Commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license and information related thereto;

(4) nonconfidential information related to alternative program participation, the beginning and ending dates of such participation, and other information related to such participation not made confidential under member state law;

(5) any denial of application for licensure, and the reason for such denial;

(6) the presence of current significant investigative information; and

(7) other information that may facilitate the administration of this Compact or the protection of the public, as determined by the rules of the Commission.

(d) The records and information provided to a member state pursuant to this Compact or through the data system, when certified by the Commission or an agent thereof, shall constitute the authenticated business records of the Commission, and shall be entitled to

any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a member state.

(e) Current significant investigative information pertaining to a licensee in any member state will only be available to other member states.

(f) It is the responsibility of the member states to report any adverse action against a licensee and to monitor the database to determine whether adverse action has been taken against a licensee. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(g) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(h) Any information submitted to the data system that is subsequently expunged pursuant to federal law or the laws of the member state contributing the information shall be removed from the data system.

Sec. 12. **[148E.51] RULEMAKING.**

(a) The Commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer the purposes and provisions of the Compact. A rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the Commission exercised its rulemaking authority in a manner that is beyond the scope and purposes of the Compact, or the powers granted hereunder, or based upon another applicable standard of review.

(b) The rules of the Commission shall have the force of law in each member state, provided however that where the rules of the Commission conflict with the laws of the member state that establish the member state's laws, regulations, and applicable standards that govern the practice of social work as held by a court of competent jurisdiction, the rules of the Commission shall be ineffective in that state to the extent of the conflict.

(c) The Commission shall exercise its rulemaking powers pursuant to the criteria set forth in this section and the rules adopted thereunder. Rules shall become binding on the day following adoption or the date specified in the rule or amendment, whichever is later.

(d) If a majority of the legislatures of the member states rejects a rule or portion of a rule, by enactment of a statute or resolution in the same manner used to adopt the Compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(e) Rules shall be adopted at a regular or special meeting of the Commission.

(f) Prior to adoption of a proposed rule, the commission shall hold a public hearing and allow persons to provide oral and written comments, data, facts, opinions, and arguments.

(g) Prior to adoption of a proposed rule by the Commission, and at least 30 days in advance of the meeting at which the Commission will hold a public hearing on the proposed rule, the Commission shall provide a notice of proposed rulemaking:

(1) on the website of the Commission or other publicly accessible platform;

(2) to persons who have requested notice of the Commission's notices of proposed rulemaking; and

(3) in such other way as the Commission may by rule specify.

(h) The notice of proposed rulemaking shall include:

(1) the time, date, and location of the public hearing at which the Commission will hear public comments on the proposed rule and, if different, the time, date, and location of the meeting where the Commission will consider and vote on the proposed rule;

(2) if the hearing is held via telecommunication, video conference, or other electronic means, the Commission shall include the mechanism for access to the hearing in the notice of proposed rulemaking;

(3) the text of the proposed rule and the reason therefor;

(4) a request for comments on the proposed rule from any interested person; and

(5) the manner in which interested persons may submit written comments.

(i) All hearings will be recorded. A copy of the recording and all written comments and documents received by the Commission in response to the proposed rule shall be available to the public.

(j) Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

(k) The Commission shall, by majority vote of all members, take final action on the proposed rule based on the rulemaking record and the full text of the rule.

(l) The Commission may adopt changes to the proposed rule, provided the changes do not enlarge the original purpose of the proposed rule.

(2) The Commission shall provide an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters.

(3) The Commission shall determine a reasonable effective date for the rule. Except for an emergency as provided in paragraph (l), the effective date of the rule shall be no sooner than 30 days after issuing the notice that it adopted or amended the rule.

(l) Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule with 48 hours' notice, with opportunity to comment, provided that the usual rulemaking procedures provided in the Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of Commission or member state funds;

(3) meet a deadline for the promulgation of a rule that is established by federal law or rule; or

(4) protect public health and safety.

(m) The Commission or an authorized committee of the Commission may direct revisions to a previously adopted rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the Commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

(n) No member state's rulemaking requirements shall apply under this compact.

Sec. 13. **[148E.52] OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT.**

(a) Oversight:

(1) The executive and judicial branches of state government in each member state shall enforce this Compact and take all actions necessary and appropriate to implement the Compact.

(2) Except as otherwise provided in this Compact, venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter.

(3) The Commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the Compact and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the Commission service of process shall render a judgment or order void as to the Commission, this Compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) If the Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall provide written notice to the defaulting state. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the Commission may take, and shall offer training and specific technical assistance regarding the default.

(2) The Commission shall provide a copy of the notice of default to the other member states.

(c) If a state in default fails to cure the default, the defaulting state may be terminated from the Compact upon an affirmative vote of a majority of the delegates of the member states, and all rights, privileges, and benefits conferred on that state by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(d) Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor, the majority and minority leaders of the defaulting state's legislature, the defaulting state's state licensing authority, and each of the member states' state licensing authority.

(e) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(f) Upon the termination of a state's membership from this Compact, that state shall immediately provide notice to all licensees within that state of such termination. The terminated state shall continue to recognize all licenses granted pursuant to this Compact for a minimum of six months after the date of said notice of termination.

(g) The Commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the Compact, unless agreed upon in writing between the Commission and the defaulting state.

(h) The defaulting state may appeal the action of the Commission by petitioning the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(i) Dispute resolution:

(1) Upon request by a member state, the Commission shall attempt to resolve disputes related to the Compact that arise among member states and between member and nonmember states.

(2) The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(j) Enforcement:

(1) By majority vote as provided by rule, the Commission may initiate legal action against a member state in default in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices to enforce compliance with the provisions of the Compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees. The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or the defaulting member state's law.

(2) A member state may initiate legal action against the Commission in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices to enforce compliance with the provisions of the Compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(3) No person other than a member state shall enforce this compact against the Commission.

Sec. 14. **[148E.53] EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT.**

(a) The Compact shall come into effect on the date on which the Compact statute is enacted into law in the seventh member state.

(1) On or after the effective date of the Compact, the Commission shall convene and review the enactment of each of the first seven member states ("charter member states") to determine if the statute enacted by each such charter member state is materially different than the model Compact statute.

(i) A charter member state whose enactment is found to be materially different from the model Compact statute shall be entitled to the default process set forth in section 148E.52.

(ii) If any member state is later found to be in default, or is terminated or withdraws from the Compact, the Commission shall remain in existence and the Compact shall remain in effect even if the number of member states should be less than seven.

(2) Member states enacting the compact subsequent to the seven initial charter member states shall be subject to the process set forth in section 148E.49, paragraph (c), clause (21), to determine if their enactments are materially different from the model Compact statute and whether they qualify for participation in the Compact.

(3) All actions taken for the benefit of the Commission or in furtherance of the purposes of the administration of the Compact prior to the effective date of the Compact or the Commission coming into existence shall be considered to be actions of the Commission unless specifically repudiated by the Commission.

(4) Any state that joins the Compact subsequent to the Commission's initial adoption of the rules and bylaws shall be subject to the rules and bylaws as they exist on the date on which the Compact becomes law in that state. Any rule that has been previously adopted by the Commission shall have the full force and effect of law on the day the Compact becomes law in that state.

(b) Any member state may withdraw from this Compact by enacting a statute repealing the same.

(1) A member state's withdrawal shall not take effect until 180 days after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's licensing authority to comply with the investigative and adverse action reporting requirements of this Compact prior to the effective date of withdrawal.

(3) Upon the enactment of a statute withdrawing from this Compact, a state shall immediately provide notice of such withdrawal to all licensees within that state. Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing state shall continue to recognize all licenses granted pursuant to this Compact for a minimum of 180 days after the date of such notice of withdrawal.

(c) Nothing contained in this Compact shall be construed to invalidate or prevent any licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this Compact.

(d) This Compact may be amended by the member states. No amendment to this Compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

Sec. 15. **[148E.54] CONSTRUCTION AND SEVERABILITY.**

(a) This Compact and the Commission's rulemaking authority shall be liberally construed so as to effectuate the purposes, and the implementation and administration of the Compact. Provisions of the Compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the Commission's rulemaking authority solely for those purposes.

(b) The provisions of this Compact shall be severable and if any phrase, clause, sentence, or provision of this Compact is held by a court of competent jurisdiction to be contrary to the constitution of any member state, a state seeking participation in the Compact, or of the United States, or the applicability thereof to any government, agency, person or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this Compact and the applicability thereof to any other government, agency, person or circumstance shall not be affected thereby.

(c) Notwithstanding paragraph (b), the Commission may deny a state's participation in the Compact or, in accordance with the requirements of section 148E.52, paragraph (b), terminate a member state's participation in the Compact, if it determines that a constitutional requirement of a member state is a material departure from the Compact. Otherwise, if this Compact shall be held to be contrary to the constitution of any member state, the Compact

shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

Sec. 16. **[148E.55] CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS.**

(a) A licensee providing services in a remote state under a multistate authorization to practice shall adhere to the laws and regulations, including laws, regulations, and applicable standards, of the remote state where the client is located at the time care is rendered.

(b) Nothing herein shall prevent or inhibit the enforcement of any other law of a member state that is not inconsistent with the Compact.

(c) Any laws, statutes, regulations, or other legal requirements in a member state in conflict with the Compact are superseded to the extent of the conflict.

(d) All permissible agreements between the Commission and the member states are binding in accordance with their terms.

**147A.09 SCOPE OF PRACTICE.**

Subd. 5. **Scope of practice limitations; psychiatric care for children with emotional disturbance or adults with serious mental illness.** Notwithstanding subdivision 1, a physician assistant may only provide ongoing psychiatric treatment for children with emotional disturbance, as defined in section 245.4871, subdivision 15, or adults with serious mental illness in collaboration with a physician licensed under chapter 147. For purposes of providing ongoing psychiatric treatment for children with emotional disturbance or adults with serious mental illness, the practice agreement between the physician assistant and one or more physicians licensed under chapter 147 must define the collaboration between the physician assistant and the collaborating physician, including appropriate consultation or referral to psychiatry.

**147B.01 DEFINITIONS.**

Subd. 18. **Oriental medicine.** "Oriental medicine" means a system of healing arts that perceives the circulation and balance of energy in the body as being fundamental to the well-being of the individual. It implements the theory through specialized methods of analyzing the energy status of the body and treating the body with acupuncture and other related modalities for the purpose of strengthening the body, improving energy balance, maintaining or restoring health, improving physiological function, and reducing pain.

**148D.061 PROVISIONAL LICENSES.**

Subd. 9. **Revocation of provisional license.** The board may immediately revoke the provisional license of a licensee who violates any requirements of this section. The revocation must be made for cause. A licensee whose provisional license is revoked must immediately return the provisional license to the board.

**156.12 PRACTICE OF VETERINARY MEDICINE.**

Subd. 6. **Faculty licensure.** (a) Veterinary Medical Center clinicians at the College of Veterinary Medicine, University of Minnesota, who are engaged in the practice of veterinary medicine as defined in subdivision 1 and who treat animals owned by clients of the Veterinary Medical Center must possess the same license required by other veterinary practitioners in the state of Minnesota except for persons covered by paragraphs (b) and (c).

(b) A specialty practitioner in a hard-to-fill faculty position who has been employed at the College of Veterinary Medicine, University of Minnesota, for five years or more prior to 2003 or is specialty board certified by the American Veterinary Medical Association or the European Board of Veterinary Specialization may be granted a specialty faculty Veterinary Medical Center clinician license which will allow the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center.

(c) A specialty practitioner in a hard-to-fill faculty position at the College of Veterinary Medicine, University of Minnesota, who has graduated from a board-approved foreign veterinary school may be granted a temporary faculty Veterinary Medical Center clinician license. The temporary faculty Veterinary Medical Center clinician license expires in two years and allows the licensee to practice veterinary medicine as defined in subdivision 1 and treat animals owned by clients of the Veterinary Medical Center. The temporary faculty Veterinary Medical Center clinician license allows the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center while under the direct supervision of a veterinarian currently licensed and actively practicing veterinary medicine in Minnesota, as defined in section 156.04. The direct supervising veterinarian must not have any current or past conditions, restrictions, or probationary status imposed on the veterinarian's license by the board within the past five years. The holder of a temporary faculty Veterinary Medical Center clinician license who is enrolled in a PhD program may apply for up to two additional consecutive two-year extensions of an expiring temporary faculty Veterinary Medical Center clinician license. Any other holder of a temporary faculty Veterinary Medical Center clinician license may apply for one two-year extension of the expiring temporary faculty Veterinary Medical Center clinician license. Temporary faculty Veterinary Medical Center clinician licenses that are allowed to expire may not be renewed. The board shall grant an extension to a licensee who demonstrates suitable progress toward completing the requirements of their academic program, specialty board certification, or full licensure in Minnesota by a graduate of a foreign veterinary college.

(d) Temporary and specialty faculty Veterinary Medical Center clinician licensees must abide by all the laws governing the practice of veterinary medicine in the state of Minnesota and are subject to the same disciplinary action as any other veterinarian licensed in the state of Minnesota.

(e) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in Minnesota. License payment deadlines, late payment fees, and other license requirements are also the same as for regular licenses.

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|---|---|---|---|---|
| Gustafson | Kreun | Mathews | Pappas | Weber |
| Hauschild | Kunesh | Maye Quade | Pha | Wesenberg |
| Hawj | Kupec | McEwen | Port | Westlin |
| Hoffman | Lang | Miller | Pratt | Westrom |
| Housley | Latz | Mitchell | Putnam | Wiklund |
| Howe | Lieske | Mohamed | Rarick | Xiong |
| Jasinski | Limmer | Morrison | Rasmusson | |
| Johnson | Lucero | Murphy | Rest | |
| Klein | Mann | Nelson | Seeberger | |
| Koran | Marty | Oumou Verbeten | Utke | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Abeler and Anderson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4247:** A bill for an act relating to health; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; appropriating money; amending Minnesota Statutes 2022, sections 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 149A; 156; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 148D.061, subdivision 9; 156.12, subdivision 6.

Senator Nelson moved to amend H.F. No. 4247, the first unofficial engrossment, as follows:

Page 94, after line 6, insert:

"Sec. 11. **BOARD OF NURSING; NURSING LICENSURE COMPACT.**

$157,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Nursing for the purposes of implementing Minnesota Statutes, section 148.2855. The base for this appropriation is $6,000 in fiscal year 2026 and $6,000 in fiscal year 2027."

Page 250, after line 13, insert:

**"ARTICLE 21**

**NURSES**

Section 1. **[148.2855] NURSE LICENSURE COMPACT.**

The Nurse Licensure Compact is enacted into law and entered into with all other jurisdictions legally joining in it, in the form substantially as follows:

ARTICLE 1

DEFINITIONS

As used in this compact:

(a) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's law that is imposed by a licensing board or other authority against a nurse, including actions against an individual's license or multistate licensure privilege such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a nurse's authorization to practice, including issuance of a cease and desist action.

(b) "Alternative program" means a nondisciplinary monitoring program approved by a licensing board.

(c) "Coordinated licensure information system" means an integrated process for collecting, storing, and sharing information on nurse licensure and enforcement activities related to nurse licensure laws that is administered by a nonprofit organization composed of and controlled by licensing boards.

(d) "Current significant investigative information" means:

(1) investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or

(2) investigative information that indicates that the nurse represents an immediate threat to public health and safety, regardless of whether the nurse has been notified and had an opportunity to respond.

(e) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of nursing imposed by a licensing board.

(f) "Home state" means the party state that is the nurse's primary state of residence.

(g) "Licensing board" means a party state's regulatory body responsible for issuing nurse licenses.

(h) "Multistate license" means a license to practice as a registered or a licensed practical/vocational nurse (LPN/VN) issued by a home state licensing board that authorizes the licensed nurse to practice in all party states under a multistate licensure privilege.

(i) "Multistate licensure privilege" means a legal authorization associated with a multistate license permitting the practice of nursing as either a registered nurse (RN) or LPN/VN in a remote state.

(j) "Nurse" means an RN or LPN/VN, as those terms are defined by each party state's practice laws.

(k) "Party state" means any state that has adopted this compact.

(l) "Remote state" means a party state other than the home state.

(m) "Single-state license" means a nurse license issued by a party state that authorizes practice only within the issuing state and does not include a multistate licensure privilege to practice in any other party state.

(n) "State" means a state, territory, or possession of the United States and the District of Columbia.

(o) "State practice laws" means a party state's laws, rules, and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. State practice laws do not include requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.

ARTICLE 2

GENERAL PROVISIONS AND JURISDICTION

(a) A multistate license to practice registered or licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as an RN or LPN/VN under a multistate licensure privilege in each party state.

(b) A state must implement procedures for considering the criminal history records of applicants for initial multistate license or licensure by endorsement. The procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(c) Each party state shall require the following for an applicant to obtain or retain a multistate license in the home state:

(1) meets the home state's qualifications for licensure or renewal of licensure, as well as all other applicable state laws;

(2)(i) has graduated or is eligible to graduate from a licensing board-approved RN or LPN/VN prelicensure education program; or

(ii) has graduated from a foreign RN or LPN/VN prelicensure education program that:

(A) has been approved by the authorized accrediting body in the applicable country; and

(B) has been verified by an independent credentials review agency to be comparable to a licensing board-approved prelicensure education program;

(3) has, if a graduate of a foreign prelicensure education program not taught in English or if English is not the individual's native language, successfully passed an English proficiency examination that includes the components of reading, speaking, writing, and listening;

(4) has successfully passed an NCLEX-RN or NCLEX-PN Examination or recognized predecessor, as applicable;

(5) is eligible for or holds an active, unencumbered license;

(6) has submitted, in connection with an application for initial licensure or licensure by endorsement, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(7) has not been convicted or found guilty, or has entered into an agreed disposition, of a felony offense under applicable state or federal criminal law;

(8) has not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case-by-case basis;

(9) is not currently enrolled in an alternative program;

(10) is subject to self-disclosure requirements regarding current participation in an alternative program; and

(11) has a valid United States Social Security number.

(d) All party states shall be authorized, in accordance with existing state due process law, to take adverse action against a nurse's multistate licensure privilege such as revocation, suspension, probation, or any other action that affects a nurse's authorization to practice under a multistate licensure privilege, including cease and desist actions. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

(e) A nurse practicing in a party state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of nursing is not limited to patient care, but shall include all nursing practice as defined by the state practice laws of the party state in which the client is located. The practice of nursing in a party state under a multistate licensure privilege shall subject a nurse to the jurisdiction of the licensing board, the courts, and the laws of the party state in which the client is located at the time service is provided.

(f) Individuals not residing in a party state shall continue to be able to apply for a party state's single-state license as provided under the laws of each party state. However, the single-state license granted to these individuals will not be recognized as granting the privilege to practice nursing in

any other party state. Nothing in this compact shall affect the requirements established by a party state for the issuance of a single-state license.

(g) Any nurse holding a home state multistate license, on the effective date of this compact, may retain and renew the multistate license issued by the nurse's then-current home state, provided that:

(1) a nurse, who changes primary state of residence after this compact's effective date, must meet all applicable paragraph (c) requirements to obtain a multistate license from a new home state; or

(2) a nurse who fails to satisfy the multistate licensure requirements in paragraph (c) due to a disqualifying event occurring after this compact's effective date shall be ineligible to retain or renew a multistate license, and the nurse's multistate license shall be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators ("Commission").

ARTICLE 3

APPLICATIONS FOR LICENSURE IN A PARTY STATE

(a) Upon application for a multistate license, the licensing board in the issuing party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held or is the holder of a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege held by the applicant, and whether the applicant is currently participating in an alternative program.

(b) A nurse may hold a multistate license issued by the home state in only one party state at a time.

(c) If a nurse changes primary state of residence by moving between two party states, the nurse must apply for licensure in the new home state, and the multistate license issued by the prior home state will be deactivated in accordance with applicable rules adopted by the commission:

(1) the nurse may apply for licensure in advance of a change in primary state of residence; and

(2) a multistate license shall not be issued by the new home state until the nurse provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a multistate license from the new home state.

(d) If a nurse changes primary state of residence by moving from a party state to a nonparty state, the multistate license issued by the prior home state will convert to a single-state license, valid only in the former home state.

ARTICLE 4

ADDITIONAL AUTHORITIES INVESTED IN PARTY STATE LICENSING BOARDS

(a) In addition to the other powers conferred by state law, a licensing board shall have the authority to:

(1) take adverse action against a nurse's multistate licensure privilege to practice within that party state:

(i) only the home state shall have the power to take adverse action against a nurse's license issued by the home state; and

(ii) for purposes of taking adverse action, the home state licensing board shall give the same priority and effect to reported conduct received from a remote state as it would if the conduct occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action;

(2) issue cease and desist orders or impose an encumbrance on a nurse's authority to practice within that party state;

(3) complete any pending investigations of a nurse who changes primary state of residence during the course of the investigations. The licensing board shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions;

(4) issue subpoenas for hearings and investigations that require the attendance and testimony of witnesses, as well as the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state shall be enforced in the latter state by any court of competent jurisdiction according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located;

(5) obtain and submit, for each nurse licensure applicant, fingerprint or other biometric-based information to the Federal Bureau of Investigation for criminal background checks, receive the results of the Federal Bureau of Investigation record search on criminal background checks, and use the results in making licensure decisions;

(6) if otherwise permitted by state law, recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse; and

(7) take adverse action based on the factual findings of the remote state, provided that the licensing board follows its own procedures for taking such adverse action.

(b) If adverse action is taken by the home state against a nurse's multistate license, the nurse's multistate licensure privilege to practice in all other party states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders

that impose adverse action against a nurse's multistate license shall include a statement that the nurse's multistate licensure privilege is deactivated in all party states during the pendency of the order.

(c) Nothing in this compact shall override a party state's decision that participation in an alternative program may be used in lieu of adverse action. The home state licensing board shall deactivate the multistate licensure privilege under the multistate license of any nurse for the duration of the nurse's participation in an alternative program.

ARTICLE 5

COORDINATED LICENSURE INFORMATION SYSTEM AND EXCHANGE OF INFORMATION

(a) All party states shall participate in a coordinated licensure information system of RNs and LPNs. The system will include information on the licensure and disciplinary history of each nurse, as submitted by party states, to assist in the coordination of nurse licensure and enforcement efforts.

(b) The commission, in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection, and exchange of information under this compact.

(c) All licensing boards shall promptly report to the coordinated licensure information system any adverse action; any current significant investigative information; denials of applications, including the reasons for the denials; and nurse participation in alternative programs known to the licensing board, regardless of whether the participation is deemed nonpublic or confidential under state law.

(d) Current significant investigative information and participation in nonpublic or confidential alternative programs shall be transmitted through the coordinated licensure information system only to party state licensing boards.

(e) Notwithstanding any other provision of law, all party state licensing boards contributing information to the coordinated licensure information system may designate information that shall not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.

(f) Any personally identifiable information obtained from the coordinated licensure information system by a party state licensing board shall not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

(g) Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

(h) The compact administrator of each party state shall furnish a uniform data set to the compact administrator of each other party state, which shall include, at a minimum:

(1) identifying information;

(2) licensure data;

(3) information related to alternative program participation; and

(4) other information that may facilitate the administration of this compact, as determined by commission rules.

(i) The compact administrator of a party state shall provide all investigative documents and information requested by another party state.

ARTICLE 6

ESTABLISHMENT OF THE INTERSTATE COMMISSION OF NURSE LICENSURE COMPACT ADMINISTRATORS

(a) The party states hereby create and establish a joint public entity known as the Interstate Commission of Nurse Licensure Compact Administrators:

(1) the commission is an instrumentality of the party states;

(2) except as provided under paragraph (k), venue is proper, and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings; and

(3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings:

(1) each party state shall have and be limited to one administrator. The head of the state licensing board or designee shall be the administrator of this compact for each party state. Any administrator may be removed or suspended from office as provided by the laws of the state from which the administrator is appointed. Any vacancy occurring in the commission shall be filled in accordance with the laws of the party state in which the vacancy exists;

(2) each administrator shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission. An administrator shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for an administrator's participation in meetings by telephone or other means of communication;

(3) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws or rules of the commission;

(4) all meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in article 7;

(5) the commission may convene in a closed, nonpublic meeting if the commission must discuss:

(i) noncompliance of a party state with its obligations under this compact;

(ii) the employment, compensation, discipline, or other personnel matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigatory records compiled for law enforcement purposes;

(ix) disclosure of information related to any reports prepared by or on behalf of the commission for the purpose of investigation of compliance with this compact; or

(x) matters specifically exempted from disclosure by federal or state statute; and

(6) if a meeting or portion of a meeting is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision. The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in the minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(c) The commission shall, by a majority vote of the administrators, prescribe bylaws or rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of this compact, including but not limited to:

(1) establishing the fiscal year of the commission;

(2) providing reasonable standards and procedures:

(i) for the establishment and meetings of other committees; and

(ii) governing any general or specific delegation of any authority or function of the commission;

(3) providing reasonable procedures for calling and conducting meetings of the commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of the meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals, and proprietary information, including trade secrets. The

commission may meet in closed session only after a majority of the administrators vote to close a meeting in whole or in part. As soon as practicable, the commission must make public a copy of the vote to close the meeting revealing the vote of each administrator, with no proxy votes allowed;

(4) establishing the titles, duties, and authority and reasonable procedures for the election of the officers of the commission;

(5) providing reasonable standards and procedures for the establishment of the personnel policies and programs of the commission. Notwithstanding any civil service or other similar laws of any party state, the bylaws shall exclusively govern the personnel policies and programs of the commission; and

(6) providing a mechanism for winding up the operations of the commission and the equitable disposition of any surplus funds that may exist after the termination of this compact after the payment or reserving of all of its debts and obligations.

(d) The commission shall publish its bylaws, rules, and any amendments in a convenient form on the website of the commission.

(e) The commission shall maintain its financial records in accordance with the bylaws.

(f) The commission shall meet and take actions consistent with the provisions of this compact and the bylaws.

(g) The commission shall have the following powers:

(1) to promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all party states;

(2) to bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any licensing board to sue or be sued under applicable law shall not be affected;

(3) to purchase and maintain insurance and bonds;

(4) to borrow, accept, or contract for services of personnel, including but not limited to employees of a party state or nonprofit organizations;

(5) to cooperate with other organizations that administer state compacts related to the regulation of nursing, including but not limited to sharing administrative or staff expenses, office space, or other resources;

(6) to hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(7) to accept any and all appropriate donations, grants, and gifts of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(8) to lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property, whether real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(9) to sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, whether real, personal, or mixed;

(10) to establish a budget and make expenditures;

(11) to borrow money;

(12) to appoint committees, including advisory committees comprised of administrators, state nursing regulators, state legislators or their representatives, and consumer representatives, and other such interested persons;

(13) to provide and receive information from, and to cooperate with, law enforcement agencies;

(14) to adopt and use an official seal; and

(15) to perform other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of nurse licensure and practice.

(h) Financing of the commission:

(1) the commission shall pay or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities;

(2) the commission may also levy on and collect an annual assessment from each party state to cover the cost of its operations, activities, and staff in its annual budget as approved each year. The aggregate annual assessment amount, if any, shall be allocated based on a formula to be determined by the commission, which shall promulgate a rule that is binding upon all party states;

(3) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the party states, except by and with the authority of the party state; and

(4) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(i) Qualified immunity, defense, and indemnification:

(1) the administrators, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall

be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional, willful, or wanton misconduct of that person;

(2) the commission shall defend any administrator, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining the person's counsel; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional, willful, or wanton misconduct; and

(3) the commission shall indemnify and hold harmless any administrator, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional, willful, or wanton misconduct of that person.

(j) Notwithstanding paragraph (h), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates Minnesota Statutes, section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(k) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(l) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE 7

RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment and shall have the same force and effect as provisions of this compact.

(b) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(c) Prior to promulgation and adoption of a final rule or rules by the commission, and at least 60 days in advance of the meeting at which the rule will be considered and voted on, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission; and

(2) on the website of each licensing board or the publication in which the state would otherwise publish proposed rules.

(d) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted on;

(2) the text of the proposed rule or amendment, and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(e) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments that shall be made available to the public.

(f) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment.

(g) The commission shall publish the place, time, and date of the scheduled public hearing:

(1) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings will be recorded and a copy will be made available upon request; and

(2) nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this section.

(h) If no person appears at the public hearing, the commission may proceed with promulgation of the proposed rule.

(i) Following the scheduled hearing date or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(j) The commission shall, by majority vote of all administrators, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(k) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice or opportunity for comment or hearing, provided that the usual rulemaking procedures provided in this compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or party state funds; or

(3) meet a deadline for the promulgation of an administrative rule that is required by federal law or rule.

(l) The commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the commission before the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision shall not take effect without the approval of the commission.

ARTICLE 8

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) each party state shall enforce this compact and take all actions necessary and appropriate to effectuate this compact's purposes and intent; and

(2) the commission shall be entitled to receive service of process in any proceeding that may affect the powers, responsibilities, or actions of the commission and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process in the proceeding to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a party state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default;

(2) if a state in default fails to cure the default, the defaulting state's membership in this compact may be terminated upon an affirmative vote of a majority of the administrators, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;

(3) termination of membership in this compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given

by the commission to the governor of the defaulting state and to the executive officer of the defaulting state's licensing board and each of the party states;

(4) a state whose membership in this compact has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination;

(5) the commission shall not bear any costs related to a state that is found to be in default or whose membership in this compact has been terminated, unless agreed upon in writing between the commission and the defaulting state; and

(6) the defaulting state may appeal the action of the commission by petitioning the U.S. District Court for the District of Columbia or the federal district in which the commission has its principal offices. The prevailing party shall be awarded all costs of the litigation, including reasonable attorney fees.

(c) Dispute resolution:

(1) upon request by a party state, the commission shall attempt to resolve disputes related to the compact that arise among party states and between party and nonparty states;

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate; and

(3) in the event the commission cannot resolve disputes among party states arising under this compact:

(i) the party states may submit the issues in dispute to an arbitration panel, that will be comprised of individuals appointed by the compact administrator in each of the affected party states and an individual mutually agreed upon by the compact administrators of all the party states involved in the dispute; and

(ii) the decision of a majority of the arbitrators shall be final and binding.

(d) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact;

(2) by majority vote, the commission may initiate legal action in the U.S. District Court for the District of Columbia or the federal district in which the commission has its principal offices against a party state that is in default to enforce compliance with this compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of the litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE 9

EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

(a) This compact shall become effective and binding on the earlier of the date of legislative enactment of this compact into law by no less than twenty-six states or December 31, 2018. All party states to this compact that also were parties to the prior Nurse Licensure Compact that was superseded by this compact shall be deemed to have withdrawn from the prior compact within six months after the effective date of this compact.

(b) Each party state to this compact shall continue to recognize a nurse's multistate licensure privilege to practice in that party state issued under the prior compact until the party state has withdrawn from the prior compact.

(c) Any party state may withdraw from this compact by legislative enactment. A party state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(d) A party state's withdrawal or termination shall not affect the continuing requirement of the withdrawing or terminated state's licensing board to report adverse actions and significant investigations occurring prior to the effective date of the withdrawal or termination.

(e) Nothing in this compact shall be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a nonparty state that is made in accordance with the other provisions of this compact.

(f) This compact may be amended by the party states. No amendment to this compact shall become effective and binding upon the party states unless and until it is enacted into the laws of all party states.

(g) Representatives of nonparty states to this compact shall be invited to participate in the activities of the commission on a nonvoting basis prior to the adoption of this compact by all states.

ARTICLE 10

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. This compact shall be severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States, or if the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact is held to be contrary to the constitution of any party state, this compact shall remain in full force and effect for the remaining party states and in full force and effect for the party state affected as to all severable matters.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 2. **[148.2856] APPLICATION OF NURSE LICENSURE COMPACT TO EXISTING LAWS.**

(a) Section 148.2855 does not supersede existing state labor laws.

(b) If the board takes action against an individual's multistate privilege, the action must be adjudicated following the procedures in sections 14.50 to 14.62 and must be subject to the judicial review provided for in sections 14.63 to 14.69.

(c) The board may take action against an individual's multistate privilege based on the grounds listed in section 148.261, subdivision 1, and any other statute authorizing or requiring the board to take corrective or disciplinary action.

(d) The board may take all forms of disciplinary action provided in section 148.262, subdivision 1, and corrective action provided in section 214.103, subdivision 6, against an individual's multistate privilege.

(e) The cooperation requirements of section 148.265 apply to individuals who practice professional or practical nursing in Minnesota under section 148.2855.

(f) Complaints against individuals who practice professional or practical nursing in Minnesota under section 148.2855 must be addressed according to sections 214.10 and 214.104.

**EFFECTIVE DATE.** This section is effective July 1, 2024."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Nelson moved to amend the Nelson amendment to H.F. No. 4247 as follows:

Page 5, after line 8, insert:

"(h) Health care facilities, as defined in section 145B.02, shall report to the board of nursing, within 30 days of employment, all nurses holding a multistate license issued by a state other than Minnesota and an attestation that the employees holding a multistate license issued by a state other than Minnesota have completed the tasks required under this section as a condition of employment.

(i) Beginning September 1, 2024, and annually thereafter, nurses that hold a multistate nurse license issued by a state other than Minnesota and employed by a health care facility, as defined in section 145B.02, shall complete any demographic data surveys required by the board of nursing in rule as a condition of employment.

(j) A nurse that holds a multistate nurse license issued by a state other than Minnesota and that is employed by a Minnesota employer shall complete the continuing education hour requirements under section 148.231 as a condition of employment."

Page 5, after line 31, insert:

"(e) The application fee for a multistate license issued pursuant to this nurse licensure compact shall be $150.00."

Page 19, lines 8 and 26, after "2024" insert "and shall sunset on January 1, 2029"

Page 19, after line 25, insert:

"(g) The interstate commission of nurse licensure compact administrators established under the nurse licensure compact under section 148.2855 may not adopt rules that alter the requirements or scope of practice of a license issued under chapter 148. Any rule adopted by the interstate commission of nurse licensure compact administrators that purports to alter the requirements or scope of practice of a license issued under chapter 148 is not enforceable."

Page 19, after line 26, insert:

"Sec. 3. **[148.287] EMPLOYER REPORTING.**

Subdivision 1. **Data collection.** Commencing in calendar year 2025, Minnesota employers who employ registered nurses or licensed practical or vocational nurses shall report to the Department of Health, not later than January 30 of each year, the following information and data for the employer, for the period of the immediately preceding calendar year:

(1) the number of new hires of registered nurses who hold multistate licenses and are not licensed in Minnesota during the reporting period; and

(2) the number of new hires of licensed practical nurses and vocational nurses who hold multistate licenses and are not licensed in Minnesota during the reporting period.

Subd. 2. **Reporting.** The commissioner of health shall annually compile the data received from employers pursuant to subdivision 1 and prepare a report that aggregates the information, and disaggregated by new hires and retained employees, for registered nurses, license practical nurses, and vocational nurses, from the results of the data collected pursuant to subdivision 1. This compiled data shall be incorporated into a report which shall be provided to the governor, the speaker of the house, and the president of the senate, not later than March 1 of each year, with the first report due on March 1, 2025.

Sec. 4. **REQUEST FOR RECONSIDERATION.**

The Minnesota Nurses Association, on behalf of its constituency, may send a request to the chair and ranking minority members of the legislative committees with jurisdiction over health care finance and policy for reconsideration of the Nurse Licensure Compact if the nurses of Minnesota become dissatisfied with its provisions."

The question was taken on the adoption of the Nelson amendment to the Nelson amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |
| Drazkowski | Howe | Limmer | Rasmusson | |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senator: Anderson.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Mohamed | Putnam |
| Carlson | Gustafson | Latz | Morrison | Rest |
| Champion | Hauschild | Mann | Murphy | Seeberger |
| Cwodzinski | Hawj | Marty | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Maye Quade | Pappas | Wiklund |
| Dziedzic | Klein | McEwen | Pha | Xiong |
| Fateh | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the negative vote on behalf of the following Senators: Dziedzic and Port.

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the adoption of the first Nelson amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |
| Drazkowski | Howe | Limmer | Rasmusson | |

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senator: Anderson.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kupec | Morrison | Rest |
| Carlson | Gustafson | Latz | Murphy | Seeberger |
| Champion | Hauschild | Marty | Oumou Verbeten | Westlin |
| Cwodzinski | Hawj | Maye Quade | Pappas | Wiklund |
| Dibble | Hoffman | McEwen | Pha | Xiong |
| Dziedzic | Klein | Mitchell | Port | |
| Fateh | Kunesh | Mohamed | Putnam | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the negative vote on behalf of the following Senators: Dziedzic and Port.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 4247 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Eichorn | Klein | McEwen | Rasmusson |
| Bahr | Farnsworth | Koran | Miller | Rest |
| Boldon | Fateh | Kreun | Mitchell | Seeberger |
| Carlson | Frentz | Kunesh | Mohamed | Utke |
| Champion | Green | Kupec | Morrison | Weber |
| Coleman | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Lucero | Pha | Xiong |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |
| Dziedzic | Johnson | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senator: Anderson.

So the bill passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## APPOINTMENTS

Senator Murphy from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 5335: Senators Hoffman, Fateh, and Abeler.

H.F. No. 4124: Senators Hawj, Pha, and Housley.

Senator Murphy moved that the foregoing appointments be approved. The motion prevailed.

## MEMBERS EXCUSED

Senator Pratt was excused from the Session of today from 12:45 to 1:05 p.m. Senator Abeler was excused from the Session of today from 2:20 to 3:05 p.m. and at 3:45 p.m. Senator Jasinski was excused from the Session of today from 2:30 to 2:40 p.m.

# 038. HF 3436

**Vote:** 2024-05-09 | **Workbook row:** 43
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Transportation policy bill.

## Included complete bill documents

**1. 4th Engrossment, posted 2024-05-09** - 110 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/3436/versions/4/pdf/

## Original Senate journal context

PDF pages 113-116. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240509114.pdf#page=116

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/3436/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 3436

| | |
|---|---|
| 02/12/2024 | Authored by Tabke |
| | The bill was read for the first time and referred to the Committee on Transportation Finance and Policy |
| 02/22/2024 | Adoption of Report: Amended and re-referred to the Committee on Ways and Means |
| 02/26/2024 | By motion, recalled and re-referred to the Committee on Transportation Finance and Policy |
| 03/25/2024 | Adoption of Report: Placed on the General Register as Amended |
| | Read for the Second Time |
| 04/04/2024 | Calendar for the Day, Amended |
| | Read Third Time as Amended |
| | Passed by the House as Amended and transmitted to the Senate to include Floor Amendments |
| 04/11/2024 | Passed by the Senate as Amended and returned to the House |
| | Refused to concur and a Conference Committee was appointed |
| 05/07/2024 | Conference Committee Report Adopted |
| | Read Third Time as Amended by Conference and repassed by the House |
| 05/09/2024 | Read Third Time as Amended by Conference and repassed by the Senate |
| 05/14/2024 | Presented to Governor |
| 05/15/2024 | Governor Approval |

A bill for an act

relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation requirements, and greater Minnesota transit; modifying criminal penalties; modifying prior appropriations; making technical changes; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.14, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.1282, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.4503, subdivision 31; 169.56, by adding a subdivision; 169.685, subdivisions 4, 5, 7, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.829, by adding a subdivision; 169.87, subdivision 6; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivisions 2, 6; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 171.335, subdivision 3; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 216D.01, subdivision 12, by adding subdivisions; 216D.03, by adding a subdivision; 216D.04; 216D.05; 219.46, subdivision 1; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.07, subdivision 15; 171.12, subdivisions 5c, 7b, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.38, subdivision 3; 174.40, subdivision 4a; 221.0269, subdivision 4; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2023, chapter 68, article 1, sections 2, subdivision 4; 17, subdivisions 7, 18; article 2, section 2, subdivisions 3, 4, 5, 7, 9; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; 219; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 216D.06, subdivision 3; 221.033, subdivision 2c; Minnesota Statutes 2023

Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7410.6180; 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 4.076, subdivision 3, is amended to read:

Subd. 3. **Membership; chair.** (a) The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by a designee from:

(i) the Office of Traffic Safety in the Department of Public Safety;

(ii) the Office of Traffic Engineering in the Department of Transportation; and

(iii) the Injury and Violence Prevention Section in the Department of Health;

(2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);

(3) the statewide Toward Zero Deaths communications coordinator;

(4) the statewide Toward Zero Deaths program and operations coordinator;

~~(4)~~ (5) a regional coordinator from the Toward Zero Deaths program;

~~(5)~~ (6) the chief of the State Patrol or a designee;

~~(6)~~ (7) the state traffic safety engineer in the Department of Transportation or a designee;

~~(7)~~ (8) a law enforcement liaison from the Department of Public Safety;

~~(8)~~ (9) a representative from the Department of Human Services;

~~(9)~~ (10) a representative from the Department of Education;

~~(10)~~ (11) a representative from the Council on Disability;

~~(11)~~ (12) a representative for Tribal governments;

~~(12)~~ (13) a representative from the Center for Transportation Studies at the University of Minnesota;

~~(13)~~ (14) a representative from the Minnesota Chiefs of Police Association;

~~(14)~~ (15) a representative from the Minnesota Sheriffs' Association;

~~(15)~~ (16) a representative from the Minnesota Safety Council;

~~(16)~~ (17) a representative from AAA Minnesota;

~~(17)~~ (18) a representative from the Minnesota Trucking Association;

~~(18)~~ (19) a representative from the Insurance Federation of Minnesota;

~~(19)~~ (20) a representative from the Association of Minnesota Counties;

~~(20)~~ (21) a representative from the League of Minnesota Cities;

~~(21)~~ (22) the American Bar Association State Judicial Outreach Liaison;

~~(22)~~ (23) a representative from the City Engineers Association of Minnesota;

~~(23)~~ (24) a representative from the Minnesota County Engineers Association;

~~(24)~~ (25) a representative from the Bicycle Alliance of Minnesota;

~~(25)~~ (26) two individuals representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance;

~~(26)~~ (27) a representative from Minnesota Operation Lifesaver;

~~(27)~~ (28) a representative from the Minnesota Driver and Traffic Safety Education Association;

~~(28)~~ (29) a representative from the Minnesota Association for Pupil Transportation;

~~(29)~~ (30) a representative from the State Trauma Advisory Council;

~~(30)~~ (31) a person representing metropolitan planning organizations; ~~and~~

~~(31)~~ (32) a person representing contractors engaged in construction and maintenance of highways and other infrastructure;

(33) the director of the Minnesota Emergency Medical Services Regulatory Board or successor organization; and

(34) a person representing a victims advocacy organization.

(b) The commissioners of public safety and transportation must jointly appoint the advisory council members under paragraph (a), clauses ~~(11)~~ (12), ~~(25)~~ (26), ~~(30)~~ (31), ~~and~~ ~~(31)~~ (32), and (34).

Sec. 2. Minnesota Statutes 2022, section 43A.17, is amended by adding a subdivision to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; Department of Corrections Fugitive Apprehension Unit members; and Commerce Fraud Bureau agents in the Department of Commerce.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and expires January 1, 2032. This section applies to contracts entered into on or after the effective date but before January 1, 2032.

Sec. 3. Minnesota Statutes 2022, section 65B.28, subdivision 2, is amended to read:

Subd. 2. **Accident prevention course; rules.** (a) The commissioner of public safety ~~shall~~ must adopt rules establishing and regulating a motor vehicle accident prevention course for persons 55 years old and older.

(b) The rules must, at a minimum, include provisions:

(1) establishing curriculum requirements; and

~~(2) establishing the number of hours required for successful completion of the course; and~~

~~(3)~~ (2) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course.

(c) The accident prevention course must be a total of four hours.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to accident prevention courses held on or after that date.

Sec. 4. Minnesota Statutes 2023 Supplement, section 115E.042, subdivision 4, is amended to read:

Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain and recover discharged oil or other hazardous substances, (2) protect the environment, and (3) assist local public safety officials. Within 15 minutes of a rail incident involving a confirmed discharge or release of oil or other hazardous substances, a railroad must contact the applicable emergency manager and applicable fire ~~chief~~ department, through the local public safety answering point, having jurisdiction along the route where the incident occurred. After learning of the rail incident involving oil or other hazardous substances, the applicable emergency manager and applicable fire ~~chief~~ department must, as soon as practicable, identify and provide contact information of the responsible incident commander to the reporting railroad.

(b) Within 15 minutes of local emergency responder arrival on the scene of a rail incident involving oil or other hazardous substances, a railroad must assist the incident commander to determine the nature of any hazardous substance known to have been released and hazardous substance cargo transported on the train. Assistance must include providing information that identifies the chemical content of the hazardous substance, contact information for the shipper, and instructions for dealing with the release of the material. A railroad may provide information on the hazardous substances transported on the train through the train orders on board the train or by facsimile or electronic transmission.

(c) Within one hour of confirmation of a discharge, a railroad must provide a qualified company representative to advise the incident commander, assist in assessing the situation, initiate railroad response actions as needed, and provide advice and recommendations to the incident commander regarding the response. The representative may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad.

(d) Within three hours of confirmation of a discharge, a railroad must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

(e) Within three hours of confirmation of a discharge, a railroad must provide (1) qualified personnel at a discharge site to assess the discharge and to advise the incident commander,

and (2) resources to assist the incident commander with ongoing public safety and scene stabilization.

(f) A railroad must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or other hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

(1) training and caching equipment with local jurisdictions;

(2) training and caching equipment with a fire mutual-aid group;

(3) means of an industry cooperative or mutual-aid group;

(4) deployment of a contractor;

(5) deployment of a response organization under state contract; or

(6) other dependable means acceptable to the Pollution Control Agency.

(g) Each arrangement under paragraph (f) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

(h) Within eight hours of confirmation of a discharge, a railroad must be capable of delivering and deploying containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

(1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and

(2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

(i) Within 60 hours of confirmation of a discharge, a railroad must be capable of delivering and deploying additional containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst case discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

Sec. 5. Minnesota Statutes 2022, section 161.115, subdivision 116, is amended to read:

Subd. 116. **Route No. 185.** Beginning at a point on Route No. 1 ~~at Sandstone~~ and Route No. 390, thence extending in a northeasterly direction to a point on Route No. 103 as herein established in Duluth.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Pine County to transfer jurisdiction of a portion of Legislative Route No. 185 and notifies the revisor of statutes electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 6. Minnesota Statutes 2022, section 161.115, subdivision 117, is amended to read:

Subd. 117. **Route No. 186.** Beginning at a point on Route No. 110 as herein established, thence extending in an easterly direction to a point on Route No. ~~185 as herein established at or near Askov~~ 1 and Route No. 390; affording Isle~~,~~ and Finlayson~~, and Askov,~~ a reasonable means of communication each with the other and other places within the state.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 7. Minnesota Statutes 2022, section 161.115, is amended by adding a subdivision to read:

Subd. 272. **Route No. 341.** Beginning at a point on Route No. 1 at Sandstone, thence extending in a generally easterly direction to a point at or near the east bank of the Kettle River.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 8. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 106. **Mayor Dave Smiglewski Memorial Bridge.** The bridge on marked U.S. Highway 212 over the Minnesota River in the city of Granite Falls is designated as "Mayor Dave Smiglewski Memorial Bridge." Subject to section 161.139, the commissioner must adopt a suitable design to mark the bridge and erect appropriate signs.

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

Sec. 9. Minnesota Statutes 2022, section 161.321, subdivision 2, is amended to read:

Subd. 2. **Small targeted group business, small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to small targeted group businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid.

(c) The commissioner may award up to a four percent preference in the amount bid for specified construction work to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Sec. 10. Minnesota Statutes 2022, section 161.321, subdivision 2b, is amended to read:

Subd. 2b. **Veteran-owned small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to veteran-owned small businesses, except when prohibited by the federal government as a condition of receiving federal funds. When a bid preference is provided under this section, the percentage of preference in bid amount under this subdivision may not be less than the percentage of bid preference provided to any small targeted group business under subdivision 2.

(b) When a bid preference is provided under this subdivision, the commissioner must be as inclusive as possible in specifying contracts for construction work, as well as for construction-related professional and technical services, available under this bid preference program for veteran-owned small businesses. The term "construction" must be given broad meaning for purposes of specifying and letting contracts for veteran-owned small businesses and must include, but is not limited to, preplanning, planning, and all other construction-related professional and technical services.

(c) When a bid preference is provided under this subdivision, the commissioner must strive to ensure that contracts will be awarded on a proportional basis with contracts awarded under subdivision 2.

(d) The commissioner may designate a contract for construction work for award only to veteran-owned small businesses, if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

Sec. 11. Minnesota Statutes 2022, section 168.002, subdivision 18, is amended to read:

Subd. 18. **Motor vehicle.** (a) "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily on highways, and not operated exclusively upon railroad tracks. It includes any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys that are propelled by electric power obtained from overhead trolley wires but not operated upon rails.

(b) "Motor vehicle" includes an all-terrain vehicle only if the all-terrain vehicle (1) has at least four wheels, (2) is owned and operated by a physically disabled person, and (3) displays both disability plates and a physically disabled certificate issued under section 169.345.

(c) "Motor vehicle" does not include an all-terrain vehicle except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985. The owner may continue to license an all-terrain vehicle described in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

(d) "Motor vehicle" does not include a snowmobile; a manufactured home; a park trailer; an electric personal assistive mobility device as defined in section 169.011, subdivision 26; a motorized foot scooter as defined in section 169.011, subdivision 46; or an electric-assisted bicycle as defined in section 169.011, subdivision 27.

(e) "Motor vehicle" includes an off-highway motorcycle modified to meet the requirements of chapter 169 according to section 84.788, subdivision 12.

(f) "Motor vehicle" includes a roadable aircraft as defined in section 169.011, subdivision 67a.

Sec. 12. Minnesota Statutes 2022, section 168.002, subdivision 24, is amended to read:

Subd. 24. **Passenger automobile.** (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 individuals, including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, buses, school buses, or commuter vans as defined in section 168.126.

(c) "Passenger automobile" includes~~,~~ but is not limited to:

(1) a vehicle that is a pickup truck or a van as defined in subdivisions 26 and 40;

(2) neighborhood electric vehicles, as defined in section 169.011, subdivision 47; ~~and~~

(3) medium-speed electric vehicles, as defined in section 169.011, subdivision 39; and

(4) roadable aircraft, as defined in section 169.011, subdivision 67a.

Sec. 13. Minnesota Statutes 2022, section 168.002, subdivision 26, is amended to read:

Subd. 26. **Pickup truck.** "Pickup truck" means any truck with a manufacturer's nominal rated carrying capacity of three-fourths ton or less and commonly known as a pickup truck. If the manufacturer's nominal rated carrying capacity is not provided or cannot be determined, then the value specified by the manufacturer as the gross vehicle weight as indicated on the manufacturer's certification label must be ~~less than~~ 10,000 pounds or less.

Sec. 14. Minnesota Statutes 2022, section 168.002, subdivision 27, is amended to read:

Subd. 27. **Recreational vehicle.** (a) "Recreational vehicle" means travel trailers including those that telescope or fold down, chassis-mounted campers, motor homes, tent trailers, teardrop trailers, and converted buses that provide temporary human living quarters.

(b) "Recreational vehicle" is a vehicle that:

(1) is not used as the residence of the owner or occupant;

(2) is used while engaged in recreational or vacation activities; and

(3) is either self-propelled or towed on the highways incidental to the recreational or vacation activities.

Sec. 15. Minnesota Statutes 2022, section 168.013, subdivision 1d, is amended to read:

Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than 3,000 pounds, the annual tax is based on total gross weight and is 30 percent of the Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent of the Minnesota base rate prescribed by subdivision 1e. A trailer registered at a gross vehicle weight greater than 3,000 pounds but no greater than 7,200 pounds may be taxed either: (1) annually as provided in this paragraph; or (2) once every three years on the basis of total gross weight and is 90 percent of the Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the commissioner allocated proportionally in the same manner as provided in section 168.33, subdivision 7, paragraph (e).

(b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.

(c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight of 3,000 pounds or less, excluding recreational vehicles, must display a distinctive plate. The registration on the license plate is valid for the life of the trailer only if it remains registered at the same gross vehicle weight. The onetime registration tax for trailers registered for the first time in Minnesota is $55. For trailers registered in Minnesota before July 1, 2001, and for which:

(1) registration is desired for the remaining life of the trailer, the registration tax is $25; or

(2) permanent registration is not desired, the biennial registration tax is $10 for the first renewal if registration is renewed between and including July 1, 2001, and June 30, 2003. These trailers must be issued permanent registration at the first renewal on or after July 1, 2003, and the registration tax is $20.

For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001, but not renewed until on or after July 1, 2003, the registration tax is $20 and permanent registration must be issued.

Sec. 16. Minnesota Statutes 2022, section 168.0135, is amended by adding a subdivision to read:

Subd. 2a. **Limitations.** (a) A vendor must not have an ownership interest with a deputy registrar or a driver's license agent.

(b) A vendor is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

(c) An entity that owns, leases, or otherwise provides a location where a self-service kiosk is placed is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent. This paragraph does not apply to a deputy registrar or a driver's license agent appointed prior to placement of a self-service kiosk within the office of the deputy registrar or driver's license agent.

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

Sec. 17. Minnesota Statutes 2022, section 168.12, subdivision 1, is amended to read:

Subdivision 1. **Plates; design, visibility, periods of issuance.** (a) The commissioner, upon approval and payment, ~~shall~~ must issue to the applicant the plates required by this chapter, bearing the state name and an assigned vehicle registration number. The number assigned by the commissioner may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned must be in marked contrast. The plates must be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the commissioner.

(b) When a vehicle is registered on the basis of total gross weight, the plates issued must clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid.

(c) Plates issued to a noncommercial vehicle must bear the inscription "noncommercial" unless the vehicle is displaying a special plate authorized and issued under this chapter.

(d) A one-ton pickup truck that is used for commercial purposes and is subject to section 168.185, is eligible to display special plates as authorized and issued under this chapter.

(e) The plates must be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, the plates, when viewed from a vehicle equipped with standard headlights, must be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet.

(f) The commissioner ~~shall~~ must issue plates for the following periods:

(1) New plates issued pursuant to section 168.012, subdivision 1, must be issued to a vehicle for as long as the vehicle is owned by the exempt agency and the plate ~~shall~~ is not ~~be~~ transferable from one vehicle to another but the plate may be transferred with the vehicle from one tax-exempt agency to another.

(2) Plates issued for passenger automobiles must be issued for a seven-year period. All plates issued under this paragraph must be replaced if they are seven years old or older at the time of registration renewal or will become so during the registration period.

(3) Plates issued under sections 168.053 and 168.27, subdivisions 16 and 17, must be for a seven-year period.

(4) Plates issued under subdivisions 2c and 2d and sections 168.123, 168.1235, and 168.1255 must be issued for the life of the veteran under section 169.79.

(5) Plates for any vehicle not specified in clauses (1) to (3) must be issued for the life of the vehicle.

(g) In a year in which plates are not issued, the commissioner ~~shall~~ must issue for each registration a sticker to designate the year of registration. This sticker must show the year or years for which the sticker is issued, and is valid only for that period. The plates and stickers issued for a vehicle may not be transferred to another vehicle during the period for which the sticker is issued, except when issued for a vehicle registered under section 168.187.

(h) Despite any other provision of this subdivision, plates issued to a vehicle used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The public school ~~shall~~ must notify the commissioner of each transfer of plates under this paragraph. The commissioner may prescribe a format for notification.

(i) In lieu of plates required under this section, the commissioner must issue a registration number identical to the federally issued tail number assigned to a roadable aircraft.

Sec. 18. Minnesota Statutes 2023 Supplement, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) The commissioner ~~shall~~ must issue a special plate emblem for each plate to an applicant who:

(1) is a member of a congressionally chartered veterans service organization and is a registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle, or is a congressionally chartered veterans service organization that is the registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle;

(2) pays the registration tax required by law;

(3) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of two plates, and any other fees required by this chapter; and

(4) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

(b) The additional fee is payable at the time of initial application for the special plate emblem and when the plates must be replaced or renewed. ~~An applicant must not be issued more than two sets of special plate emblems for motor vehicles listed in paragraph (a) and registered to the applicant.~~

(c) The applicant must present a valid card indicating membership in the American Legion, Veterans of Foreign Wars, or Disabled American Veterans.

Sec. 19. Minnesota Statutes 2023 Supplement, section 168.1259, subdivision 5, is amended to read:

Subd. 5. **Contributions; account; appropriation.** Contributions collected under subdivision 2, paragraph (a), clause (5), must be deposited in the Minnesota professional sports team foundations account, which is established in the special revenue fund. Money in the account is annually appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the foundations in proportion to the total number of Minnesota professional sports team foundation plates issued for that year. Proceeds from a plate that includes the marks and colors of all foundations must be divided evenly between all foundations. The foundations must only use the proceeds for philanthropic or charitable purposes.

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

Sec. 20. Minnesota Statutes 2022, section 168.1282, subdivision 1, is amended to read:

Subdivision 1. **Issuance of plates.** The commissioner must issue "Start Seeing Motorcycles" special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of plates;

(3) pays the registration tax as required under section 168.013, along with any other fees required by this chapter;

(4) contributes a minimum of $10 annually to the motorcycle safety ~~fund~~ account, created under section 171.06, subdivision 2a~~, paragraph (a), clause (1)~~; and

(5) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 21. **[168.24] ROADABLE AIRCRAFT REGISTRATION.**

(a) For purposes of this section, "roadable aircraft" has the meaning given in section 169.011, subdivision 67a.

(b) An owner of a roadable aircraft must comply with all rules and requirements of this chapter and chapter 168A governing the titling, registration, taxation, and insurance of motor vehicles.

(c) A person who seeks to register a roadable aircraft for operation as a motor vehicle on public roadways in Minnesota must apply to the commissioner. The application must contain:

(1) the name and address of the owner of the roadable aircraft;

(2) the federally issued tail number assigned to the aircraft;

(3) the make and model of the roadable aircraft; and

(4) any other information the commissioner may require.

(d) Upon receipt of a valid and complete application for registration of a roadable aircraft, the commissioner must issue a certificate of registration.

(e) A valid registration certificate issued under this section must be located inside the roadable aircraft when the aircraft is in operation on a public highway.

(f) A roadable aircraft registered as a motor vehicle under this section must also be registered as an aircraft as provided in section 360.60.

Sec. 22. Minnesota Statutes 2022, section 168.33, subdivision 8a, is amended to read:

Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic transmission of a motor vehicle transfer and registration by a new or used motor vehicle dealer, a deputy registrar who is equipped with electronic transmission technology and trained in its use ~~shall~~ must receive the filing fee provided for in subdivision 7 and review the transfer of each new or used motor vehicle to determine its genuineness and regularity before issuance of a certificate of title, and ~~shall~~ must receive and retain the filing fee under subdivision 7, paragraph (a), clause (2).

(b) The commissioner must establish reasonable performance, security, technical, and financial standards to approve companies that provide computer software and services to motor vehicle dealers to electronically transmit vehicle title transfer and registration information. An approved company must be offered access to department facilities, staff,

and technology on a fair and reasonable basis. An approved company must not have an ownership interest with a deputy registrar or a driver's license agent. An approved company is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

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

Sec. 23. Minnesota Statutes 2023 Supplement, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** (a) The commissioner may not furnish information about registered owners of ~~passenger automobiles who are~~ motor vehicle lessees under a lease for a term of 180 days or more to any person except:

(1) the owner of the vehicle~~,~~;

(2) the lessee~~,~~;

(3) personnel of law enforcement agencies ~~and~~;

(4) trade associations performing a member service under section 604.15, subdivision 4a~~, and~~;

(5) licensed dealers in connection with a vehicle sale or lease;

(6) federal, state, and local governmental units~~,~~; and~~,~~

(7) at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls.

(b) The commissioner may release information about motor vehicle lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 24. Minnesota Statutes 2022, section 168A.085, is amended by adding a subdivision to read:

Subd. 4. **Foreign passport.** A valid and unexpired passport issued to the applicant by a recognized foreign government is a primary document for purposes of Minnesota Rules, part 7410.0400, and successor rules, when the applicant is an individual who is applying as the owner for a vehicle title or registration.

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

Sec. 25. Minnesota Statutes 2022, section 168B.035, subdivision 3, is amended to read:

Subd. 3. **Towing prohibited.** (a) A towing authority may not tow a motor vehicle because:

(1) the vehicle ~~has expired~~ displays registration ~~tabs~~ validation stickers that have been expired for less than 90 days; or

(2) the vehicle is at a parking meter on which the time has expired ~~and the vehicle has fewer than five unpaid parking tickets~~.

(b) A towing authority may tow a motor vehicle, notwithstanding paragraph (a), if:

(1) the vehicle is parked in violation of snow emergency regulations;

(2) the vehicle is parked in a rush-hour restricted parking area;

(3) the vehicle is blocking a driveway, alley, or fire hydrant;

(4) the vehicle is parked in a bus lane, or at a bus stop, during hours when parking is prohibited;

(5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

(6) the vehicle is parked in a disability transfer zone or disability parking space without a disability parking certificate or disability license plates;

(7) the vehicle is parked in an area that has been posted for temporary restricted parking (i) at least 12 hours in advance in a home rule charter or statutory city having a population under 50,000, or (ii) at least 24 hours in advance in another political subdivision;

(8) the vehicle is parked within the right-of-way of a controlled-access highway or within the traveled portion of a public street when travel is allowed there;

(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the Metropolitan Airports Commission;

(11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;

(12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;

(13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses;

(14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;

(15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle;

(16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking; or

(17) the vehicle is a junk, abandoned, or unauthorized vehicle, as defined in section 168B.011, and subject to immediate removal under this chapter.

Sec. 26. Minnesota Statutes 2022, section 169.011, subdivision 3a, is amended to read:

Subd. 3a. **Autocycle.** (a) "Autocycle" means a motorcycle that:

(1) has three wheels in contact with the ground;

(2) is designed with seating that does not require operators or any occupants to straddle or sit astride it;

(3) has a steering wheel;

(4) is equipped with antilock brakes; and

(5) is originally manufactured to meet federal motor vehicle safety standards for motorcycles in Code of Federal Regulations, title 49, part 571, and successor requirements.

(b) An autocycle does not include a roadable aircraft as defined in subdivision 67a.

Sec. 27. Minnesota Statutes 2022, section 169.011, subdivision 44, is amended to read:

Subd. 44. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including motor scooters and autocycles. Motorcycle does not include (1) motorized bicycles as defined in subdivision 45, (2) electric-assisted bicycles as defined in subdivision 27, ~~or~~ (3) a tractor, or (4) roadable aircraft.

Sec. 28. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 48a. **Nondivisible load or vehicle.** "Nondivisible load" or "nondivisible vehicle" means any load or vehicle exceeding the applicable length, width, height, or weight limits set forth in this chapter which, if separated into smaller loads or vehicles, would:

(1) compromise the intended use of the load or vehicle;

(2) destroy the value of the load or vehicle; or

(3) require more than eight work hours to dismantle using appropriate equipment.

Sec. 29. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision to read:

Subd. 67a. **Roadable aircraft.** "Roadable aircraft" means any aircraft capable of taking off and landing from a suitable airfield and that is also designed to be operated on a public highway as a motor vehicle.

Sec. 30. Minnesota Statutes 2022, section 169.09, subdivision 5, is amended to read:

Subd. 5. **Notify owner of damaged property.** If the driver of any vehicle involved in a collision knows or has reason to know the collision resulted only in damage to fixtures legally upon or adjacent to a highway, the driver ~~shall~~ must:

(1) take reasonable steps to locate and notify the owner or person in charge of the property of ~~that fact~~ the collision, ~~of~~ the driver's name and address, and ~~of~~ the ~~registration~~ license plate number of the vehicle being driven and ~~shall~~ must, upon request and if available, exhibit the driver's license~~, and make an accident report in every case~~; and

(2) report the information required in clause (1) to a peace officer.

Sec. 31. Minnesota Statutes 2023 Supplement, section 169.09, subdivision 8, is amended to read:

Subd. 8. **Officer to report accident to commissioner.** ~~A peace officer who, in the regular course of duty, investigates an accident that must be reported under this section shall, within ten days after the date of the accident, forward an electronic or written report of the accident as prescribed by the commissioner of public safety. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident using an electronic format as prescribed by the commissioner~~ (a) A peace officer who investigates in the regular

course of duty an accident that is required to be reported under this section must submit an electronic or written report of the accident to the commissioner of public safety within ten days after the date of the accident. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident. A report or notification under this subdivision must be in the format as prescribed in subdivision 9.

(b) Accidents on streets, highways, roadways, sidewalks, shoulders, shared use paths, or any other portion of a public right-of-way must be reported under the requirements of this section if the accident results in:

(1) a fatality;

(2) bodily injury to a person who, because of the injury, immediately receives medical treatment away from or at the scene of the accident;

(3) one or more of the motor vehicles incurring disabling damage that requires a vehicle to be transported away from the scene of the accident by tow truck or other vehicle; or

(4) damage to fixtures, infrastructure, or any other property alongside or on a highway.

(c) An accident involving a school bus, as defined in section 169.011, subdivision 71, must be reported under the requirements of this section and section 169.4511.

(d) An accident involving a commercial motor vehicle, as defined in section 169.781, subdivision 1, paragraph (a), must be reported under the requirements of this section and section 169.783.

(e) Accidents occurring on public lands or trail systems that result in the circumstances specified in paragraph (b) must be reported under the requirements of this section.

Sec. 32. Minnesota Statutes 2022, section 169.09, subdivision 14a, is amended to read:

Subd. 14a. **Suspension of license for failure to report accident.** The commissioner may suspend the license, or any nonresident's operating privilege, of any ~~person~~ driver who willfully fails, refuses, or neglects to make report of a traffic accident as required ~~by the laws of this state~~ under this section. A license suspension under this section is subject to the notice requirements of section 171.18, subdivision 2.

Sec. 33. Minnesota Statutes 2022, section 169.09, subdivision 19, is amended to read:

Subd. 19. **Terminology.** (a) The provisions of this section apply equally whether the term "accident" or "collision" is used. The term "accident" or "collision" does not include:

(1) an occurrence involving only boarding and alighting from a stationary motor vehicle;

(2) an occurrence involving only the loading or unloading of cargo; or

(3) intentional vehicle-to-vehicle contact when initiated by a peace officer:

(i) to stop a perpetrator from fleeing in a motor vehicle, as defined in section 609.487, subdivision 3; or

(ii) as an authorized use of force, as defined in section 609.06, subdivision 1; 609.065; or 609.066.

(b) For purposes of this section, "disabling damage" means damage that prevents a motor vehicle from departing the scene of the accident in its usual manner in daylight after simple repairs. Disabling damage includes damage to a motor vehicle that could be driven from the scene of the accident but would be further damaged if so driven. Disabling damage does not include:

(1) damage that can be remedied temporarily at the scene of the accident without special tools or parts;

(2) tire disablement without other damage, even if no spare tire is available;

(3) headlamp or taillight damage; or

(4) damage that makes the turn signals, horn, or windshield wipers inoperable.

(c) For purposes of this section, motor vehicle includes off-highway vehicles, as defined in section 84.771, and snowmobiles, as defined in section 84.81.

Sec. 34. Minnesota Statutes 2022, section 169.19, subdivision 2, is amended to read:

Subd. 2. **U-turn.** ~~No vehicle shall be turned~~ The operator of a vehicle must not turn to proceed in the opposite direction upon any curve, or upon the approach to or near the crest of a grade, where the vehicle cannot be seen by the ~~driver~~ operator of any other vehicle approaching from either direction within 1,000 feet~~, nor shall the driver~~. The operator of a vehicle must not turn the vehicle to proceed in the opposite direction unless the movement can be made safely and without interfering with other traffic. ~~When necessary to accommodate vehicle configuration on~~ The operator of a vehicle is permitted to make a right-hand turn into the farthest lane of a roadway with two or more lanes in the same direction~~, a driver may turn the vehicle into the farthest lane and temporarily use the shoulder to make a U-turn~~ in order to make a U-turn at a reduced-conflict intersection if it is safe to do so.

Sec. 35. Minnesota Statutes 2022, section 169.224, subdivision 3, is amended to read:

Subd. 3. **Operation.** (a) A neighborhood electric vehicle or a medium-speed electric vehicle may not be operated on a street or highway with a speed limit greater than 35 miles per hour, except to make a direct crossing of that street or highway.

(b) A person may operate a three-wheeled neighborhood electric vehicle without a ~~two-wheeled vehicle~~ motorcycle endorsement~~, provided~~ if the person has a valid driver's license issued under chapter 171.

Sec. 36. Minnesota Statutes 2022, section 169.34, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** (a) ~~No person shall~~ A person must not stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

(1) on a sidewalk;

(2) in front of a public or private driveway;

(3) within an intersection;

(4) within ten feet of a fire hydrant;

(5) on a crosswalk;

(6) within 20 feet of a crosswalk at an intersection;

(7) within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;

~~(8) between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;~~

~~(9)~~ (8) within 50 feet of the nearest rail of a railroad crossing;

~~(10)~~ (9) within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;

~~(11)~~ (10) alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;

~~(12)~~ (11) on the roadway side of any vehicle stopped or parked at the edge or curb of a street;

~~(13)~~ (12) upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;

~~(14)~~ (13) within a bicycle lane, except when posted signs permit parking; or

~~(15)~~ (14) at any place where official signs prohibit stopping.

(b) ~~No person shall~~ A person must not move a vehicle not owned by ~~such~~ the person into any prohibited area or away from a curb such distance as is unlawful.

(c) ~~No person shall~~ A person must not, for camping purposes, leave or park a travel trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a campsite.

(d) ~~No person shall~~ A person must not stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 37. Minnesota Statutes 2022, section 169.444, subdivision 4, is amended to read:

Subd. 4. **Exception for separated roadway.** (a) A person driving a vehicle on a street or highway with separated roadways is not required to stop the vehicle when approaching or meeting a school bus that is on a different roadway.

(b) "Separated roadway" means a road that is separated from a parallel road by a ~~safety isle or safety zone~~ physical barrier, raised median, or depressed median.

Sec. 38. Minnesota Statutes 2022, section 169.4503, subdivision 31, is amended to read:

Subd. 31. **Supplemental warning system~~; temporary authority~~.** ~~(a) Prior to August 1, 2022, the commissioner may approve a~~ Type A, B, C, or D school ~~bus to~~ buses may be equipped with a supplemental warning system. ~~On and after that date, a school bus may continue to be equipped with a previously approved supplemental warning system.~~

~~(b) To determine approval of a supplemental warning system, the commissioner must consider~~ A supplemental warning system must:

(1) use amber and red signal colors~~, which are limited to one or more of the colors white, amber, and red~~;

(2) ~~flashing patterns~~ use supplemental amber warning lights activated only in conjunction with activated overhead amber warning lights and supplemental red warning lights activated only in conjunction with activated overhead red flashing lights;

~~(3) vehicle mounting and placement;~~

~~(4) supplemental warning system activation~~ (3) be wired so the supplemental warning system is automatically activated in conjunction with activation of prewarning flashing amber signals, stop-signal arm, and flashing red signals;

~~(5) light intensity~~ (4) be programmed to flash at a rate of 60 to 120 flashes per minute by either:

(i) using a randomized flash pattern; or

(ii) alternating with the corresponding overhead light; and

~~(6) permissible text, signage, and graphics, if any~~ (5) use lights installed in pairs and mounted on the same level and placed as wide as practicable on the body above the bumper level.

~~(c) The commissioner must review relevant research findings and experience in other jurisdictions, and must consult with interested stakeholders, including but not limited to representatives from school district pupil transportation directors, private school bus operators, and pupil transportation and traffic safety associations.~~

Sec. 39. Minnesota Statutes 2022, section 169.56, is amended by adding a subdivision to read:

Subd. 6. **Motorcycle ground light.** Notwithstanding section 169.64, subdivision 4a, a motorcycle may be equipped with white ground lights mounted under the motorcycle if:

(1) the bulbs or strips are not visible to operators of other vehicles; and

(2) the lights are aimed as to project a steady, nonflashing beam not more than six feet in radius directly onto the roadway and illuminate an area around the motorcycle.

Sec. 40. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 3a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Booster seat" means a child passenger restraint system that meets applicable federal motor vehicle safety standards and is designed to provide belt-positioning that elevates a child to be properly seated with a safety belt.

(c) "Child passenger restraint system" means a device that:

(1) meets applicable federal motor vehicle safety standards of the United States Department of Transportation and complies with any other applicable federal regulations;

(2) is designed to restrain, seat, or position children; and

(3) is appropriate to the age of the child being restrained.

Child passenger restraint system includes a booster seat.

(d) "Properly restrained" means restrained or secured according to the instructions of both the motor vehicle manufacturer and the child passenger restraint system manufacturer.

(e) "Secured with a safety belt" means restrained or secured by a seat belt that (1) meets applicable federal motor vehicle safety standards, and (2) is properly adjusted and fastened, including both the shoulder and lap straps when equipped in the vehicle.

Sec. 41. Minnesota Statutes 2022, section 169.685, subdivision 4, is amended to read:

Subd. 4. **Admissibility into evidence.** (a) Except as provided in paragraph (b), proof of the use or failure to use seat belts or a child passenger restraint system as described in subdivision ~~5~~ 4a, or proof of the installation or failure of installation of seat belts or a child passenger restraint system as described in subdivision ~~5 shall not be~~ 4a is not admissible in evidence in any litigation involving personal injuries or property damage resulting from the use or operation of any motor vehicle.

(b) Paragraph (a) does not affect the right of a person to bring an action for damages arising out of an incident that involves a defectively designed, manufactured, installed, or operating seat belt or child passenger restraint system. Paragraph (a) does not prohibit the introduction of evidence pertaining to the use of a seat belt or child passenger restraint system in an action described in this paragraph.

Sec. 42. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 4a. **Child passenger restraint systems.** (a) Except as provided in paragraph (c), every driver in this state who transports a child or children under the age of 18 years in a motor vehicle that is in motion or a part of traffic and is required under federal motor vehicle safety standards to be equipped with a safety belt or lower anchors and tethers for children in a passenger seating position must have the child or children secured as follows:

(1) a child who is younger than two years of age must be properly restrained in a rear-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(2) a child who is at least two years of age and exceeds the rear-facing weight or height limit of the child passenger restraint system must be properly restrained in a forward-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(3) a child who is at least four years of age and exceeds the weight or height limit of the forward-facing child passenger restraint system must be properly restrained in a booster seat and secured with a safety belt;

(4) a child who is at least nine years of age or exceeds the weight or height limit of the child passenger restraint system or the booster seat must be secured with a safety belt adjusted and fastened around the child's body to fit correctly. The safety belt fits correctly when the child sits all the way back against the vehicle seat, the child's knees bend over the edge of the vehicle seat, the lap strap fits snugly across the child's thighs and lower hips and not the child's abdomen, and the shoulder strap snugly crosses the center of the child's chest and not the child's neck;

(5) a child who is younger than 13 years of age must be transported in the rear seat of a motor vehicle, when available, and must be properly restrained in a child passenger restraint system or booster seat or secured with a safety belt; and

(6) a child who, because of age or weight, can be placed in more than one category under this paragraph must be placed in the more protective category, where clause (1) provides for the most protective and clause (5) provides for the least protective.

(b) The driver of a motor vehicle transporting a child who is younger than six years of age or weighs less than 60 pounds must transport the child in a rear seat if:

(1) the vehicle is equipped with a passenger side air bag supplemental restraint system;

(2) the air bag system is activated; and

(3) a rear seat is available.

(c) When the number of children in the motor vehicle under 13 years of age exceeds the number of age- or size-appropriate child passenger restraint systems and safety belts available in the motor vehicle, the unrestrained children must be seated in a rear seat, if rear seats are available.

(d) The weight and height limits of a child passenger restraint system under this subdivision are as established by the child passenger restraint system manufacturer.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 43. Minnesota Statutes 2022, section 169.685, subdivision 5, is amended to read:

Subd. 5. **Violation; petty misdemeanor.** (a) ~~Every motor vehicle operator, when transporting a child who is both under the age of eight and shorter than four feet nine inches on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.~~

~~(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child who is both under the age of eight and shorter than four feet nine inches in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system.~~ Any motor vehicle operator who violates ~~this~~ subdivision 4a is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than $50. The fine may be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

~~(c)~~ (b) At the time of issuance of a citation under this subdivision, a peace officer may provide to the violator information on obtaining a free or low-cost child passenger restraint system.

~~(d)~~ (c) The fines collected for violations of this subdivision must be deposited in the ~~state treasury and credited to a special account to be known as the~~ Minnesota child passenger restraint and education account.

~~(e) For the purposes of this section, "child passenger restraint system" means any device that meets the standards of the United States Department of Transportation; is designed to restrain, seat, or position children; and includes a booster seat.~~

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 44. Minnesota Statutes 2022, section 169.685, subdivision 7, is amended to read:

Subd. 7. **Appropriation; special account.** The Minnesota child passenger restraint and education account is created in the ~~state treasury~~ special revenue fund, consisting of fines collected under subdivision 5 and other money appropriated or donated. The money in the account is annually appropriated to the commissioner of public safety to be used to provide child passenger restraint systems to families in financial need, school districts and child care providers that provide for the transportation of pupils to and from school using type III vehicles or school buses with a gross vehicle weight rating of 10,000 pounds or less, and to provide an educational program on the need for and proper use of child passenger restraint systems. Information on the commissioner's activities and expenditure of funds under this section must be available upon request.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 45. Minnesota Statutes 2022, section 169.79, is amended by adding a subdivision to read:

Subd. 3b. **Roadable aircraft.** Notwithstanding subdivision 1 and section 168.09, subdivision 1, a roadable aircraft is not required to display a license plate.

Sec. 46. Minnesota Statutes 2022, section 169.80, is amended by adding a subdivision to read:

Subd. 4. **Divisible load.** (a) A load that is not a nondivisible load on a vehicle or combination of vehicles must be transported:

(1) with the load reduced or positioned in a manner so that the transportation does not exceed the size and weight limits of vehicles under this chapter; or

(2) under a special permit authorized in this chapter for which the transportation qualifies.

(b) The applicant for a special permit related to a nondivisible load has the burden of proof as to the number of work hours required to dismantle the load.

Sec. 47. Minnesota Statutes 2022, section 169.801, subdivision 7, is amended to read:

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if ~~it~~ the operation does not extend into the left half of the roadway more than is necessary and:

(1) the operation is for the purpose of avoiding an obstacle on the right-hand side of the road and the following requirements are met:

(i) the implement crosses the center line for as brief a period of time as necessary to avoid the obstacle;

(ii) the implement returns to the right half of the roadway immediately after passing the obstacle and when safe to do so; and

(iii) no other vehicles are approaching from the opposite direction such that the approaching vehicle would be within the immediate vicinity of the implement before the implement returns to the right-hand side of the road; or

(2) the implement is escorted at the front by a vehicle displaying hazard warning lights visible in normal sunlight ~~and the operation does not extend into the left half of the roadway more than is necessary~~.

(c) An implement of husbandry, when operating in compliance with the requirements of this section and under paragraph (b), is not subject to the escort requirements in section 169.812, subdivision 2.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date.

Sec. 48. Minnesota Statutes 2022, section 169.829, is amended by adding a subdivision to read:

Subd. 5. **Sewage septic tank trucks.** (a) For the purposes of this subdivision, "emergency pumping services" means a sewage septic tank truck's response to:

(1) uncontrolled and unintended seepage of the contents of a septic system into the ground, around a structure, or into a body of surface water;

(2) damage or malfunction to a septic system that requires removal of the contents of the septic system for repair or maintenance; or

(3) a condition that creates an immediate hazard to the health, welfare, or safety of a person.

(b) When a sewage septic tank truck used exclusively to transport sewage from septic or holding tanks is performing emergency pumping services, sections 169.823 and 169.826 to 169.828 do not apply, and the weight limitations under section 169.824 are increased by ten percent when transporting sewage from a single point of service to the point of unloading.

(c) Notwithstanding section 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or any other law to the contrary, a permit is not required to operate a vehicle under this subdivision.

(d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this subdivision.

(e) A vehicle operated under this subdivision is subject to bridge load limits posted under section 169.84.

(f) A vehicle operated under this subdivision must not be operated with a load that exceeds the tire manufacturer's recommended load, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7.

(g) The exceptions under this subdivision do not apply to a sewage septic tank truck's operation on an interstate highway.

**EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 49. **[169.8655] SPECIAL SUGAR BEET HAULING VEHICLE PERMIT.**

Subdivision 1. **122,000-pound vehicles; East Grand Forks.** A road authority may issue a permit for a vehicle or combination of vehicles that transports sugar beets and meets the following requirements:

(1) does not exceed a maximum gross vehicle weight of 122,000 pounds;

(2) does not use a semitrailer in a combination of vehicles that has an overall length in excess of 28-1/2 feet; and

(3) is only for operation on the following roads in East Grand Forks:

(i) U.S. Highway 2 between the North Dakota border and Fifth Avenue Northeast;

(ii) Fifth Avenue Northeast between U.S. Highway 2 and Business Highway 2; and

(iii) Business Highway 2 from Fifth Avenue Northeast to the sugar beet processing facility on Business Highway 2.

Subd. 2. **Requirements; restrictions.** (a) A vehicle or combination of vehicles issued a permit under subdivision 1:

(1) is subject to axle weight limitations under section 169.824, subdivision 1;

(2) is subject to seasonal load restrictions under section 169.87;

(3) is subject to bridge load limits posted under section 169.84;

(4) may not be operated with a load that exceeds the tire manufacturer's recommended load limit under section 169.823, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7; and

(5) may not be operated on the interstate highway system.

(b) The seasonal weight increases authorized under section 169.826 do not apply to a vehicle or combination of vehicles operating under this section.

Subd. 3. **Permit fee.** A permit issued under this section must be an annual permit. A permit issued under this section may only be issued before July 1, 2027. The fee for permits issued under this section is $300 and must be deposited in the trunk highway fund.

Sec. 50. Minnesota Statutes 2022, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling ~~and~~, garbage, and waste collection vehicles.** (a) ~~Except as provided in paragraph (b)~~ While a vehicle is engaged in the type of collection the vehicle was designed to perform, weight restrictions imposed under subdivisions 1 and 2 do not apply to:

(1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while ~~engaged in recycling~~ operating in a political subdivision that mandates curbside recycling pickup.;

~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1)~~ (2) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling ~~as described in paragraph (a)~~;

~~(2)~~ (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21~~, while engaged in such collection~~; ~~or~~

~~(3)~~ (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets~~, while engaged in such collection~~; or

(5) a sewage septic tank truck while performing emergency pumping services as defined in section 169.829, subdivision 5, that does not exceed 20,000 pounds per single axle and is designed and used exclusively to haul sewage from septic or holding tanks.

~~(c)~~ (b) Notwithstanding section 169.80, subdivision 1, ~~a violation of~~ the owner or operator of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 ~~by a~~

~~vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection,~~ is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871 if the vehicle meets the requirements under paragraph (a) and is engaged in the type of collection the vehicle was designed to perform.

**EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 51. Minnesota Statutes 2022, section 169.974, subdivision 2, is amended to read:

Subd. 2. **License endorsement and permit requirements.** (a) ~~No person shall~~ A person must not operate a motorcycle on any street or highway without having a valid driver's license with a ~~two-wheeled vehicle~~ motorcycle endorsement as provided by law. A person may operate an autocycle without a ~~two-wheeled vehicle~~ motorcycle endorsement~~, provided~~ if the person has a valid driver's license issued under section 171.02.

(b) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle~~ motorcycle endorsement only if the applicant (1) has in possession a valid ~~two-wheeled vehicle~~ motorcycle instruction permit as provided in paragraph (c), (2) has passed a written examination and road test administered by the Department of Public Safety for the endorsement, and (3) in the case of applicants under 18 years of age, presents a certificate or other evidence of having successfully completed an approved ~~two-wheeled vehicle~~ motorcycle driver's safety course in this or another state, in accordance with rules adopted by the commissioner of public safety for courses offered by a public, private, or commercial school or institute. The commissioner of public safety may waive the road test for any applicant on determining that the applicant possesses a valid license to operate a ~~two-wheeled vehicle~~ motorcycle issued by a jurisdiction that requires a comparable road test for license issuance.

(c) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle~~ motorcycle instruction permit to any person over 16 years of age who (1) is in possession of a valid driver's license, (2) is enrolled in an approved ~~two-wheeled vehicle~~ motorcycle driver's safety course, and (3) has passed a written examination for the permit and paid a fee prescribed by the commissioner of public safety. A ~~two-wheeled vehicle~~ motorcycle

instruction permit is effective for one year and may be renewed under rules prescribed by the commissioner of public safety.

(d) ~~No~~ A person who is operating by virtue of a ~~two-wheeled vehicle~~ motorcycle instruction permit ~~shall~~ must not:

(1) carry any passengers on the streets and highways of this state on the motorcycle while the person is operating the motorcycle;

(2) drive the motorcycle at night; or

(3) drive the motorcycle without wearing protective headgear that complies with standards established by the commissioner of public safety.

(e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue a special motorcycle permit, restricted or qualified as the commissioner of public safety deems proper, to any person demonstrating a need for the permit and unable to qualify for a driver's license.

Sec. 52. **[169.975] OPERATION OF ROADABLE AIRCRAFT.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Aircraft" has the meaning given in section 360.013, subdivision 37.

(c) "Airport" has the meaning given in section 360.013, subdivision 39, and includes a personal-use airport as defined in Minnesota Rules, part 8800.0100, subpart 22a.

(d) "Restricted landing area" has the meaning given in section 360.013, subdivision 57.

(e) "Unlicensed landing area" has the meaning given in Minnesota Rules, part 8800.0100, subpart 32a.

Subd. 2. **Operation.** (a) A roadable aircraft is considered a motor vehicle when in operation, including on a public highway, except when the vehicle is (1) at an airport, (2) on a restricted landing area, (3) on an unlicensed landing area, or (4) in flight. When operating a roadable aircraft as a motor vehicle, an operator must comply with all rules and requirements set forth in this chapter governing the operation and insurance of a motor vehicle.

(b) When in operation at an airport, a restricted landing area, an unlicensed landing area, or in flight, a roadable aircraft is considered an aircraft and the operator must comply with all rules and requirements set forth in chapter 360. An owner of a roadable aircraft registered

in Minnesota must comply with all rules and requirements of chapter 360 governing the registration, taxation, and insurance of aircraft.

(c) A roadable aircraft may only take off or land at an airport, unlicensed landing area, or restricted landing area.

Sec. 53. Minnesota Statutes 2022, section 169A.52, subdivision 7, is amended to read:

Subd. 7. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card ~~by clipping the upper corner of the card in such a way that no identifying information including the photo is destroyed, and immediately return the card to the person~~;

(2) issue the person a temporary license effective for only seven days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 54. Minnesota Statutes 2022, section 171.01, subdivision 40, is amended to read:

Subd. 40. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground~~, including~~. Motorcycle includes motor scooters and bicycles with motor attached~~, but excluding~~.

(b) Motorcycle excludes tractors ~~and~~, motorized bicycles, and roadable aircraft, as defined in section 169.011, subdivision 67a.

Sec. 55. Minnesota Statutes 2022, section 171.01, subdivision 41a, is amended to read:

Subd. 41a. **Noncompliant license; noncompliant identification card.** "Noncompliant license," "noncompliant identification card," or "noncompliant license or identification card," means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (b). Unless provided otherwise, noncompliant license includes an appropriate instruction permit, provisional license, limited license, and restricted license.

Sec. 56. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 45c. **REAL ID compliant license; REAL ID compliant identification card.** "REAL ID compliant license," "REAL ID compliant identification card," or "REAL ID compliant license or identification card" means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (a). Unless provided otherwise, REAL ID compliant license includes an appropriate instruction permit, provisional license, limited license, and restricted license.

Sec. 57. Minnesota Statutes 2022, section 171.01, subdivision 47, is amended to read:

Subd. 47. **State.** "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States, including a United States military base located on foreign soil.

Sec. 58. Minnesota Statutes 2022, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. ~~**Two-wheeled vehicle**~~ **Motorcycle endorsement fee.** (a) In addition to the appropriate fee under subdivision 2, the fee for a ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license is:

(1) $26.50 for an initial endorsement or a duplicate license obtained for the purpose of adding the endorsement; and

(2) $17 for each license renewal with the endorsement.

(b) The additional fee must be paid into the state treasury and credited as follows:

(1) $19 of the additional fee under paragraph (a), clause (1), and $11 of the additional fee under paragraph (a), clause (2), to the motorcycle safety ~~fund~~ account, which is hereby created in the special revenue fund; and

(2) the remainder to the general fund.

(c) All application forms prepared by the commissioner for ~~two-wheeled vehicle~~ motorcycle endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle safety ~~fund~~ account.

Sec. 59. Minnesota Statutes 2023 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) ~~as may be required by the commissioner,~~ contain a description of the applicant ~~and any other facts pertaining to the applicant~~, including the applicant's height in feet and inches, weight in pounds, eye color, and sex; the applicant's driving privileges~~,~~; and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7;

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c;

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b;

(v) indicate the applicant's race and ethnicity; and

(vi) indicate caretaker information as provided under section 171.12, subdivision 5c; and

(6) meet the requirements under section 201.161, subdivision 3.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for ~~driver's~~ drivers' licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

~~(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.~~

~~(e)~~ (d) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

(e) A Minnesota driver's license or identification card must be issued only to an individual who has a residence address in the state at the time of the application. Applications for an enhanced driver's license or enhanced identification card must include proof of residency in accordance with section 171.063, subdivision 6. An individual may only have one residence address where the individual is domiciled at any particular time. The residence address of the individual is presumed to continue until the contrary is shown. The applicant

must provide the following information about the residence address: residence number, street name, street type, directional, city or town, state, and zip code.

Sec. 60. Minnesota Statutes 2022, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

~~(6)~~ (9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

~~(7)~~ (10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

~~(8)~~ (11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

~~(9)~~ (12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States;

~~(10)~~ (13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x);

~~(11)~~ (14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

~~(12)~~ (15) a certified copy of a court order that specifies the applicant's name change; or

~~(13)~~ (16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 61. Minnesota Statutes 2023 Supplement, section 171.0605, subdivision 5, is amended to read:

Subd. 5. **Evidence; residence in Minnesota.** (a) Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

(1) a home utility services bill issued no more than 12 months before the application;

(2) a home utility services hook-up work order issued no more than 12 months before the application;

(3) United States bank or financial information issued no more than 12 months before the application, with account numbers redacted, including:

(i) a bank account statement;

(ii) a credit card or debit card statement;

(iii) a brokerage account statement;

(iv) a money market account statement;

(v) a Health Savings Account statement; or

(vi) a retirement account statement;

(4) a certified transcript from a United States high school, if issued no more than 180 days before the application;

(5) a certified transcript from a Minnesota college or university, if issued no more than 180 days before the application;

(6) a student summary report from a United States high school signed by a school principal or designated authority and issued no more than 180 days before the application;

(7) an employment pay stub issued no more than 12 months before the application that lists the employer's name and address;

(8) a Minnesota unemployment insurance benefit statement issued no more than 12 months before the application;

(9) a statement from an assisted living facility licensed under chapter 144G, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 12 months before the application;

(10) a current policy or card for health, automobile, homeowner's, or renter's insurance;

(11) a federal or state income tax return for the most recent tax filing year;

(12) a Minnesota property tax statement for the current or prior calendar year or a proposed Minnesota property tax notice for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(13) a Minnesota vehicle certificate of title;

(14) a filed property deed or title for current residence;

(15) a Supplemental Security Income award statement issued no more than 12 months before the application;

(16) mortgage documents for the applicant's principal residence;

(17) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;

(18) an affidavit of residence for an applicant whose principal residence is a group home, communal living arrangement, cooperative, or a religious order issued no more than 90 days before the application;

(19) an assisted living or nursing home statement issued no more than 90 days before the application;

(20) a valid driver's license, including an instruction permit, issued under this chapter;

(21) a valid Minnesota identification card;

(22) an unexpired Minnesota professional license;

(23) an unexpired Selective Service card;

(24) military orders that are still in effect at the time of application;

(25) a cellular phone bill issued no more than 12 months before the application; or

(26) a valid license issued pursuant to the game and fish laws.

(b) In lieu of one of the two documents required by paragraph (a), an applicant under the age of 18 may use a parent or guardian's proof of principal residence as provided in this paragraph. The parent or guardian of the applicant must provide a document listed under paragraph (a) that includes the parent or guardian's name and the same address as the address on the document provided by the applicant. The parent or guardian must also certify that the applicant is the child of the parent or guardian and lives at that address.

(c) A document under paragraph (a) must include the applicant's name and principal residence address in Minnesota.

(d) For purposes of this ~~section~~ subdivision, Internet service and cable service are utilities ~~under this section and Minnesota Rules, part 7410.0410, subpart 4a~~.

Sec. 62. Minnesota Statutes 2022, section 171.0605, subdivision 6, is amended to read:

Subd. 6. **Exceptions process.** (a) The commissioner may grant a variance from the requirements of this section as provided under Minnesota Rules, part 7410.0600, or successor rules, for evidence of:

(1) identity or date of birth under subdivision 2;

(2) lawful status under subdivision 3, only for demonstration of United States citizenship; and

~~(3) Social Security number under subdivision 4; and~~

~~(4)~~ (3) residence in Minnesota under subdivision 5.

(b) The commissioner must not grant a variance for an applicant having a lawful temporary admission period.

Sec. 63. **[171.062] EVIDENCE OF IDENTITY; NONCOMPLIANT CREDENTIALS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Court" includes a foreign court of competent jurisdiction.

(c) "Foreign" means a jurisdiction that is not, and is not within, the United States, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, or a territory of the United States.

Subd. 2. **Evidence of identity.** For a noncompliant license or identification card, an applicant must submit:

(1) a Minnesota driver's license or identification card that is current or has been expired:

(i) for five years or less with a color photograph or electronically produced or digitized image; or

(ii) for one year or less without a color photograph or electronically produced or digitized image; or

(2) if the applicant cannot present a credential under clause (1), either:

(i) one primary document under subdivision 4 and one secondary document under subdivision 5; or

(ii) two primary documents under subdivision 4.

Subd. 3. **General requirements.** (a) A document submitted under this section must include the applicant's name and must be:

(1) issued to or provided for the applicant;

(2) legible and unaltered;

(3) an original or a copy certified by the issuing agency or by a court; and

(4) accompanied by a certified translation or an affidavit of translation into English, if the document is not in English.

(b) If the applicant's current legal name is different from the name on a document submitted under subdivision 4 or 5, the applicant must submit:

(1) a certified copy of a court order that specifies the applicant's name change;

(2) a certified copy of the applicant's certificate of marriage;

(3) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court; or

(4) similar documentation of a lawful change of name, as determined by the commissioner.

(c) A form issued by a federal agency that is specified under this section includes any subsequent form or version.

(d) The commissioner must establish a process to grant a waiver from the requirements under this section.

(e) The same document must not be submitted as both a primary document and a secondary document.

Subd. 4. **Primary documents.** (a) For purposes of a noncompliant driver's license or identification card, a primary document includes:

(1) a copy of the applicant's record of birth, or an original certificate of birth that is in the files of the applicable bureau or board under item (iii) and can be readily viewed by the official accepting the application, certified by the issuing state that:

(i) is not issued by a hospital and is not a baptismal certificate;

(ii) bears the raised or authorized seal of the issuing government jurisdiction or a protective equivalent; and

(iii) is issued by:

(A) a government bureau of vital statistics or community health board;

(B) the United States Department of State as a Record of Birth Abroad, Form FS-545 or Form DS-1350; or

(C) a United States embassy as a Consular Report of Birth Abroad, Form FS-240;

(2) a certified copy of an adoption certificate with the applicant's full name and date of birth from a United States court of competent jurisdiction that bears the raised court seal or other court certification;

(3) an unexpired identification card issued to the applicant by the United States Department of Defense for active duty, reserve, or retired military personnel, Form DD-2 or Common Access Card;

(4) a valid, unexpired passport issued to the applicant by the United States Department of State;

(5) a Canadian birth certificate or Canadian naturalization certificate;

(6) one of the following documents issued by the United States Department of Justice or the United States Department of Homeland Security or any subsequent form or version of the documents:

(i) Certificate of Naturalization, Form N-550, Form N-570, or Form N-578;

(ii) Certificate of Citizenship, Form N-560, Form N-561, or Form N-645;

(iii) United States Citizen Identification card, Form I-179 or Form I-197;

(iv) valid, unexpired Permanent Resident or Resident Alien card, Form I-551 or Form I-151;

(v) Northern Mariana card, Form I-873, with "Northern Mariana" imprinted instead of "Resident Alien";

(vi) American Indian card, Form I-872, with "American Indian" imprinted instead of "Resident Alien";

(vii) unexpired employment authorization document with a photograph, Form I-688, Form I-688A, Form I-688B, or Form I-766; or

(viii) unexpired Re-entry Permit/Refugee Travel Document, Form I-571;

(7) an unexpired passport or a consular identification document that bears a photograph of the applicant;

(8) a certified birth certificate issued by a foreign jurisdiction; and

(9) a certified adoption certificate issued by a foreign jurisdiction that includes the applicant's name and date of birth.

(b) A document submitted under this subdivision must contain security features that make the document as impervious to alteration as is reasonably practicable in its design and quality of material and technology.

(c) Submission of more than one primary document is not required under this subdivision.

Subd. 5. **Secondary documents.** (a) For purposes of a noncompliant driver's license or identification card, a secondary document includes:

(1) a second primary document listed under subdivision 4, paragraph (a);

(2) a driver's license, identification card, or permit, with a photograph or digitized image, issued by a United States state other than Minnesota or a foreign jurisdiction and that is current or has expired no more than five years before the application;

(3) a certified copy of a court order or judgment from a United States or Canadian court of competent jurisdiction containing the applicant's full name and date of birth and bearing the raised court seal or other court certification;

(4) a current United States or Canadian government jurisdiction employee photo identification card;

(5) a certified copy of a record of birth issued by a government jurisdiction other than one in the United States, the District of Columbia, Guam, Puerto Rico, or the United States Virgin Islands;

(6) a current identification card or document issued to the applicant by the United States Department of Defense, described as:

(i) DD Form 1173 series, for dependents of active duty personnel; or

(ii) DD Form 214, Certificate of Release or Discharge from Active Duty;

(7) a copy of a marriage certificate certified by the issuing government jurisdiction or the original certificate only if it is in the files of the issuing jurisdiction and can be readily viewed by the official accepting the application;

(8) an unexpired permit to carry a firearm or concealed weapon bearing a color photo of the applicant issued by a chief of police in an organized, full-time United States police department or by a United States county sheriff;

(9) a current pilot's license issued by the United States Department of Transportation, Federal Aviation Administration;

(10) a copy of a transcript containing the applicant's full legal name and date of birth certified by the issuing secondary or postsecondary school;

(11) a United States nonmetal Social Security card or a Canadian social insurance card;

(12) a current secondary school student identification card with the student's name, a photograph or electronically produced image of the student, and the student's date of birth or unique student identification number;

(13) a notice of action on or proof of submission of a completed Application for Asylum and for Withholding of Removal issued by the United States Department of Homeland Security, Form I-589;

(14) a Certificate of Eligibility for Nonimmigrant Student Status issued by the United States Department of Homeland Security, Form I-20;

(15) a Certificate of Eligibility for Exchange Visitor (J-1) Status issued by the United States Department of State, Form DS-2019;

(16) a Deferred Action for Childhood Arrival approval notice issued by the United States Department of Homeland Security;

(17) an employment authorization document issued by the United States Department of Homeland Security, Form I-688, Form I-688A, Form I-688B, or Form I-766;

(18) a document issued by the Internal Revenue Service with an individual taxpayer identification number;

(19) a Social Security card;

(20) a Supplemental Security Income award statement;

(21) a Selective Service card;

(22) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate;

(23) a Minnesota unemployment insurance benefit statement;

(24) a valid identification card for health benefits or an assistance or social services program;

(25) a Minnesota vehicle certificate of title;

(26) mortgage documents for the applicant's residence;

(27) a filed property deed or title for the applicant's residence;

(28) a Minnesota property tax statement or a proposed Minnesota property tax notice;

(29) a certified copy of a divorce decree or dissolution of marriage issued by a court that specifies the applicant's name or name change;

(30) a valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph; and

(31) any of the following documents issued by a foreign jurisdiction:

(i) a driver's license that is current or has been expired for no more than five years before the application;

(ii) a high school, college, or university student identification card with a certified transcript from the school;

(iii) an official high school, college, or university transcript that includes the applicant's date of birth and a photograph of the applicant at the age the record was issued;

(iv) a federal electoral card that contains the applicant's photograph issued on or after January 1, 1991;

(v) a certified copy of the applicant's certificate of marriage; and

(vi) a certified copy of a court order or judgment from a court of competent jurisdiction that contains the applicant's name and date of birth.

(b) Submission of more than one secondary document is not required under this subdivision.

Subd. 6. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the primary or secondary documents submitted under this section. Verification is required if:

(1) the document provided by the applicant is inconsistent with the department record;

(2) the document provided by the applicant appears to be altered or fraudulent; or

(3) there is reason to believe the applicant is not who the applicant claims to be.

Sec. 64. **[171.063] EVIDENCE OF IDENTITY FOR ENHANCED CREDENTIALS.**

Subdivision 1. **Date of birth.** As satisfactory evidence of date of birth, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570;

(5) Certificate of Citizenship, Form N-560 or Form N-561;

(6) American Indian card, Form I-872, or Minnesota tribal identification card that meets the requirements of section 171.072; or

(7) United States military photo identification card issued to active duty, reserve, or retired military personnel.

Subd. 2. **Full legal name.** As satisfactory evidence of full legal name, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents that was not also presented for proof of photographic identity under subdivision 4:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570;

(5) Certificate of Citizenship, Form N-560 or Form N-561;

(6) American Indian card, Form I-872, or Minnesota tribal identification card that meets the requirements of section 171.072;

(7) United States military photo identification card issued to active duty, reserve, or retired military personnel;

(8) federal or Minnesota income tax form W-2;

(9) federal or Minnesota income tax form SSA-1099;

(10) non-SSA federal or Minnesota income tax form 1099;

(11) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(12) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(13) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(14) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(15) federal or state income tax return or statement for the most recent tax filing year;

(16) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(17) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(18) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(19) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(20) valid Minnesota driver's license, valid Minnesota identification card, or valid permit;

(21) unexpired Minnesota professional license;

(22) unexpired Selective Service card;

(23) military orders that are still in effect at the time of the application;

(24) copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(25) certified copy of a court order specifying a name change; or

(26) certified copy of a divorce decree or dissolution of marriage granted to the applicant that specifies a name change requested from a court of competent jurisdiction.

Subd. 3. **Social Security number.** As satisfactory evidence of Social Security number, an applicant for an enhanced driver's license or an enhanced identification card must present the applicant's original Social Security card or one of the following:

(1) federal or Minnesota income tax form W-2;

(2) federal or Minnesota income tax form SSA-1099;

(3) non-SSA federal or Minnesota income tax form 1099; or

(4) United States employment computer-printed pay stub containing the applicant's name, address, and full Social Security number.

Subd. 4. **Photographic identity.** As satisfactory evidence of photographic identity, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

(1) valid Minnesota driver's license, identification card, or permit;

(2) valid driver's license, identification card, or permit issued by another United States state, including the District of Columbia and any United States territory;

(3) United States military identification card issued to active duty, reserve, or retired military personnel;

(4) United States military dependent identification card;

(5) valid, unexpired United States passport or United States passport card;

(6) American Indian card, Form I-872, or Minnesota tribal identification card that meets the requirements under section 171.072;

(7) valid city, county, state, or federal employee identification card;

(8) United States high school identification card with a certified transcript from the same school, both issued no more than 180 days before the application;

(9) United States college or university identification card with a certified transcript from the same college or university, both issued no more than 180 days before the application; or

(10) veterans universal access identification card.

Subd. 5. **United States citizenship.** As satisfactory evidence of United States citizenship, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents:

(1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;

(2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;

(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570; or

(5) Certificate of Citizenship, Form N-560 or Form N-561.

Subd. 6. **Residency.** (a) As satisfactory evidence of residency, an applicant for an enhanced driver's license or enhanced identification card must present two different forms of the following documents that list the applicant's name and address:

(1) United States home utility services bill that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility bill if two unrelated people are listed on the bill;

(2) United States home utility services hook-up work order that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility services hook-up work order if two unrelated people are listed on the work order;

(3) United States financial information with account numbers redacted that is issued no more than 90 days before the application, including a:

(i) bank account statement;

(ii) canceled check; or

(iii) credit card statement;

(4) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(5) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(6) United States employment pay stub that lists the employer's name, address, and telephone number that is issued no more than 90 days before the application;

(7) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(8) assisted living or nursing home statement that is issued no more than 90 days before the application;

(9) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(10) federal or state income tax return or statement for the most recent tax filing year;

(11) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(12) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(13) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(14) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(15) mortgage documents for the applicant's principal residence;

(16) residential lease agreement for the applicant's principal residence that is issued no more than 12 months before the application;

(17) valid Minnesota driver's license, identification card, or permit;

(18) unexpired Minnesota professional license;

(19) unexpired Selective Service card; or

(20) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate.

(b) For purposes of this subdivision, Internet service and cable service are utilities.

(c) The commissioner must verify with the United States Postal Service the address information provided under this subdivision.

Subd. 7. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the documents submitted under this section. Verification is required if:

(1) the document provided by the applicant is inconsistent with the department record;

(2) the document provided by the applicant appears to be altered or fraudulent; or

(3) there is reason to believe the applicant is not who the applicant claims to be.

Sec. 65. **[171.069] TRANSLATIONS.**

For any document submitted to the commissioner under this chapter in a language other than English:

(1) the document must be accompanied by a translation of that document into the English language;

(2) the translation must be sworn to by the translator as being a true and accurate translation;

(3) the translator must not be related by blood or marriage to the applicant; and

(4) the translator must be:

(i) accredited by the American Translators Association;

(ii) certified by a court of competent jurisdiction;

(iii) approved by an embassy or consulate of the United States or diplomatic or consular official of a foreign country assigned or accredited to the United States;

(iv) affiliated with or approved by the United States Citizenship and Immigration Services or a government jurisdiction within the United States;

(v) an attorney licensed to practice in the United States or affiliated with that attorney;

(vi) a vendor listed to provide translation services for the state of Minnesota; or

(vii) a qualified individual who certifies the individual is competent to translate the document into English.

Sec. 66. Minnesota Statutes 2023 Supplement, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department ~~shall~~ must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; or

(2) Veteran 100% T&P.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; or

(ii) a retired or honorably discharged member of the National Guard or a reserve component of the United States armed forces;

(2) provide a certified copy of the applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status, or a military retiree identification card, veteran identification card, or veteran health identification card; and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

Sec. 67. Minnesota Statutes 2022, section 171.072, is amended to read:

**171.072 TRIBAL IDENTIFICATION CARD.**

(a) If a Minnesota identification card is deemed an acceptable form of identification in Minnesota Statutes or Rules, a tribal identification card is also an acceptable form of identification. A tribal identification card is a primary document for purposes of ~~Minnesota Rules, part 7410.0400, and successor rules,~~ section 171.062 when an applicant applies for a noncompliant license or identification card.

(b) For purposes of this section, "tribal identification card" means an unexpired identification card issued by a ~~Minnesota~~ tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the legal name, date of birth, signature, and picture of the enrolled tribal member.

(c) The tribal identification card must contain security features that make it as impervious to alteration as is reasonably practicable in its design and quality of material and technology. The security features must use materials that are not readily available to the general public. The tribal identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

(d) The requirements of this section do not apply: (1) except as provided in paragraph (a), to an application for a driver's license or Minnesota identification card under this chapter; or (2) to tribal identification cards used to prove an individual's residence for purposes of section 201.061, subdivision 3.

Sec. 68. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 5c, is amended to read:

Subd. 5c. **Caretaker information.** (a) Upon request by an applicant for a driver's license, instruction permit, or Minnesota identification card under section 171.06, subdivision 3, the commissioner must maintain electronic records of names and contact information for ~~up to three~~ individuals receiving exclusive care from the applicant. The request must be made on a form prescribed by the commissioner. The commissioner must make the form available on the department's website. The form must include a notice as described in section 13.04, subdivision 2.

(b) A person who has provided caretaker information under this subdivision may change, add, or delete the information at any time. Notwithstanding sections 171.06, subdivision 2;

and 171.061, the commissioner or a driver's license agent must not charge a fee for a transaction described in this paragraph.

(c) Caretaker data are classified as private data on individuals, as defined in section 13.02, subdivision 12, except that the commissioner may share caretaker information with law enforcement agencies to notify the cared-for individuals regarding an emergency.

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

Sec. 69. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 7b, is amended to read:

Subd. 7b. **Data privacy; noncompliant license or identification card.** (a) With respect to noncompliant licenses or identification cards, the commissioner is prohibited from:

(1) electronically disseminating outside the state data that is not disseminated as of May 19, 2017; or

(2) utilizing any electronic validation or verification system accessible from or maintained outside the state that is not in use as of May 19, 2017.

(b) The limitations in paragraph (a) do not apply to the extent necessary to:

(1) maintain compliance with the driver's license compact under section 171.50 and applicable federal law governing commercial driver's licenses; ~~and~~

(2) perform identity verification as part of an application for a replacement Social Security card issued by the Social Security Administration; and

(3) perform identity verification for a program participant in the Transportation Security Administration's Registered Traveler program who has voluntarily provided their Minnesota driver's license or identification card to confirm their identity to a private entity operating under the Registered Traveler program.

(c) For purposes of paragraph (b), clause (3), the information provided for identity verification is limited to name, date of birth, the license or identification card's identification number, issuance date, expiration date, and credential security features which does not include facial recognition.

~~(c)~~ (d) For purposes of this subdivision, "outside the state" includes federal agencies, states other than Minnesota, organizations operating under agreement among the states, and private entities.

~~(d)~~ (e) Prior to disclosing to a data requester, other than the data subject, any data on individuals relating to a noncompliant driver's license or identification card, the commissioner or a driver's license agent must require the data requester to certify that the data requester must not use the data for civil immigration enforcement purposes or disclose the data to a state or federal government entity that primarily enforces immigration law or to any employee or agent of any such government entity. A data requester who violates the certification required in this paragraph may be liable in a civil action brought under section 13.08, may be subject to criminal penalties under section 13.09, may have subsequent requests for noncompliant driver's license or identification card data be denied by the commissioner, and may lose access to the driver records subscription service under section 168.327. A certification form used by the commissioner or a driver's license agent under this paragraph must include information about penalties that apply for violations.

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

Sec. 70. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 11, is amended to read:

Subd. 11. **Certain data on noncompliant license or identification card; department and agents.** (a) For purposes of this section, "immigration status data" means data on individuals who have applied for or been issued a noncompliant driver's license or identification card and that indicate or otherwise have the effect of identifying (1) whether the individual has demonstrated United States citizenship, or (2) whether the individual has demonstrated lawful presence in the United States. Immigration status data include but are not limited to any documents specified under section ~~171.06, subdivision 9, 10, or 11~~ 171.062; immigration status data contained in those documents; or the applicant's submission of the documents.

(b) Immigration status data are classified as private data on individuals, as defined in section 13.02, subdivision 12. Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate immigration status data except to or within the division of the department that administers driver licensing and to the secretary of state for purposes of improving the accuracy of voter registration records under subdivision 7a.

(c) As authorized or required by state or federal law, the commissioner or a driver's license agent may share or disseminate data on individuals who have applied for or been issued a noncompliant driver's license or identification card that are not immigration status data to a government entity, as defined in section 13.02, subdivision 7a, or to a federal

government entity that does not enforce immigration law, provided that the receiving entity must not use the data for civil immigration enforcement purposes or further disclose the data to a state or federal government entity that primarily enforces immigration law or to any employee or agent of any such government entity.

(d) Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate any data on individuals who have applied for or been issued a noncompliant driver's license or identification card to any federal government entity that primarily enforces immigration law, except pursuant to a valid search warrant or court order issued by a state or federal judge.

(e) Violation of this subdivision by the commissioner, a driver's license agent, a government entity, or an employee or agent thereof constitutes a violation of the Minnesota Government Data Practices Act and may be subject to penalties and remedies applicable under that chapter.

Sec. 71. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant for a driver's license is 21 years of age or older and possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination to obtain a driver's license, the commissioner must waive the requirements that the applicant pass a knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(b) If the commissioner determines that an applicant for a ~~two-wheeled vehicle~~ motorcycle endorsement is 21 years of age or older and possesses a valid driver's license with a ~~two-wheeled vehicle~~ motorcycle endorsement issued by another state or jurisdiction that requires a comparable examination to obtain an endorsement, the commissioner must waive the requirements with respect to the endorsement that the applicant pass a knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and

fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

Sec. 72. Minnesota Statutes 2022, section 171.13, subdivision 6, is amended to read:

Subd. 6. ~~**Two-wheeled vehicle**~~ **Motorcycle endorsement examination fee.** A person applying for an initial ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license ~~shall~~ must pay at the place of examination a $2.50 examination fee, an endorsement fee as prescribed in section 171.06, subdivision 2a, and the appropriate driver's license fee as prescribed in section 171.06, subdivision 2.

Sec. 73. Minnesota Statutes 2022, section 171.13, is amended by adding a subdivision to read:

Subd. 10. **Exam scheduling reporting.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "delay" or "delayed" means a road test examination under this section between 15 and 30 days after an eligible applicant's request for a road test; and

(2) "reporting period" means a calendar year or a fiscal year as identified for each report under paragraph (b).

(b) By March 1 and September 1 of each year, the commissioner must submit a report on road test examination scheduling to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report due by September 1 must include information for the most recently ended fiscal year. The report due by March 1 must include information for the most recently ended calendar year.

(c) At a minimum, the report must:

(1) identify each performance measure or metric established by the commissioner related to scheduling availability and passage of road tests;

(2) for the reporting period, identify the results for the performance measures or metrics under clause (1); and

(3) for the reporting period, identify the rate at which applicants are able to obtain an appointment for a road test in the time period provided under subdivision 1, paragraph (d), compared to the number of individuals who experienced a delay in booking a road test appointment.

(d) For the reporting period, if a goal is not met in a performance measure or metric under paragraph (c), clause (1), or if the requirements specified under subdivision 1, paragraph (d), are not fully met, the report must also:

(1) include the number of administered road tests for Class D and commercial drivers' licenses per month for the previous five fiscal years;

(2) provide information about factors that impact road test examination appointment availability, including information on staffing and the use of overtime at exam stations, budgetary resources, the number of potential applicants seeking a road test, and any other analysis based on the department's experience necessary to identify and project what may cause delays in the next five fiscal years;

(3) analyze the rate and frequency of which an applicant was administered a road test for either a Class D or commercial driver's license at an exam station outside the applicant's county or exam station region to identify the rate at which an applicant must travel to obtain a road test appointment;

(4) for the analysis required in clause (3), provide a breakout by county and exam station region; and

(5) conduct the analysis required in clauses (3) and (4) for retakes of Class D or commercial driver's license road tests.

Sec. 74. Minnesota Statutes 2022, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license ~~shall~~ must not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with either of those sections; or

(2) one year, to a person whose license or privilege has been revoked or suspended for:

(i) committing manslaughter resulting from the operation of a motor vehicle~~, committing criminal vehicular homicide or injury under section 609.2112, subdivision 1, clause (1), (2), item (ii), (5), (6), (7), or (8), committing criminal vehicular homicide under section 609.2112, subdivision 1, clause (2), item (i) or (iii), (3), or (4), or violating a statute or ordinance from another state in conformity with either of those offenses.~~; or

(ii) committing criminal vehicular operation under section:

(A) 609.2113, subdivision 1, 2, or 3; or

(B) 609.2114, subdivision 2.

Sec. 75. Minnesota Statutes 2022, section 171.30, subdivision 5, is amended to read:

Subd. 5. **Exception; criminal vehicular ~~operation~~ homicide.** Notwithstanding subdivision 1, the commissioner may not issue a limited license to a person whose driver's license has been suspended or revoked due to:

(1) a violation ~~of~~ under section:

(i) 609.2112, subdivision 1, ~~clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm~~ paragraph (a);

(ii) 609.2114, subdivision 1, paragraph (a); or

(iii) 169.13, subdivision 1, that contributed to causing death to another; or

(2) a statute or ordinance from another state in conformity with the offenses under clause (1).

Sec. 76. Minnesota Statutes 2022, section 171.335, subdivision 3, is amended to read:

Subd. 3. **Appropriation.** (a) All funds in the motorcycle safety ~~fund~~ account created ~~by~~ under section 171.06, subdivision 2a, are ~~hereby~~ annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2.

(b) Of the money appropriated under paragraph (a):

(1) not more than five percent shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2; and

(2) not more than 65 percent shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 77. Minnesota Statutes 2023 Supplement, section 171.395, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A licensed or approved driver education program that provides both classroom and behind-the-wheel instruction may offer teleconference driver education as provided in this section. For purposes of this section, the driver education program must offer both classroom and behind-the-wheel instruction. ~~If a program partners or contracts with a second program to provide any portion of classroom or behind-the-wheel~~

~~instruction, the first program is not eligible to offer teleconference driver education instruction.~~

Sec. 78. Minnesota Statutes 2023 Supplement, section 171.396, is amended to read:

**171.396 ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed or approved driver education program may offer online driver education as provided in this section. The online driver education program must satisfy the requirements for classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

(1) include a means for the student to measure performance outcomes;

(2) use a pool of rotating quiz questions;

(3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;

(4) measure the amount of time that the student spends in the course;

(5) provide technical support to customers that is available 24 hours per day, seven days per week;

(6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;

(7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;

(8) incorporate preventive measures in place to protect against the access of private information;

(9) include the ability to update course content uniformly throughout the state; and

(10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.

(b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

Sec. 79. Minnesota Statutes 2022, section 174.03, subdivision 12, is amended to read:

Subd. 12. **Trunk highway performance, resiliency, and sustainability.** (a) The commissioner must implement performance measures and ~~annual~~ targets for the trunk highway system in order to construct resilient infrastructure, enhance the project selection for all transportation modes, improve economic security, and achieve the state transportation goals established in section 174.01.

(b) At a minimum, the transportation planning process must include:

(1) an inventory of transportation assets, including but not limited to bridge, pavement, geotechnical, pedestrian, bicycle, and transit asset categories;

(2) ~~lag (resulting), and where practicable lead (predictive),~~ establishment of statewide performance measures and ~~annual~~ targets, reporting of performance measure results, and where possible, performance forecasts that are:

(i) statewide and, where data allow, district-specific;

(ii) for assets in each asset category specified in clause (1) ~~for a period of up to 60 years~~; and

(iii) identified in collaboration with the public;

(3) gap identification and an explanation of the difference between performance targets and current status; and

(4) life cycle assessment and corridor risk assessment as part of asset management programs in each district of the department.

(c) At a minimum, the ten-year capital highway investment plan in each district of the department must:

(1) be based on expected funding during the plan period and, to the extent feasible, maximize long-term benefits;

(2) estimate the funding necessary to make optimal life cycle investments;

~~(2)~~ (3) identify investments within each of the asset categories specified in paragraph (b), clause (1), that are funded through the trunk highway capital program;

~~(3)~~ (4) ~~recommend~~ identify specific trunk highway segments programmed to be removed from the trunk highway system; and

~~(4)~~ (5) deliver annual progress toward achieving the state transportation goals established in section 174.01.

(d) Annually by December 15, the commissioner must report trunk highway performance measures and ~~annual~~ targets and identify gaps, including information detailing the department's progress on achieving the state transportation goals, to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. The report must be signed by the ~~department's chief engineer~~ commissioner.

Sec. 80. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 3, is amended to read:

Subd. 3. **Active transportation accounts.** (a) An active transportation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner and must be expended only on projects that receive financial assistance under this section.

(b) An active transportation account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance as provided under this section. Money in the account may only be expended on a project that is publicly owned.

~~(c) An active transportation account is established in the general fund. The account consists of money as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.~~

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 81. Minnesota Statutes 2023 Supplement, section 174.40, subdivision 4a, is amended to read:

Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, town, or federally recognized Indian Tribe is eligible to receive funding under this section. A statutory or home rule charter city, county, or town is eligible to receive funding for infrastructure projects under this section only if it has adopted subdivision regulations that require safe routes to school infrastructure in developments authorized on or after June 1, 2016.

Sec. 82. **[174.595] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Capital building asset" includes but is not limited to district headquarters buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection stations.

(c) "Commissioner" means the commissioner of transportation.

(d) "Department" means the Department of Transportation.

(e) "Program" means the transportation facilities capital program established in this section.

Subd. 2. **Program established.** The commissioner must establish a transportation facilities capital program in conformance with this section to provide for capital building asset projects related to buildings and other capital facilities of the department.

Subd. 3. **Transportation facilities capital accounts.** (a) A transportation facilities capital account is established in the trunk highway fund. The account consists of money appropriated from the trunk highway fund for the purposes of the program and any other money donated, allotted, transferred, or otherwise provided to the account by law.

(b) A transportation facilities capital subaccount is established in the bond proceeds account in the trunk highway fund. The subaccount consists of trunk highway bond proceeds appropriated to the commissioner for the purposes of the program. Money in the subaccount may only be expended on trunk highway purposes, including the purposes specified in this section.

Subd. 4. **Implementation standards.** The commissioner must establish a process to implement the program that includes allocation of funding based on review of eligible projects as provided under subdivision 5 and prioritization as provided under subdivision 6. The process must be in conformance with trunk highway fund uses for the purposes of constructing, improving, and maintaining the trunk highway system in the state pursuant to Minnesota Constitution, article XIV.

Subd. 5. **Eligible expenditures.** A project is eligible under this section only if the project:

(1) involves the construction, improvement, or maintenance of a capital building asset that is part of the trunk highway system;

(2) accomplishes at least one of the following:

(i) supports the programmatic mission of the department;

(ii) extends the useful life of existing buildings; or

(iii) renovates or constructs facilities to meet the department's current and future operational needs; and

(3) complies with the sustainable building guidelines provided in section 16B.325.

Subd. 6. **Prioritization.** In prioritizing funding allocation among projects under the program, the commissioner must consider:

(1) whether a project ensures the effective and efficient condition and operation of the facility;

(2) the urgency in ensuring the safe use of existing buildings;

(3) the project's total life-cycle cost;

(4) additional criteria for priorities otherwise specified in law that apply to a category listed in the act making an appropriation for the program; and

(5) any other criteria the commissioner deems necessary.

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

Sec. 83. Minnesota Statutes 2022, section 174.632, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The planning, design, development, construction, operation, and maintenance of passenger rail track, facilities, and services are governmental functions, serve a public purpose, and are a matter of public necessity.

(b) The commissioner is responsible for all aspects of planning, designing, developing, constructing, equipping, operating, promoting, and maintaining passenger rail, including system planning, alternatives analysis, environmental studies, preliminary engineering, final design, construction, negotiating with railroads, and developing financial and operating plans.

(c) The commissioner may enter into a memorandum of understanding or agreement with a public or private entity, including Amtrak, a regional railroad authority, a joint powers board, and a railroad, to carry out these activities.

Sec. 84. Minnesota Statutes 2022, section 174.636, subdivision 1, is amended to read:

Subdivision 1. **Powers.** The commissioner has all powers necessary to carry out the duties specified in section 174.632. In the exercise of those powers, the commissioner may:

(1) acquire by purchase, gift, or by eminent domain proceedings as provided by law, all land and property necessary to preserve future passenger rail corridors or to construct, maintain, and improve passenger rail corridors;

(2) conduct and engage in promotional and marketing research, campaigns, outreach, and other activities to increase awareness, education, and ridership of passenger rail in Minnesota;

~~(2)~~ (3) let all necessary contracts as provided by law; and

~~(3)~~ (4) make agreements with and cooperate with any public or private entity, including Amtrak, to carry out statutory duties related to passenger rail.

Sec. 85. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

Subd. 7a. **Locate.** "Locate" means an operator's markings of an underground facility.

Sec. 86. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

Subd. 7b. **Locate period.** "Locate period" means:

(1) the period among the following that ends farthest from now:

(i) the 48-hour period beginning at 12:01 a.m. on the day after a locate request is submitted to the notification center, excluding any Saturday, Sunday, or holiday; or

(ii) the period between the date of submission of a locate request to the notification center and the identified date and time of excavation; or

(2) if applicable, and notwithstanding clause (1), a period of time that is mutually agreed to between the excavator and operator, as specified in written documentation provided to the notification center.

Sec. 87. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

Subd. 8a. **On-site meet.** "On-site meet" means meeting at the site of a proposed excavation requested at the time of notice by the excavator with all affected underground

facility operators to further clarify the precise geographic location of excavation, schedule the locating, propose future contacts, and share other information concerning the excavation and facilities.

Sec. 88. Minnesota Statutes 2022, section 216D.01, subdivision 12, is amended to read:

Subd. 12. **Utility quality level.** "Utility quality level" means a professional opinion about the quality and reliability of utility information. There are four levels of utility quality information, ranging from the most precise and reliable, level A, to the least precise and reliable, level D. The utility quality level must be determined in accordance with guidelines established by the Construction Institute of the American Society of Civil Engineers in the document ~~CI/ASCE 38-02~~ entitled "~~Standard Guidelines for the Collection and Depiction of Existing Subsurface Utility Data.~~ Standard Guideline for Investigating and Documenting Existing Utilities," ASCE/UESI/CI 38-22, or in a successor document.

Sec. 89. Minnesota Statutes 2022, section 216D.03, is amended by adding a subdivision to read:

Subd. 5. **Performance reporting.** (a) Each operator must submit a report to the Office of Pipeline Safety on a quarterly basis, using a form or database entry designated by the Office of Pipeline Safety. The report must contain the following information:

(1) the total number of notifications and the number of notifications, itemized by type;

(2) for each notification type, the percentage of notifications marked by the start time on the notice; and

(3) the number of utility damages, itemized by the cause of the damages.

(b) Except for a pipeline operator that is subject to chapter 299F or 299J, an operator with fewer than 5,000 notifications received during the previous calendar year is exempt from the reporting requirement under paragraph (a).

(c) The data collected under this subdivision may not be used to initiate an enforcement action by the Office of Pipeline Safety.

(d) The commissioner must annually publish a report on the data collected under this subdivision and make the report available on the Office of Pipeline Safety website.

Sec. 90. Minnesota Statutes 2022, section 216D.04, is amended to read:

**216D.04 EXCAVATION; LAND SURVEY.**

Subdivision 1. **Notice required; contents.** (a) Except in an emergency, an excavator ~~shall~~ must and a land surveyor may contact the notification center and provide notice at least 48 hours, excluding the day of notification, Saturdays, Sundays, and holidays and not more than 14 calendar days before beginning any excavation or boundary survey. An excavation or boundary survey begins, for purposes of this requirement, the first time excavation or a boundary survey occurs in an area that was not previously identified by the excavator or land surveyor in the notice.

(b) The notice may be oral or written, and must contain the following information:

(1) the name of the individual providing the notice;

(2) the precise location of the proposed area of excavation or survey;

(3) the name, address, and telephone number of the individual or individual's company;

(4) the field telephone number, if one is available;

(5) the type and extent of the activity;

(6) whether or not the discharge of explosives is anticipated;

(7) the date and time when the excavation or survey is to commence; and

(8) the estimated duration of the activity.

Subd. 1a. **Plans for excavation.** (a) Any person, prior to soliciting bids or entering into a contract for excavation, ~~shall~~ must provide a proposed notice to the notification center to obtain from the affected operators of underground facilities the type, size, and general location of underground facilities. Affected operators ~~shall~~ must provide the information within 15 working days. An operator who provides information to a person who is not a unit of government may indicate any portions of the information which are proprietary and may require the person to provide appropriate confidentiality protection. The information obtained from affected operators must be submitted on the final drawing used for the bid or contract and must depict the utility quality level of that information. This information must be updated not more than 90 days before completion of the final drawing used for the bid or contract.

(b) This subdivision does not apply to bids and contracts for:

(1) routine maintenance of underground facilities or installation, maintenance, or repair of service lines;

(2) excavation for operators of underground facilities performed on a unit of work or similar basis; or

(3) excavation for home construction and projects by home owners.

(c) A person required by this section to show existing underground facilities on its drawings ~~shall~~ must conduct one or more preliminary design meetings during the design phase to communicate the project design and project scope and timeline and to coordinate utility relocation. Affected facility operators ~~shall~~ must attend these meetings ~~or make other arrangements to provide information~~. Project owners must provide project start dates, duration information, and scope of work.

(d) A person required by this section to show existing underground facilities on its drawings ~~shall~~ must conduct one or more preconstruction meetings to communicate the project design and project scope and timeline and to coordinate utility relocation. Affected facility operators and contractors ~~shall~~ must attend these meetings ~~or make other arrangements to provide information~~.

(e) This subdivision does not affect the obligation to provide a notice of excavation as required under subdivision 1.

Subd. 1b. **On-site meet.** (a) An on-site meet may be requested for any excavation at the discretion of the excavator. The meet request must include the entire geographic area of the proposed excavation and the specific location of the meet.

(b) Unless otherwise agreed to between an excavator and operator, an on-site meet is required for:

(1) an excavation notice that involves excavation of one mile or more in length; or

(2) any combination of notices provided for adjacent geographic sections that, when combined, meet or exceed the minimum excavation length under clause (1).

(c) The excavator must provide a precise geographic area of the proposed excavation and use markings as specified under section 216D.05, clause (2).

(d) An affected operator must (1) attend the on-site meet at the proposed date and time, or (2) contact the excavator before the meet and (i) reschedule the meet for a mutually agreed date and time, or (ii) reach an agreement with the excavator that a meet is not required.

At the meet, the operator and the excavator must reach an agreement on any subsequent planned meets or further communication.

(e) The on-site meet date and time must occur at least 48 hours after the notice, excluding Saturdays, Sundays, and holidays. The excavation start time must be at least 48 hours after the proposed meet date and time specified on the notice, excluding Saturdays, Sundays, and holidays.

(f) The excavator and the operator must submit documentation of each on-site meet to the notification center, in the manner specified by the notification center. The documentation must include:

(1) the date and time of the meet;

(2) the names, company affiliations, and contact information of the attendees of each meet;

(3) a diagram, sketch, or description of the precise excavation locations, dates, and times; and

(4) the agreed schedule of any future on-site meets or communications.

Subd. 2. **Duties of notification center; regarding notice.** The notification center ~~shall~~ must assign an inquiry identification number to each notice and retain a record of all notices received for at least six years. The center ~~shall~~ must immediately transmit the information contained in a notice to every operator that has an underground facility in the area of the proposed excavation or boundary survey.

Subd. 3. **Locating underground facility; operator.** (a) Prior to the ~~excavation start time on the notice~~ conclusion of the locate period, an operator ~~shall~~ must locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator and provide readily available information regarding the operator's abandoned and out-of-service underground facilities as shown on maps, drawings, diagrams, or other records used in the operator's normal course of business, without cost to the excavator. The excavator ~~shall~~ must determine the precise location of the underground facility, without damage, before excavating within two feet of the marked location of the underground facility.

(b) Within 96 hours or the time specified in the notice, whichever is later, after receiving a notice for boundary survey from the notification center, excluding Saturdays, Sundays, and holidays, unless otherwise agreed to between the land surveyor and operator, an operator ~~shall~~ must locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator, without cost to the land surveyor.

(c) For the purpose of this section, the approximate horizontal location of the underground facilities is a strip of land two feet on either side of the underground facilities.

(d) Markers used to designate the approximate horizontal location of underground facilities ~~must~~ are subject to the following requirements:

(1) markers must be a combination of paint markings and at least one of the following: (i) a flag or flags, (ii) a stake or stakes, or (iii) a whisker or whiskers;

(2) all markers under clause (1) must follow the current color code standard used by the American Public Works Association;

(3) markers must be located within a plus or minus two-foot tolerance; and

(4) the name of the operator must be indicated on each flag, stake, or whisker.

If the surface being marked is hard, markers without flags, stakes, or whiskers may be used but must comply with the color code standard and tolerance requirement under clauses (2) and (3).

(e) If the operator cannot complete marking of the excavation or boundary survey area before the excavation or boundary survey start time stated in the notice, the operator ~~shall~~ must promptly contact the excavator or land surveyor.

(f) ~~After December 31, 1998,~~ Operators ~~shall~~ must maintain maps, drawings, diagrams, or other records of any underground facility abandoned or out-of-service after December 31, 1998.

(g) An operator or other person providing information pursuant to this subdivision is not responsible to any person, for any costs, claims, or damages for information provided in good faith regarding abandoned, out-of-service, or private or customer-owned underground facilities.

(h) An operator must use geospatial location information or an equivalent technology to develop as-built drawings of newly installed or newly abandoned facilities if exposed in the excavation area. The requirements under this paragraph apply (1) on or after January 1, 2026, or (2) on or after January 1, 2027, for an operator that provided services to fewer than 10,000 customers in calendar year 2025.

Subd. 4. **Locating underground facility; excavator or land surveyor.** (a) The excavator or land surveyor ~~shall~~ must determine the precise location of the underground facility, without damage, before excavating within two feet on either side of the marked location of the underground facility.

(b) Activities in the proposed area of excavation or boundary survey must take place before the expiration date and time on the notification. If the excavator or land surveyor cancels the excavation or boundary survey, the excavator or land surveyor ~~shall~~ must cancel the notice through the notification center.

(c) The notice is valid for 14 calendar days from the start time stated on the notice. If the activity will continue after the expiration time, then the person responsible for the activity ~~shall~~ must serve an additional notice at least 48 hours, excluding Saturdays, Sundays, and holidays, before the expiration time of the original notice, unless the excavator makes arrangements with the operators affected to periodically verify or refresh the marks, in which case the notice is valid for six months from the start time stated on the notice.

(d) The excavator is responsible for reasonably protecting and preserving the marks until no longer required for proper and safe excavation near the underground facility. If the excavator has reason to believe the marks are obliterated, obscured, missing, or incorrect, the excavator ~~shall~~ must notify the facility operator or notification center in order to have an operator verify or refresh the marks.

Sec. 91. Minnesota Statutes 2022, section 216D.05, is amended to read:

**216D.05 PRECAUTIONS TO AVOID DAMAGE.**

(a) An excavator ~~shall~~ must:

(1) plan the excavation to avoid damage to and minimize interference with underground facilities in and near the construction area;

(2) ~~use white markings~~ for proposed excavations ~~except where it can be shown that it is not practical~~, use (i) white markings or black markings in wintery conditions, or (ii) electronic marking as provided in paragraph (b);

(3) maintain a clearance between an underground facility and the cutting edge or point of any mechanized equipment, considering the known limit of control of the cutting edge or point to avoid damage to the facility;

(4) provide support for underground facilities in and near the construction area, including during backfill operations, to protect the facilities; and

(5) conduct the excavation in a careful and prudent manner.

(b) An excavator may use electronic marking under paragraph (a), clause (2), if:

(1) the marking provides at least as much proposed excavation information as equivalent physical markings; and

(2) electronic marking used prior to January 1, 2026, is accompanied by equivalent physical markings as provided under paragraph (a), clause (2).

(c) Following submission of electronic marking, an operator may require the excavator to use physical markings.

Sec. 92. **[219.455] DEFINITIONS.**

(a) For purposes of sections 219.45 to 219.53, the following terms have the meanings given.

(b) "Depot company" means a company formed to construct and operate a passenger station on behalf of a railroad or rail carrier.

(c) "Passenger service" means both intercity rail passenger service and commuter rail passenger service.

(d) "Railway company" means a company incorporated or licensed to operate a railroad track or train, and includes a company that loads, unloads, or transloads products.

(e) "Terminal" means a facility or station where:

(1) trains stop to load, unload, or transfer passengers, freight, or both;

(2) formation, dispatch, reception and temporary stabling, and marshalling of rolling stock occurs; or

(3) trains are serviced, maintained, or repaired.

(f) "Yard" means a system of tracks within defined limits provided for making up trains, storing cars, and other purposes.

(g) "Yard track" means a system of tracks within defined limits used for:

(1) the making up or breaking up of trains;

(2) the storing of cars; and

(3) other related purposes over which movements not authorized by timetable or by train order may be made subject to prescribed signals, rules, or other special instructions.

Sidings used exclusively as passing track and main line track within yard limits do not constitute yard track.

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

Sec. 93. Minnesota Statutes 2022, section 219.46, subdivision 1, is amended to read:

Subdivision 1. **Structure.** (a) On and after April 16, 1913, it is unlawful for a common carrier or any other person, on a standard gauge road on its line or a standard gauge sidetrack, for use in any traffic mentioned in section 219.45:

(1) to erect or reconstruct and maintain an adjoining warehouse, coal chute, stock pen, pole, mail crane, standpipe, hog drencher, or any permanent or fixed structure or obstruction within eight feet of the centerline of the track or sidetrack;

(2) in excavating, to allow an adjoining embankment of earth or natural rock to remain within eight feet of the centerline of the track or sidetrack; or

(3) to erect or reconstruct overhead wires, bridges, viaducts or other obstructions passing over or above its tracks at a height less than 21 feet, measured from the top of the track rail.

(b) If after May 1, 1943, overhead structures or platforms or structures designed only to be used in the loading or unloading of cars are rebuilt or remodeled, then these overhead structures must be built with an overhead clearance of not less than 22 feet from the top of the rail. These structures or platforms must be built with a side clearance of not less than 8-1/2 feet from the centerline of the track unless by order the commissioner may provide otherwise.

(c) Sections 219.45 to 219.53 do not apply to yards and terminals of: (1) depot companies, or (2) railway companies used only for passenger service. If personal injury is sustained by an employee of a depot company or railway company used only for passenger service, by reason of noncompliance with sections 219.45 to 219.53, that employee, or in case of the employee's death, the personal representative, has the rights, privileges, and immunities enumerated in section 219.53.

(d) On and after May 1, 1943, it is unlawful for a common carrier or any other person, on a standard gauge road on its line or a standard gauge sidetrack or spur, for use in any traffic mentioned in section 219.45:

(1) to erect or construct and maintain an adjoining warehouse, coal chute, stock pen, pole, mail crane, standpipe, hog drencher, or any permanent or fixed structure or obstruction within 8-1/2 feet of the centerline of the track;

(2) in excavating, to allow an adjoining embankment of earth or natural rock to remain within 8-1/2 feet of the centerline of the track or sidetrack; or

(3) to erect or construct overhead wires, bridges, viaducts, or other obstructions passing over or above its tracks at a height less than 22 feet, measured from the top of the track rail.

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

Sec. 94. Minnesota Statutes 2023 Supplement, section 221.0269, subdivision 4, is amended to read:

Subd. 4. **Intrastate transportation; ~~heating~~ fuel products.** (a) If a regional emergency has been declared by the President of the United States or by the Federal Motor Carrier Safety Administration pursuant to United States Code, title 49, section 390.23(a), ~~and the declaration includes heating fuel as a covered commodity,~~ the federal regulations incorporated into section 221.0314, subdivision 9, for hours of service do not apply to drivers engaged in intrastate transportation of ~~heating~~ fuel products when the driver is:

(1) driving a vehicle designed and exclusively used to transport fuel products; and

(2) carrying only fuel products as defined in section 296A.01.

(b) The relief provided by paragraph (a) only applies when the fuel product being transported is included in the emergency declaration as a covered commodity.

(c) Notwithstanding the relief provided in paragraph (a), a driver may not exceed a total of 14 hours combined on-duty and driving time after coming on duty following at least ten consecutive hours off-duty.

~~(c)~~ (d) If a driver is operating under the relief provided by paragraph (a), and the declaration is in effect for more than 30 calendar days, the driver must take a 34-hour restart before the driver has been on duty for 30 consecutive days.

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

Sec. 95. Minnesota Statutes 2022, section 221.033, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** Except as provided in ~~subdivisions 2 to 2d~~ this section, no person may transport or offer or accept for transportation within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 5101 to 5126 and the provisions of Code of Federal Regulations, title 49, parts 171 to 199, which are incorporated by reference. Those provisions apply to transportation in intrastate commerce to the same extent they apply to transportation in interstate commerce.

Sec. 96. Minnesota Statutes 2022, section 221.033, is amended by adding a subdivision to read:

Subd. 2e. **Transportation of specific petroleum products; driver requirements.** (a) This subdivision applies to intrastate commerce.

(b) A driver who operates a motorized tank truck vehicle with a capacity of less than 3,500 gallons that is used to transport petroleum products must have a valid commercial driver's license with endorsements for hazardous materials and tank vehicles and be at least 18 years of age.

(c) A driver who operates a vehicle that is used to transport liquefied petroleum gases in nonbulk or bulk packaging as defined in Code of Federal Regulations, title 49, section 171.8, including the transportation of consumer storage tanks in compliance with Code of Federal Regulations, title 49, section 173.315(j), must have a valid commercial driver's license with a hazardous materials endorsement and be at least 18 years of age.

(d) A driver who operates a vehicle under paragraph (c) must also have a tank vehicle endorsement if the aggregate capacity of the bulk packaging being transported is 1,000 gallons or more.

(e) Nonbulk or bulk packaging transported under paragraph (c) must have an aggregate capacity of less than 3,500 gallons.

Sec. 97. Minnesota Statutes 2022, section 360.013, is amended by adding a subdivision to read:

Subd. 57c. **Roadable aircraft.** "Roadable aircraft" has the meaning given in section 169.011, subdivision 67a.

Sec. 98. Laws 2023, chapter 68, article 1, section 2, subdivision 4, is amended to read:

Subd. 4. **Local Roads**

| | | |
|---|---|---|
| (a) **County State-Aid Highways** | 917,782,000 | 991,615,000 |

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081, 174.49, and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) **Municipal State-Aid Streets** 236,360,000 251,748,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the

balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) **Other Local Roads**

| | | |
|---|---|---|
| (1) **Local Bridges** | 18,013,000 | -0- |

This appropriation is from the general fund to replace or rehabilitate local deficient bridges under Minnesota Statutes, section 174.50. This is a onetime appropriation and is available until June 30, 2027.

| | | |
|---|---|---|
| (2) **Local Road Improvement** | 18,013,000 | -0- |

This appropriation is from the general fund for construction and reconstruction of local roads under Minnesota Statutes, section 174.52. This is a onetime appropriation and is available until June 30, 2027.

| | | |
|---|---|---|
| (3) **Local Transportation Disaster Support** | 4,300,000 | 1,000,000 |

This appropriation is from the general fund to provide:

(i) a cost-share for federal assistance from the Federal Highway Administration for the

emergency relief program under United States Code, title 23, section 125.; and

(ii) assistance for roadway damage on the state-aid or federal-aid system associated with state or federally declared disasters ineligible for assistance from existing state and federal disaster programs.

Of the appropriation in fiscal year 2024, $3,300,000 is onetime and is available until June 30, 2027.

(4) **Metropolitan Counties** 20,000,000 -0-

This appropriation is from the general fund for distribution to metropolitan counties as provided under Minnesota Statutes, section 174.49, subdivision 5, for use in conformance with the requirements under Minnesota Statutes, section 174.49, subdivision 6.

Sec. 99. Laws 2023, chapter 68, article 1, section 17, subdivision 7, is amended to read:

Subd. 7. **U.S. Highway 52 box culvert underpass; Dakota County.** $2,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for preliminary and final design, planning, engineering, environmental analysis, acquisition of permanent easements and rights-of-way, and construction of a box culvert underpass ~~at~~ or an alternative option near marked U.S. Highway 52 and Dakota County ~~Road 6~~ State-Aid Highway 66 near the Hmong American Farmers Association in the township of Vermillion. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 100. Laws 2023, chapter 68, article 1, section 17, subdivision 18, is amended to read:

Subd. 18. **Town roads.** (a) $7,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for a grant to a township with a population greater than 10,000 according to the last two federal decennial censuses. This appropriation is for the ~~purposes specified in Minnesota Statutes, section 162.081, subdivision 4~~ construction, reconstruction, and gravel maintenance of town roads within the town.

(b) Notwithstanding internal Department of Transportation guidelines, policies, or documents relating to grant management, the commissioner must disburse the appropriation under this subdivision directly to a township meeting the criteria in paragraph (a), and may do so without complying with Minnesota laws and policies regarding grant management, including but not limited to the requirement to have an agreement.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs.

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

Sec. 101. Laws 2023, chapter 68, article 2, section 2, subdivision 3, is amended to read:

Subd. 3. **Transportation Facilities Capital Improvements** 87,440,000

This appropriation is for ~~capital improvements to Department of Transportation facilities. The improvements must: (1) support the programmatic mission of the department; (2) extend the useful life of existing buildings; or (3) renovate or construct facilities to meet the department's current and future operational needs~~ the transportation facilities capital program under Minnesota Statutes, section 174.595.

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

Sec. 102. Laws 2023, chapter 68, article 2, section 2, subdivision 4, is amended to read:

Subd. 4. **Trunk Highway 65; Anoka County** 68,750,000

This appropriation is for ~~one or more grants to the city of Blaine, Anoka County, or both for the~~ predesign, right-of-way acquisition, design, engineering, and construction of intersection improvements along Trunk Highway 65 at 99th Avenue Northeast; 105th Avenue Northeast; Anoka County State-Aid Highway 12; 109th Avenue Northeast; 117th Avenue Northeast; and the associated frontage

roads and backage roads within the trunk highway system.

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

Sec. 103. Laws 2023, chapter 68, article 2, section 2, subdivision 5, is amended to read:

Subd. 5. **U.S. Highway 10; Coon Rapids** 30,000,000

This appropriation is for ~~a grant to Anoka County for~~ preliminary engineering, environmental analysis, final design, right-of-way acquisition, construction, and construction administration of a third travel lane in each direction of marked U.S. Highway 10 from east of the interchange with Hanson Boulevard to Round Lake Boulevard in the city of Coon Rapids.

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

Sec. 104. Laws 2023, chapter 68, article 2, section 2, subdivision 7, is amended to read:

Subd. 7. **U.S. Highway 169 Interchange; Scott County** 4,200,000

This appropriation is ~~for a grant to Scott County~~ to design and construct trunk highway improvements associated with an interchange at U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians and for bridge and road construction.

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

Sec. 105. Laws 2023, chapter 68, article 2, section 2, subdivision 9, is amended to read:

Subd. 9. **U.S. Highway 8; Chisago County** 42,000,000

This appropriation is for ~~a grant to Chisago County for~~ predesign, design, engineering,

and reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to marked Interstate Highway 35, including pedestrian and bike trails along and crossings of this segment of marked U.S. Highway 8. The reconstruction project may include expanding segments of marked U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of trunk highway bonds. ~~This appropriation is not available until the commissioner of management and budget determines that sufficient resources have been committed from nonstate sources to complete the project.~~

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

Sec. 106. **REPORT; CITY SPEED LIMIT ANALYSIS STUDY REQUIRED.**

(a) The commissioner of transportation must conduct a comprehensive study to assess speed limits in cities that adopted speed limits on city streets under the provisions provided in Minnesota Statutes, section 169.14, subdivision 5h, since the provision's enactment. The commissioner must conduct the assessment on all cities that have instituted speed limit changes to determine whether the cities are setting the appropriate speed limit for the roadway based on engineering principles, safety considerations, and traffic flow.

(b) The study required under this section must include:

(1) an evaluation of roadway design and characteristics;

(2) an analysis of traffic volume and patterns;

(3) an examination of crash data and safety records;

(4) a review of existing speed studies and surveys;

(5) any discrepancies between established speed limits and engineering recommendations; and

(6) recommendations for upward adjustments to city speed limits necessary to align with engineering principles and enhance roadway safety and design.

(c) By March 15, 2025, the commissioner of transportation must submit the results of the comprehensive study to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must identify affected cities and recommend upward adjustments based on observations in the report.

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

Sec. 107. **TRAFFIC ENGINEERING STUDIES AND INVESTIGATIONS.**

(a) Notwithstanding the requirements of the Minnesota Manual on Uniform Traffic Control Devices established by the commissioner of transportation under Minnesota Statutes, section 169.06, subdivision 2, by July 1, 2024, the commissioner must implement section 2B.21 of the Manual on Uniform Traffic Control Devices for Streets and Highways, 11th Edition, as incorporated by the United States Department of Transportation, pertaining to traffic engineering studies and investigations for establishing or reevaluating speed limits within speed zones.

(b) This section expires upon adoption of relevant revisions to the Minnesota Manual on Uniform Traffic Control Devices that pertain to traffic engineering studies and investigations for speed zones. The commissioner must notify the revisor of statutes, whether electronically or in writing, of the expiration.

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

Sec. 108. **FULL-SERVICE PROVIDER.**

(a) For purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of public safety; and

(2) "full-service provider" has the meaning given in Minnesota Statutes, section 168.002, subdivision 12a.

(b) A driver's license agent under Minnesota Statutes, section 171.061, who was appointed before January 1, 2024, and is recognized by the commissioner as a limited licensing agent under Minnesota Rules, part 7404.0340, may apply to the commissioner to become a full-service provider at the agent's current office location. A driver's license agent must

submit an application on or before June 1, 2025. By June 30, 2025, an applicant under this section must satisfactorily complete any additional staff training required by the commissioner to offer expanded services as a full-service provider.

(c) The commissioner may appoint an applicant who meets the requirements under this section as a full-service provider.

(d) Minnesota Rules, chapter 7404, applies to an appointment under this section, except that this section applies notwithstanding Minnesota Rules, parts 7404.0300, subparts 4, 5, and 6; 7404.0305, subpart 1, item B; 7404.0345, item D; 7404.0350; 7404.0360, subpart 2; and 7404.0400, subpart 4, item B.

Sec. 109. **MINNESOTA STATE FAIR TRANSPORTATION PLANNING.**

(a) By August 1, 2024, the board of managers of the State Agricultural Society, in consultation with the Metropolitan Council, must develop a multimodal Minnesota State Fair transportation plan for implementation at the 2024 Minnesota State Fair and must submit a copy of the plan to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and transportation policy and finance.

(b) At a minimum, the plan must:

(1) determine methods to reduce motor vehicle traffic, congestion, and parking in the area of the Minnesota State Fairgrounds;

(2) identify improvements to the transportation experience for attendees at the Minnesota State Fair;

(3) expand bicycle access and secure storage, including at park-and-ride locations;

(4) improve support for ride hailing and transportation network companies; and

(5) specify public distribution of information on transportation options and services.

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

Sec. 110. **REPEALER.**

(a) Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 216D.06, subdivision 3; and 221.033, subdivision 2c, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, and 11, are repealed.

(c) Minnesota Rules, part 7410.6180, is repealed.

(d) Minnesota Rules, part 7411.7600, subpart 3, is repealed.

**EFFECTIVE DATE.** Paragraph (d) is effective July 1, 2024.

## ARTICLE 2
## GREATER MINNESOTA TRANSIT

Section 1. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 1a. **Complementary paratransit service (ADA).** "Complementary paratransit service (ADA)" means public transportation service provided on a regular basis where fixed route public transit service exists and is designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 2. Minnesota Statutes 2022, section 174.22, subdivision 2b, is amended to read:

Subd. 2b. **Elderly and disabled service.** "Elderly and disabled service" means transportation service provided on a regular basis in small urbanized or large urbanized areas and designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 3. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 3a. **Large urbanized area service.** "Large urbanized area service" means a public transportation service operated in areas located outside the metropolitan area with a population greater than 200,000 that is designated by the United States Census Bureau. Large urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 4. Minnesota Statutes 2022, section 174.22, subdivision 7, is amended to read:

Subd. 7. **Public ~~transit or transit~~ transportation.** ~~"Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit.~~ "Public transportation" means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income. Public transportation does not include:

(1) intercity passenger rail transportation provided by the entity described in United States Code, title 49, section 243, or a successor entity;

(2) intercity bus service;

(3) charter bus service;

(4) school bus service;

(5) sightseeing service;

(6) courtesy shuttle service for patrons of one or more specific establishments; or

(7) intraterminal or intrafacility shuttle services.

Sec. 5. Minnesota Statutes 2022, section 174.22, subdivision 12, is amended to read:

Subd. 12. **Rural area service.** "Rural area service" means a public transportation service ~~primarily~~ operated in ~~an area having population centers of less than 2,500 persons~~ rural areas that have not been designated in the most recent decennial census as an urbanized area by the United States Census Bureau.

Sec. 6. Minnesota Statutes 2022, section 174.22, subdivision 14, is amended to read:

Subd. 14. **Small ~~urban~~ urbanized area service.** "Small ~~urban~~ urbanized area service" means a public transportation service ~~operating in an area with a population between 2,500 and 50,000~~ operated in areas located outside the metropolitan area with a population of at least 50,000 but less than 200,000 that is designated by the United States Census Bureau. Small urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 7. Minnesota Statutes 2022, section 174.23, subdivision 2, is amended to read:

Subd. 2. **Financial assistance; application, approval.** (a) The commissioner ~~shall~~ must seek out and select eligible recipients of financial assistance under sections 174.21 to 174.27.

(b) The commissioner ~~shall~~ must establish ~~by rule the~~ procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 174.21 to 174.27. Any applicant ~~shall~~ must provide to the commissioner any financial or other information required by the commissioner to carry out the commissioner's duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance.

~~(c) Before the commissioner approves any grant, the application for the grant may be reviewed by the appropriate regional development commission only for consistency with regional transportation plans and development guides. If an applicant proposes a project within the jurisdiction of a transit authority or commission or a transit system assisted or operated by a city or county, the application shall also be reviewed by that commission, authority, or political subdivision for consistency with its transit programs, policies, and plans.~~

Sec. 8. Minnesota Statutes 2022, section 174.24, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit investment plan.** (a) The commissioner ~~shall~~ must develop a greater Minnesota transit investment plan that contains a goal of meeting at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025.

(b) The plan must include, but is not limited to, the following:

(1) an analysis of ridership and total transit service needs throughout greater Minnesota;

(2) a calculation of the level and type of service required to meet total transit service needs, for the transit system classifications as provided under subdivision 3b, paragraph (c), of large urbanized area, small ~~urban~~ urbanized area, rural area, ~~and~~ elderly and disabled service, and complementary paratransit service (ADA);

(3) an analysis of costs and revenue options;

(4) a plan to reduce total transit service needs as specified in this subdivision; and

(5) identification of the operating and capital costs necessary to meet 100 percent of the greater Minnesota transit targeted and projected bus service hours, as identified in the greater Minnesota transit plan, for 2010, 2015, 2020, 2025, and 2030.

(c) The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide fixed route public transit service without charge for disabled veterans in accordance with subdivision 7.

Sec. 9. Minnesota Statutes 2022, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. **Operating assistance; recipient classifications.** ~~(a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for~~

~~assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.~~

~~(b)~~ (a) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner ~~shall~~ must place all recipients into one of the following classifications: large urbanized area service, small ~~urban~~ urbanized area service, rural area service, ~~and~~ elderly and disabled service, and complementary paratransit service (ADA).

~~(c)~~ (b) The commissioner ~~shall~~ must distribute ~~funds~~ the operating assistance amount under this section so that the percentage ~~of total contracted operating cost~~ from local sources paid by any recipient ~~from local sources~~ will not exceed the following percentage for that recipient's classification, except as provided in this subdivision~~. The percentages must be~~:

(1) for urbanized area service and small urban area service, 20 percent;

(2) for rural area service, 15 percent; and

(3) for elderly and disabled service and complementary paratransit service (ADA), 15 percent.

~~Except as provided in a United States Department of Transportation program allowing or requiring a lower percentage to be paid from local sources, the remainder of the recipient's total contracted operating cost will be paid from state sources of funds less any assistance received by the recipient from the United States Department of Transportation.~~

~~(d)~~ (c) For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds~~, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost~~.

~~(e)~~ (d) If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of ~~total operating cost~~ the operating assistance amount from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the

commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of ~~total operating cost~~ the operating assistance amount as provided in this paragraph, the commissioner ~~shall~~ must reduce the state share in each classification to the extent necessary.

Sec. 10. Minnesota Statutes 2022, section 174.24, subdivision 3c, is amended to read:

Subd. 3c. **Nonoperating assistance.** The commissioner ~~shall~~ must determine the total cost of any planning and engineering design, capital assistance, other capital expenditures, and other assistance for public transit services that furthers the purposes of section 174.21 for any public transit system receiving or applying for the assistance in accordance with generally accepted accounting principles. The percentage of local sources paid by any recipient must not exceed 20 percent of the awarded amount. To be eligible for non-operating-cost financial assistance, an applicant or recipient ~~shall~~ must provide to the commissioner all financial records and other information and ~~shall~~ must permit any inspection reasonably necessary to determine total cost and the amount of assistance that may be paid to the applicant or recipient. When more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner ~~shall~~ must identify one as a lead agency for the purpose of receiving money under this section. The commissioner has the sole discretion to determine the amount of state funds distributed to any recipient for non-operating-cost assistance.

Sec. 11. Minnesota Statutes 2022, section 174.247, is amended to read:

**174.247 ANNUAL TRANSIT REPORT.**

(a) By February 15 annually, the commissioner ~~shall~~ must submit a report to the legislature on transit services outside the metropolitan area. ~~The Metropolitan Council and~~ Any public transit system receiving assistance under section 174.24 ~~shall~~ must provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies for each public transit system and for each transit system classification under section 174.24, subdivision 3b:

(i) the operating and capital costs;

(ii) each of the funding sources used to provide financial assistance; and

(iii) for federal funds, the amount from each specific federal program under which funding is provided;

(6) a summary of the differences in program implementation requirements and aid recipient eligibility between federal aid and state sources of funds; and

(7) ~~in each odd-numbered year,~~ an analysis of public transit system needs and operating expenditures on an annual basis, which must include a methodology for identifying monetary needs, and calculations of:

(i) the total monetary needs for all public transit systems, for the year of the report and the ensuing five years;

(ii) the total expenditures from local sources for each transit system classification;

(iii) the comprehensive transit assistance percentage for each transit system classification, which equals (A) the expenditures identified under item (ii), for a transit system classification, divided by (B) the amounts identified under subitem (A), plus the sum of state sources of funds plus federal funds provided to all transit systems in that classification; and

(iv) the amount of surplus or insufficient funds available for paying capital and operating costs to fully implement the greater Minnesota transit investment plan under section 174.24, subdivision 1a.

Sec. 12. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(e) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(g) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (l), clauses (4), (5), (6), and (7).

(h) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

(i) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

(j) Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(k) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(l) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(m) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (l) according to paragraphs (p) and (q) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(n) The commissioner shall:

(1) verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(o) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(p) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (k), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $12.10 for the base rate and $1.43 per mile when provided by a nonemergency medical transportation provider;

(4) $14.30 for the base rate and $1.43 per mile for assisted transport;

(5) $19.80 for the base rate and $1.70 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

(q) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (p), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (p), clauses (1) to (7).

(r) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (p) and (q), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(s) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (p) and (q), shall exempt all modes of transportation listed under paragraph (l) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(t) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (p) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

Sec. 13. Minnesota Statutes 2022, section 473.121, subdivision 19, is amended to read:

Subd. 19. **Public transit or transit.** "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

Sec. 14. Minnesota Statutes 2023 Supplement, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit representative under this section.

Sec. 15. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 174.22, in alphabetical order and correct any cross-reference changes that result.

(b) The revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes, sections 174.21 to 174.27.

(c) Except as otherwise provided in this article, the revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes in conjunction with a specific reference to Minnesota Statutes, section 174.22, subdivision 7.

Sec. 16. **REPEALER.**

(a) Minnesota Statutes 2022, sections 174.22, subdivisions 5 and 15; and 174.23, subdivision 7, are repealed.

(b) Minnesota Rules, parts 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, and 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, and 4; and 8835.0350, subparts 1, 3, 4, and 5, are repealed.

**169.011 DEFINITIONS.**

Subd. 70. **Safety zone.** "Safety zone" means the area or space officially set apart within a roadway for the exclusive use of pedestrians and which is protected or is so marked or indicated by adequate signs as to be plainly visible at all times set apart as a safety zone.

**169.25 SAFETY ZONE.**

No vehicle shall at any time be driven through a safety zone.

**171.06 APPLICATION FOR LICENSE, PERMIT, IDENTIFICATION CARD; FEES.**

Subd. 9. **Noncompliant license or identification card; general requirements.** (a) A document submitted under this subdivision or subdivision 10 or 11 must include the applicant's name and must be:

(1) issued to or provided for the applicant;

(2) legible and unaltered;

(3) an original or a copy certified by the issuing agency or by a court; and

(4) accompanied by a certified translation or an affidavit of translation into English, if the document is not in English.

(b) If the applicant's current legal name is different from the name on a document submitted under subdivision 10 or 11, the applicant must submit:

(1) a certified copy of a court order that specifies the applicant's name change;

(2) a certified copy of the applicant's certificate of marriage;

(3) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court; or

(4) similar documentation of a lawful change of name, as determined by the commissioner.

(c) A form issued by a federal agency that is specified under subdivisions 10 and 11 includes any subsequent form or version.

(d) The commissioner must establish a process to grant a waiver from the requirements under this subdivision and subdivisions 10 and 11.

(e) The same document must not be submitted as both a primary document under subdivision 10 and a secondary document under subdivision 11.

(f) For purposes of this subdivision and subdivisions 10 and 11:

(1) "court" includes a foreign court of competent jurisdiction; and

(2) "foreign" means a jurisdiction that is not, and is not within, the United States, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, or a territory of the United States.

Subd. 10. **Noncompliant license or identification card; primary documents.** (a) For purposes of a noncompliant driver's license or identification card, a primary document under Minnesota Rules, part 7410.0400, subpart 2, or successor rules, includes:

(1) an unexpired foreign passport or a foreign consular identification document that bears a photograph of the applicant;

(2) a certified birth certificate issued by a foreign jurisdiction; and

(3) a certified adoption certificate issued by a foreign jurisdiction that includes the applicant's name and date of birth.

(b) A document submitted under this subdivision must contain security features that make the document as impervious to alteration as is reasonably practicable in its design and quality of material and technology.

(c) Submission of more than one primary document is not required under this subdivision.

Subd. 11. **Noncompliant license or identification card; secondary documents.** (a) For purposes of a noncompliant driver's license or identification card, a secondary document under Minnesota Rules, part 7410.0400, subpart 3, or successor rules, includes:

(1) a second primary document listed under subdivision 10, paragraph (a);

(2) a notice of action on or proof of submission of a completed Application for Asylum and for Withholding of Removal issued by the United States Department of Homeland Security, Form I-589;

(3) a Certificate of Eligibility for Nonimmigrant Student Status issued by the United States Department of Homeland Security, Form I-20;

(4) a Certificate of Eligibility for Exchange Visitor Status issued by the United States Department of State, Form DS-2019;

(5) a Deferred Action for Childhood Arrival approval notice issued by the United States Department of Homeland Security;

(6) an employment authorization document issued by the United States Department of Homeland Security, Form I-688, Form I-688A, Form I-688B, or Form I-766;

(7) a document issued by the Internal Revenue Service with an individual taxpayer identification number;

(8) a Social Security card;

(9) a Supplemental Security Income award statement issued no more than 12 months before the application;

(10) an unexpired Selective Service card;

(11) military orders that are still in effect at the time of application;

(12) a Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(13) a valid identification card for health benefits or an assistance or social services program;

(14) a Minnesota vehicle certificate of title issued no more than 12 months before the application;

(15) mortgage documents for the applicant's residence;

(16) a filed property deed or title for the applicant's residence;

(17) a Minnesota property tax statement for the current or prior calendar year, or a proposed Minnesota property tax notice for the current year, that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(18) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name or name change, issued by a court; and

(19) any of the following documents issued by a foreign jurisdiction:

(i) a driver's license that is current or has been expired for five years or less;

(ii) a high school, college, or university student identification card with a certified transcript from the school;

(iii) an official high school, college, or university transcript that includes the applicant's date of birth and a photograph of the applicant at the age the record was issued;

(iv) a federal electoral card issued on or after January 1, 1991, that contains the applicant's photograph;

(v) a certified copy of the applicant's certificate of marriage; and

(vi) a certified copy of a court order or judgment from a court of competent jurisdiction that contains the applicant's name and date of birth.

(b) Submission of more than one secondary document is not required under this subdivision.

**171.0605 EVIDENCE OF IDENTITY AND LAWFUL PRESENCE.**

Subd. 4. **Evidence; Social Security number.** The following is satisfactory evidence of an applicant's Social Security number or related documentation under section 171.06, subdivision 3, paragraph (b):

(1) a Social Security card;

(2) if a Social Security card is not available:

(i) a federal Form W-2;

(ii) a federal Form SSA-1099 or other federal Form 1099 having the applicant's Social Security number; or

(iii) a computer-printed United States employment pay stub with the applicant's name, address, and Social Security number; or

(3) for an applicant who provides a passport under subdivision 2, paragraph (a), clause (9), documentation demonstrating nonwork authorized status.

**174.22 DEFINITIONS.**

Subd. 5. **Operating deficit.** "Operating deficit" means the amount by which the total prudent operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived from the system.

Subd. 15. **Urbanized area service.** "Urbanized area service" means a transportation service operating in an urban area of more than 50,000 persons but does not include elderly and disabled service, as defined in subdivision 2b.

**174.23 GENERAL POWERS AND DUTIES.**

Subd. 7. **Rulemaking; total operating cost.** The commissioner shall by rule define "total operating cost" as the term is used in carrying out the purposes of section 174.24. "Total operating cost" may include provisions for a fee for service. The commissioner shall consult with eligible recipients to the maximum extent feasible in formulating these rules and develop necessary and reasonable changes in cost and fee allowability provisions and financial examination procedures where possible. The rules are subject to the provisions in the Administrative Procedure Act of sections 14.001 to 14.69.

**216D.06 DAMAGE TO FACILITY.**

Subd. 3. **Prima facie evidence of negligence.** It is prima facie evidence of the excavator's negligence in a civil court action if damage to the underground facilities of an operator resulted from excavation, and the excavator failed to give an excavation notice under section 216D.04 or provide support as required by section 216D.05.

**221.033 REGULATION OF HAZARDOUS MATERIALS.**

Subd. 2c. **Age of petroleum tank truck driver.** A driver of a motorized tank truck vehicle having a capacity of less than 3,500 gallons, who is engaged in the intrastate transportation of petroleum products, must be at least 18 years of age.

**7410.6180 COMMERCIAL MOTOR VEHICLE TESTING PROGRAM.**

A public, postsecondary educational institution or school as described in part 7410.6100 applying to be a third-party testing program for commercial motor vehicles shall offer a training course for commercial motor vehicle operation that consists of at least 180 hours of training.

**7411.7600 REQUIREMENTS FOR APPROVAL AND OPERATION.**

Subp. 3. **Course length restrictions.** The course of study may not be less than a total of eight hours, with no more than four hours of instruction required in a 24-hour period.

**8835.0110 DEFINITIONS.**

Subpart 1. **Scope.** The terms used in this chapter have the meanings given them in this part.

Subp. 1a. **Applicant.** "Applicant" means an entity that is eligible under Minnesota Statutes, section 174.24, subdivision 2, for financial assistance for a new or existing public transit system.

Subp. 6. **Cost reimbursement contract.** "Cost reimbursement contract" means a contract providing for payment to the contractor of allowable costs incurred in the performance of the contract, to the extent prescribed in the contract.

Subp. 7. **Department.** "Department" means the Department of Transportation.

Subp. 10. **Financial assistance.** "Financial assistance" means state funds paid to a recipient in accordance with the public transit participation program established under Minnesota Statutes, section 174.24.

Subp. 11a. **Greater Minnesota.** "Greater Minnesota" has the meaning given in Minnesota Statutes, section 116O.02, subdivision 5.

Subp. 12a. **Local share.** "Local share" means the percentage of total operating costs paid by a recipient according to the distribution classifications in Minnesota Statutes, section 174.24, subdivision 3b, and the percentage of capital costs paid by a recipient according to part 8835.0320.

Subp. 12b. **Local source.** "Local source" has the meaning given it in Minnesota Statutes, section 174.24, subdivision 3b.

Subp. 13a. **Management plan.** "Management plan" means a description of all the elements of a proposed public transit system, as required by part 8835.0260.

Subp. 14a. **Passenger trip.** "Passenger trip" means a one-way movement of a person between two points. Each time a passenger boards a transit vehicle counts as one passenger trip.

Subp. 15. **Public transit or transit.** "Public transit" or "transit" has the meaning given it in Minnesota Statutes, section 174.22, subdivision 7.

Subp. 15a. **Public transit participation program.** "Public transit participation program" means the department's program for providing financial assistance for public transit services in greater Minnesota under Minnesota Statutes, section 174.24.

Subp. 16. **Reasonable cost.** "Reasonable cost" means a price for a commodity or service which, in its nature or amount, does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business.

Subp. 17. **Regional Development Commission.** "Regional Development Commission" has the meaning given it in Minnesota Statutes, section 462.384, subdivision 4.

Subp. 18. **Revenue.** "Revenue" means sources of income.

Subp. 19. **Total operating cost.** "Total operating cost" means the categories of allowable expenses provided in part 8835.0280.

**8835.0210 STATUTORY AUTHORITY.**

This chapter is adopted pursuant to Minnesota Statutes, section 174.23, subdivisions 2 and 7.

**8835.0220 PURPOSE.**

The purpose of this chapter is to establish the procedures and standards for review and approval of applications for financial assistance under the public transit participation program in Minnesota Statutes, section 174.24, and to define "total operating cost" as the term is used in carrying out the public transit participation program.

**8835.0230 SCOPE.**

This chapter applies to applicants for financial assistance under the public transit participation program established by Minnesota Statutes, section 174.24.

**8835.0240 ADMINISTRATION OF PUBLIC TRANSIT PARTICIPATION PROGRAM.**

The Office of Transit shall administer the public transit participation program as provided by Minnesota Statutes, section 174.23, subdivision 8. The Office of Transit shall allocate:

A. operating assistance to public transit systems according to the distribution classifications in Minnesota Statutes, section 174.24, subdivision 3b; and

B. nonoperating or capital assistance to public transit systems according to the discretion provided to the commissioner by Minnesota Statutes, section 174.24, subdivision 3c, and according to part 8835.0320.

The Office of Transit shall make payments of financial assistance by a contract between the department and a recipient as required by Minnesota Statutes, section 174.24, subdivision 3.

**8835.0250 APPLICATION FOR FINANCIAL ASSISTANCE.**

Subpart 1. **Who may apply.** An applicant may apply for financial assistance under the public transit participation program to provide public transit in greater Minnesota.

Subp. 2. **Public transit.** Public transit includes a single service or a combination of services, such as route deviations, fixed route, flexible fixed route, demand-response/dial-a-ride, rideshare, subscription, volunteer driver services, and other services that meet the needs of individual transit systems to the extent they are consistent with Minnesota Statutes, section 174.21. A public transit system must be available and accessible to the general public.

Subp. 3. **Submission; deadline.** An applicant shall request financial assistance using an application prescribed by the department. The department shall establish a deadline for submission of applications for financial assistance and shall provide adequate notice of the deadline to applicants. A complete application contains a management plan, a resolution from the applicant's governing body, and other forms and certifications required by federal or state law or regulation.

Subp. 4. **Additional review.** In addition to submitting an application to the department, an applicant shall submit an application for review and approval as provided in Minnesota Statutes, section 174.23, subdivision 2.

Subp. 5. **Resolution.** An applicant shall submit with the application a resolution by the governing body that:

A. resolves to provide public transit;

B. indicates the person or persons authorized by title to execute a contract with the department and all amendments to the contract; and

C. authorizes funds for the local share of financial assistance, if applicable.

**8835.0260 MANAGEMENT PLAN.**

Subpart 1. **Submission in application.** An applicant shall submit a management plan as part of its application for financial assistance.

Subp. 2. **Contents.** The management plan must include the following information:

A. a service plan that describes the levels of service to be provided during the contract period, including a discussion of service area and general population, type or types of service, vehicle descriptions, days and hours of service, service schedules, contract services, and route maps;

B. a description of unmet service needs;

C. a financial plan, including:

(1) a general narrative that supports and explains the budget;

(2) a detailed narrative for each line item in the budget, including increases;

(3) actual statistics on operating expenses and operating revenues for the most recent calendar years;

(4) anticipated statistics on operating expenses and operating revenues for the new contract period;

(5) actual statistics on miles and hours of service and passenger trips for the most recent calendar year; and

(6) anticipated statistics on miles and hours of service and passenger trips for the new contract period;

D. a coordination and marketing plan, including costs and benefits of major elements;

E. a capital plan that describes the major capital assets of the transit system with an outline of how they will be maintained, improved, or replaced;

F. a description of revenue-producing contracts relating to the transit services provided by or for the applicant;

G. a description of expense contracts for services and goods procured by the transit system;

H. a description of the participating public transit system's vehicle maintenance program for the period of financial assistance;

I. a description of the organizational structure established to direct, control, review, and implement the management plan;

J. a description of measurable goals and objectives for the transit system, illustrating the benefits expected to be realized by the investment of state financial assistance;

K. a description of the fare structure of the public transit system;

L. a listing of transit and paratransit systems and their union affiliations currently operating in the applicant's area, and a description of existing or potential coordination with these systems;

M. a description of the transit system's safety and training policies, including its driver selection process;

N. a description of the proposed insurance carrier and the limits of coverage;

O. a description of the internal controls policy for the collection and deposit of fares;

P. a copy of the transit system's most recent drug and alcohol policy as approved by the local recipient's governing body;

Q. all third party contracts relating to transit operations; and

R. a copy of the governing body's third-party contract procurement policy.

Subp. 3. **Incorporation into contract.** The department shall incorporate an approved management plan into the financial assistance contract between the department and the recipient, as provided in part 8835.0330. The department shall approve a management plan after it determines the financial assistance according to part 8835.0270.

**8835.0265 THIRD-PARTY CONTRACT FOR OPERATING SERVICES.**

A recipient shall include a copy of the third-party contract procurement policy of its governing body in the management plan required in part 8835.0260. A third-party contract for operating services must contain all relevant terms contained in the financial assistance contract between the recipient and the department. The recipient is responsible for third-party contractor compliance with local, state, and federal laws, rules, and regulations. A third-party contract must be available for audit according to part 8835.0350, subpart 3. Before a recipient awards a third-party contract for operating services, the department shall review the third-party contract for compliance with the terms of the financial assistance contract between the department and the recipient.

**8835.0270 FINANCIAL ASSISTANCE.**

Subpart 1. **Allocation priorities.** The department shall allocate financial assistance to recipients for purposes of the public transit participation program according to the following order of priority:

A. first priority: operating costs for existing public transit systems;

B. second priority: capital costs for existing public transit systems; and

C. third priority: operating and capital costs for the provision of public transit services in a community or area not currently served by public transit.

Subp. 2. **Determination of financial assistance.** To determine financial assistance, the department shall review an applicant's management plan and evaluate the proposed public transit system by considering:

A. the degree to which the proposed system meets the objectives of the public transit participation program;

B. the accessibility of the proposed system to the general public, including persons with disabilities;

C. the amount of local government and community support for the proposed system;

D. the plan for continuation of the proposed system after the first year; and

E. the plan for coordination of transit services in the geographical area.

The department shall evaluate the budget, service delivery and design, and administration of a public transit system. The department shall compare the past performance of a transit system to its current performance and to the performance of other similar transit systems. To measure the performance of a public transit system, the department shall consider cost efficiency, cost-effectiveness, service effectiveness, and quality.

Subp. 3. **Approval of management plan.** The department shall approve a management plan for incorporation into a financial assistance contract after determining the reasonable costs of the proposed public transit system.

**8835.0275 DETERMINING FINANCIAL ASSISTANCE; EXPENSE CATEGORIES.**

In determining the total operating costs of a public transit system, upon which financial assistance is based, part 8835.0290 and the definitions of expense categories in part 8835.0280 apply and have the meanings given them.

**8835.0280 TOTAL OPERATING COST.**

Subpart 1. **Definition.** "Total operating cost" means the categories of allowable expenses provided in subparts 2 to 7. The total operating cost is subject to the audit provisions of part 8835.0350, subpart 3.

Subp. 2. **Personnel services expense.** The "personnel services" expense category includes:

A. administrative, management, and supervisory services, which are the amount paid to transit system employees classified as managers, supervisors, coordinators, or administrators and for which the amounts claimed by employees must be supported by daily time distribution records or a cost allocation plan that is supported by the applicant and approved by the department as part of the management plan;

B. operators' wages, which are the total amount paid to transit system employees classified as vehicle operators and for which the amounts claimed by employees must be supported by daily time distribution records;

C. maintenance and repair wages, which are the labor charges incurred in the performance of maintenance and repair of vehicles and other property required for the operation of the transit system, including only wages of maintenance personnel employed by the transit system, and for which the amounts claimed by employees must be supported by daily time distribution records;

D. other direct wages, which are the amount paid to transit system employees not classified as operators, maintenance, or administrative personnel, such as dispatchers, bookkeepers, clerical personnel, janitors, and security personnel, and for which the amounts claimed by employees must be supported by daily time distribution records;

E. indirect labor charges, which are the amount to be allocated to the transit contract for labor that is not traceable to a specific transit activity but which benefits the transit operation and which must be based on a cost allocation plan approved by the department; and

F. fringe benefits, which are the cost of providing fringe benefits for active and retired transit system employees, including pension benefits, vacation and sick leave benefits, social security taxes, workers' compensation insurance, unemployment insurance, life insurance, and first party medical coverage, and which may be allocated indirectly based on a cost allocation plan approved by the department.

Subp. 3. **Administrative charges expense.** The "administrative charges" expense category includes:

A. management fees, which are the amount paid for professional services provided by a management service company engaged contractually to provide operating management to the transit system;

B. tariffs and traffic expenses, which are any necessary tariff filing fees and costs for the procurement of tickets, tokens, and transfers;

C. advertising, marketing, and promotional charges, including the necessary cost of advertising and promoting the transit system;

D. legal, auditing, and other professional fees rendered by individuals or firms, other than transit system employees, for the purpose of maintaining continuing operations of the transit system, including:

(1) attorney fees and expenses, court costs, witness fees, and fees for accounting and auditing services, such as accident claims, defending workers' compensation claims, or other items directly related to the management plan and approved by the department; and

(2) fees paid for planning, engineering, or other consultant services that are directly related to the management plan approved by the department;

E. security costs, which are the costs necessary to provide armored car services, patrol services, and electronic surveillance for vehicles, stations, yards, and buildings to detect and prevent criminal activity, fires, and unsafe conditions, when the patrolling is performed by an outside security agency and not by transit system employees;

F. office supplies expense, which is the cost of office supplies and materials and printing and photocopying charges solely attributable to and necessary for the operation of the transit system;

G. lease and rental costs of administrative facilities used for performing the general administrative functions of the transit system, including leases and rentals of such items as land, buildings, office equipment, and furnishings;

H. utilities expense, which is the cost of utilities such as gas, electricity, water, telephone and other communications services, and trash collection;

I. other direct administrative charges, including administrative charges necessary for the continuing operation of the transit system, such as mileage reimbursement for transit support vehicles, approved conference fees, employee travel expenses, employee development, driver's training, approved membership fees for transit associations if the cost of membership is reasonably related to the value of the services or benefits received, and subscriptions to transit publications; and

J. indirect administrative charges, which are the amount allocated to the transit contract for administrative services not traceable to a specific transit activity but which benefit the transit operation and which must be based on a cost allocation plan approved by the department.

For purposes of item I, mileage reimbursement must be based on a rate approved by the local governing body, as long as the rate is reasonable and consistent with similar rates approved by the local governing body.

Subp. 4. **Vehicle charges expense.** The "vehicle charges" expense category applies to vehicles owned or leased by the public transit system and includes:

A. fuel and lubricants expense, including net costs of gasoline, diesel, and alternative fuels and costs of antifreeze, propane, lubricating oil, transmission fluid, and grease used by revenue and service vehicles;

B. maintenance and repair material expense, including costs of parts, materials, and supplies used in the maintenance and repair of revenue and service equipment;

C. contract service maintenance labor expense, which is the cost of labor for maintenance and repair service provided by persons other than transit system employees;

D. tire expense, which is the cost of tires and tubes used on revenue and service equipment including the cost of recapping or regrooving and the rental costs for tires and tubes; and

E. other vehicle charges, including the costs of:

(1) first aid equipment, fire extinguishers, and other emergency equipment required for vehicles; and

(2) noncapitalized vehicle improvements that do not remake a vehicle or appreciably extend its useful life and that have received approval from the department.

Subp. 5. **Operations charges expense.** The "operations charges" expense category includes:

A. purchase of service, which is the cost of having a subcontractor operate the project service, with cost established:

(1) through competitive bidding procedures, except for those recipients covered under Minnesota Statutes, chapter 221;

(2) through a negotiated contract with the prime contractor in bid situations when only one bid is received; or

(3) through a negotiated subcontract in a nonbid situation;

B. depreciation, which is the amount of depreciation or use allowance on depreciable items such as structures, revenue equipment, service vehicles and equipment, and office furniture and equipment and is the amount allowed based on a company's existing depreciation schedule or, if a schedule does not already exist, a depreciation schedule submitted to and approved by the department, but which may not be charged for items purchased, totally or in part, with state or federal funds;

C. mileage reimbursement for passenger service, including the cost of volunteer driver reimbursement for projects incorporating this type of service, as well as mileage reimbursement for transit personnel using private vehicles for emergency replacement passenger transport in the event of mechanical breakdown of transit vehicles;

D. repair and maintenance of other property, including material costs associated with the upkeep and repair of buildings and stations, grounds, nonrevenue equipment owned or leased by the transit company, and miscellaneous expenses such as small tool replacement, and supplies used for cleaning and for general shop and garage purposes;

E. leases and rentals of facilities or equipment used in the operation of the transit system, including leases and rentals of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, and computers, with allowability based on the reasonableness of rates and the presence of evidence that the lease will not give rise to material equity in the property; and

F. other operations charges, including the cost of such things as the purchase or rental and cleaning of uniforms, tools and equipment, sanding and snowplow operations, passenger amenities, and station agents and which may be allocated indirectly based on a cost allocation plan approved by the department.

For purposes of item C, mileage reimbursement must be based on a rate approved by the local governing body, as long as the rate is reasonable and consistent with similar rates approved by the local governing body.

Subp. 6. **Insurance charges expense.** The "insurance charges" expense category includes:

A. public liability and property damage insurance expense on vehicles, including premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts that cause damage to the person or property of others; and

B. public liability and property damage insurance charges other than on vehicles, including excess liability insurance, baggage and express insurance, and fire and theft insurance.

Subp. 7. **Taxes and fees expense.** The "taxes and fees" expense category includes:

A. vehicle registration and permit fees on vehicles; and

B. other taxes and fees, including applicable real estate, property, and sales taxes.

**8835.0290 UNALLOWABLE EXPENSES.**

Subpart 1. **Scope.** In determining the total operating costs of a public transit system, upon which financial assistance is based, the definitions of unallowable expenses in subparts 2 to 8 apply and have the meanings given them.

Subp. 2. **General purpose equipment.** Expenditures for general purpose equipment are unallowable as operating costs. "General purpose equipment" means equipment that is used for other than transit contract purposes, such as communications equipment, office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, and computers and related equipment.

Subp. 3. **Interest and other financial costs.** Interest on borrowing (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection with these costs are unallowable.

Subp. 4. **Fines and penalties.** Costs resulting from violations of, or failure to comply with federal, state, or local laws and regulations are unallowable.

Subp. 5. **Contingencies.** Contributions to a contingency reserve or any similar provision for unseen events are unallowable.

Subp. 6. **Bad debts.** Any losses arising from uncollectible accounts, other claims, and related costs are unallowable.

Subp. 7. **Donations and entertainment expense.** Contributions and donations are unallowable as are any entertainment expenses.

Subp. 8. **Unrelated costs.** Costs that are not directly related to the provision of public transit are unallowable.

**8835.0310 REVENUE CATEGORIES.**

Subpart 1. **Operating revenue categories; local sources.** In determining the local sources of funds that may comprise the fixed percentage of total operating costs to be paid by a recipient in accordance with the distribution classifications in Minnesota Statutes, sections 174.24, subdivision 3b, the definitions of revenue categories in subparts 2 to 7 apply and have the meanings given them.

Subp. 2. **Passenger fare.** "Passenger fare" means revenue earned from transporting passengers on the public transit system, including a cash fare, a donation received instead of a set fare, and an advance fare received from the sale of a coupon, token, or pass.

Subp. 3. **Contract revenue.** "Contract revenue" means revenue received from a contract with a beneficiary of a specific transit service. Contract revenue includes:

A. an amount paid by an organization for a special route guarantee; and

B. revenue earned for a ride given in regular transit service but paid for by an organization, including a state or local social service agency or a private social service organization, for the benefit of the rider.

Subp. 4. **School revenue.** "School revenue" means revenue earned from service provided under a contract with a school district, including an amount paid for transporting school children on regularly scheduled service, and an amount paid by a college or university for operating a transit vehicle on or between campuses.

Subp. 5. **Charter revenue.** "Charter revenue" includes reimbursement for charter service received in association with publicly funded transit service, providing that charter

service rates are developed so that cost recovery equals or exceeds the full cost of providing the charter service.

Subp. 6. **Auxiliary revenue.** "Auxiliary revenue" means revenue earned from an activity closely associated with the transit operation, including revenue received from an advertising service, delivery, a lease, and station and vehicle concessions.

Subp. 7. **Other financial assistance.** "Other financial assistance" includes revenue earned from an activity not associated with the provision of the recipient's transit service but which is applied to help cover the system's costs, including tax levies, a federal cash grant, senior citizen fare assistance, investment income, and any general donation.

**8835.0320 CAPITAL ASSISTANCE.**

Subpart 1. **Budget.** An applicant seeking financial assistance for capital costs shall include in its budget a description of the vehicle, facility, or equipment desired, its cost and the reason for the request.

Subp. 2. **Criteria.** The department shall use the following criteria to evaluate requests for capital assistance:

A. the extent to which the request maintains public transit services, promotes safety, and promotes efficient operations;

B. the extent to which accessibility is enhanced; and

C. the availability of local share money.

Subp. 3. **Allocation formula.** The department shall determine the amount of capital assistance for the public transit participation program according to the discretion provided to the commissioner in Minnesota Statutes, section 174.24, subdivision 3c. Except as provided in subparts 4 and 5, the department shall fund 80 percent of the capital costs approved by the department under the public transit participation program. The recipient shall provide the remaining 20 percent of the approved capital costs from local sources.

Subp. 4. **Program deviation from allocation formula.** Under the discretion provided to the commissioner in Minnesota Statutes, section 174.24, subdivision 3c, the department may establish a capital assistance allocation formula that deviates from the formula established in subpart 3. In setting this formula, the department must consider all relevant conditions relating to funding the public transit participation program.

Subp. 5. **Individual exception to allocation formula.** The department may deviate from the capital assistance allocation formula for an exceptional circumstance. A recipient that seeks capital assistance from the public transit participation program in an amount greater than the allocation formula, established under subpart 3 or 4, must make a written request to the department that includes:

A. a detailed description of the exceptional circumstance that is the basis of the written request; and

B. a resolution from the governing body that the request is due to an exceptional circumstance.

The department shall consider a request for an individual exception to the allocation formula after assessing the nature of the exceptional circumstance, balancing the request against other requests from recipients for capital assistance, and considering the assurance provided by the governing body that the circumstance that gave rise to the request is exceptional.

Subp. 6. **Vehicle replacement or disposition.** The department shall determine financial assistance to a public transit system to replace, refurbish, or dispose of a vehicle based on the condition of the vehicle and the availability of funds.

Subp. 7. **Contract.** The financial assistance contract between the department and the recipient must specify the maximum amount of capital assistance to be allocated to the recipient and the terms and conditions of assistance. The department shall determine the actual amount of capital assistance based on the availability of funds.

**8835.0330 CONTRACT FOR FINANCIAL ASSISTANCE.**

Subpart 1. **Content.** The financial assistance contract is a cost reimbursement contract that is based on the total operating cost in part 8835.0280. The contract must specify the maximum amount of financial assistance to be awarded to the recipient by the department and state the terms and conditions of assistance. The management plan must be incorporated into the contract as a legal part of the contract document. A resolution by the governing body, as provided in part 8835.0250, subpart 5, must be included with the contract.

Subp. 3. **Penalties.** If a recipient fails to comply with the terms and conditions of the contract, the department may withhold payment at any time or may terminate the financial assistance contract upon 30 days' written notice.

Subp. 4. **Amendments.** A recipient or the department may initiate an amendment to the contract. Before implementation, an amendment must be fully executed by the parties to the original contract, or their successors.

**8835.0350 FINANCIAL RECORDS.**

Subpart 1. **Records.** A recipient and any third party contractor shall maintain their financial records in accordance with generally accepted accounting principles. The records must permit audit verification of transit cost allocations claimed during the contract period. The recipient and any third party contractor also shall keep records on miles and hours of service and passenger trips. Records must be kept available for a period of six years from the date of final payment or the expiration date of the contract, whichever occurs first.

Subp. 3. **Audits.** The financial records of the recipient must be audited. They may be audited by the department or the department may accept all or part of the audit of an independent auditor instead of a departmental audit if the audit meets department standards. In addition to chapter 8835, department audits must be based on the contract cost principles and procedures in Code of Federal Regulations, title 48, chapter 1, part 31, and Office of Management and Budget Circular, Number A-87 and Number A-122, as amended. The financial records of a subcontractor may be audited at the department's discretion. The department shall submit year-end financial statements to the department auditor by April 15 of the year following the period covered by the financial assistance contract. Audits at the end of a contract period must establish approved total operating costs. New recipients are subject to a preaward audit before contract execution and fund encumbrance. As provided by Minnesota Statutes, section 16C.05, subdivision 5, the records, books, documents, and accounting practices of the recipient and of any third party contractor relating to the contract are subject to audit and examination by the department and the legislative auditor during working hours. If the department determines it has overpaid a recipient on a previous contract, the department may reduce payments under the current contract by the amount of overpayment.

Subp. 4. **Project monitoring.** The department shall use the management plan required under part 8835.0260 as a basis for monitoring and evaluating the performance of the public transit system during the contract period. Public transit policy decisions made by the recipient and actions taken during the contract period must conform with the management plan. A proposed deviation from the management plan must be reported to the department and approval secured in writing before implementation. Approval will be granted if it is clearly documented that the proposed deviation will not increase overall project costs. Failure to secure approval jeopardizes continued financial assistance.

Subp. 5. **Reserve account.** If a public transit system generates operating revenue in excess of the recipient's local share amount, the recipient shall deposit the excess into a

reserve account to be used for approved operating expenses that are not covered by the contract or for part of the local share of capital expenses of the transit system. The recipient shall report this revenue and expenses charged against it to the department on reporting forms provided by the department.

(3) investigate all complaints and appeals.

(o) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(p) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (k), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $12.10 for the base rate and $1.43 per mile when provided by a nonemergency medical transportation provider;

(4) $14.30 for the base rate and $1.43 per mile for assisted transport;

(5) $19.80 for the base rate and $1.70 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

(q) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (p), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (p), clauses (1) to (7).

(r) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (p) and (q), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(s) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (p) and (q), shall exempt all modes of transportation listed under paragraph (l) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(t) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (p) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

Sec. 13. Minnesota Statutes 2022, section 473.121, subdivision 19, is amended to read:

Subd. 19. **Public transit or transit.** "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

Sec. 14. Minnesota Statutes 2023 Supplement, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit representative under this section.

Sec. 15. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 174.22, in alphabetical order and correct any cross-reference changes that result.

(b) The revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes, sections 174.21 to 174.27.

(c) Except as otherwise provided in this article, the revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes in conjunction with a specific reference to Minnesota Statutes, section 174.22, subdivision 7.

Sec. 16. **REPEALER.**

(a) Minnesota Statutes 2022, sections 174.22, subdivisions 5 and 15; and 174.23, subdivision 7, are repealed.

(b) Minnesota Rules, parts 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, and 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, and 4; and 8835.0350, subparts 1, 3, 4, and 5, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation requirements, and greater Minnesota transit; modifying criminal penalties; modifying prior appropriations; making technical changes; requiring reports; amending Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.14, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.1282, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.4503, subdivision 31; 169.56, by adding a subdivision; 169.685, subdivisions 4, 5, 7, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.829, by adding a subdivision; 169.87, subdivision 6; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivisions 2, 6; 171.072; 171.13, subdivision 6, by adding a subdivision; 171.30, subdivisions 2a, 5; 171.335, subdivision 3; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 216D.01, subdivision 12, by adding subdivisions; 216D.03, by adding a subdivision; 216D.04; 216D.05; 219.46, subdivision 1; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.07, subdivision 15; 171.12, subdivisions 5c, 7b, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.38, subdivision 3; 174.40, subdivision 4a; 221.0269, subdivision 4; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2023, chapter 68, article 1, sections 2, subdivision 4; 17, subdivisions 7, 18; article 2, section 2, subdivisions 3, 4, 5, 7, 9; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; 219; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22,

subdivisions 5, 15; 174.23, subdivision 7; 216D.06, subdivision 3; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7410.6180; 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5."

We request the adoption of this report and repassage of the bill.

House Conferees: Brad Tabke, John Petersburg

Senate Conferees: D. Scott Dibble, Kelly Morrison

Senator Dibble moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3436 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3436 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Maye Quade | Rarick |
| Anderson | Eichorn | Klein | McEwen | Rasmusson |
| Bahr | Farnsworth | Koran | Miller | Rest |
| Boldon | Fateh | Kreun | Mitchell | Seeberger |
| Carlson | Frentz | Kunesh | Mohamed | Utke |
| Champion | Green | Kupec | Morrison | Weber |
| Coleman | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hawj | Limmer | Pappas | Wiklund |
| Dornink | Hoffman | Lucero | Pha | Xiong |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Dziedzic and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Lang and Westrom.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

# 039. HF 5246

**Vote:** 2024-05-17 | **Workbook row:** 44
**Recorded stage:** Passage after conference report
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Tax-forfeited lands settlement account established, money transferred, reports required, and money appropriated.

## Included complete bill documents

**1. 3rd Engrossment, posted 2024-05-09** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/5246/versions/3/pdf/

## Original Senate journal context

PDF pages 32-32. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240517117.pdf#page=32

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/5246/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

# H. F. No. 5246


04/02/2024 Authored by Lislegard, Davids, Skraba, Gomez, Brand and others
The bill was read for the first time and referred to the Committee on Taxes
05/02/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
05/07/2024 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
05/09/2024 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/17/2024 Passed by the Senate and returned to the House
Presented to Governor
05/18/2024 Governor Approval


A bill for an act

relating to state finance; establishing a tax-forfeited lands settlement account; transferring money; requiring reports; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **TAX-FORFEITED LANDS SETTLEMENT; APPROPRIATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Applicable start date" means:

(1) for Hennepin County, August 16, 2012;

(2) for St. Louis County, June 2, 2016; and

(3) for all other counties, June 23, 2016.

(c) "Commissioner" means the commissioner of management and budget.

(d) "Participating county" means a county that meets the requirements of subdivision 2.

(e) "Settlement" means the agreement reached on February 28, 2024, settling litigation related to the state's retention of tax-forfeited lands, surplus proceeds from the sale of tax-forfeited lands, and mineral rights in those lands.

Subd. 2. **Requirements of participating counties.** If a county elects to participate in the settlement, or is deemed to elect to participate in the settlement under subdivision 4, the county must agree:

(1) to provide the claims administrator administering the settlement with all public property tax records reasonably necessary to effectuate the settlement agreement by August 1, 2024;

(2) to make a good faith effort to sell all properties that forfeited between the applicable start date and December 31, 2023, other than those that are classified as conservation lands, those that are part of a rehabilitation program, and those in which title is no longer held in trust by the state of Minnesota for taxing districts;

(3) that for any sale made under clause (2):

(i) the county will conduct an auction of the property, either in person or online; list the property through a private broker; or, if the property meets the criteria in Minnesota Statutes, section 282.01, subdivision 7a, sell the property pursuant to that subdivision;

(ii) the sale will be for no less than its appraised value;

(iii) the sale will be for cash only and not on terms; and

(iv) notwithstanding any provision of Minnesota Statutes, chapter 282, to the contrary, for any property sold on or after the effective date of this section, 75 percent of the proceeds of any sale on or before June 30, 2027, and 85 percent of the proceeds of any sale on or after July 1, 2027, and on or before June 30, 2029, will be remitted to the commissioner for deposit in the general fund and the remaining proceeds will be retained by the county to be used for any permissible purpose; and

(4) that any properties subject to sale under clause (2) that remain unsold on June 30, 2029, must continue to be managed under the laws governing tax-forfeited lands until they are disposed of under those laws.

Subd. 3. **Receipts.** The commissioner must deposit into the general fund any proceeds remitted to the commissioner by participating counties under subdivision 2, clause (3), item (iv), or any amounts returned by the claims administrator.

Subd. 4. **Deemed election to become participating county; nonparticipating counties.** A county that does not affirmatively notify the claims administrator by August 1, 2024, in writing, that it is not a participating county, will be deemed to have elected to become a participating county. A county that is not a participating county retains all risk of liability for claims related to properties forfeited before January 1, 2024. The state of Minnesota is not financially responsible for claims related to those properties and may seek indemnification from counties that are not participating counties for any expenses or judgments related to those properties.

Subd. 5. **Appropriation.** $109,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of management and budget to make payments to the claims administrator under the terms of the settlement. This is a onetime appropriation and is available until June 30, 2026. The claims administrator must return any money that remains unspent on June 30, 2026.

Subd. 6. **Report.** (a) By December 31, 2024, and each December 31 thereafter, each participating county must report to the commissioner of management and budget the following information pertaining to parcels that forfeited between the applicable start date and December 31, 2023:

(1) the date on which each parcel forfeited;

(2) a brief description of the good faith efforts made to list and sell properties under this section; and

(3) if a parcel was sold, the purchase price and the amount remitted to the commissioner by each participating county under subdivision 2, clause (3), item (iv).

(b) By February 1, 2025, and each February 1 thereafter, the commissioner of management and budget must compile the information reported under paragraph (a) and issue a report listing the reported information by county to the legislative committees with jurisdiction over finance, environment, and taxes.

(c) This subdivision expires February 2, 2030.

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 5246 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 5246:** A bill for an act relating to state finance; establishing a tax-forfeited lands settlement account; transferring money; requiring reports; appropriating money.

Senator Hauschild moved that the amendment made to H.F. No. 5246 by the Committee on Rules and Administration in the report adopted May 13, 2024, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 5246 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Johnson | Maye Quade | Rarick |
| Anderson | Eichorn | Klein | McEwen | Rasmusson |
| Bahr | Farnsworth | Koran | Miller | Rest |
| Boldon | Fateh | Kreun | Mitchell | Seeberger |
| Carlson | Frentz | Kunesh | Mohamed | Utke |
| Champion | Green | Kupec | Morrison | Weber |
| Coleman | Gruenhagen | Lang | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Latz | Nelson | Westlin |
| Dahms | Hauschild | Lieske | Oumou Verbeten | Wiklund |
| Dibble | Hawj | Limmer | Pappas | Xiong |
| Dornink | Hoffman | Lucero | Pha | |
| Draheim | Housley | Mann | Port | |
| Drazkowski | Howe | Marty | Pratt | |
| Duckworth | Jasinski | Mathews | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Latz, Port, and Seeberger.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Duckworth and Jasinski.

So the bill passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

# 040. HF 4738

**Vote:** 2024-05-18 | **Workbook row:** 45
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Office of Emergency Medical Services established to replace Emergency Medical Services Regulatory Board, duties specified and transferred, advisory council established, alternative EMS response model pilot program established, provisions modified relating to ambulance service personnel and emergency medical responders, and money appropriated.

## Included complete bill documents

**1. 4th Engrossment, posted 2024-05-07** - 45 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/93/2024/0/HF/4738/versions/4/pdf/

**2. 1st Unofficial Engrossment, posted 2024-05-18** - 50 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/93/2024/0/HF/4738/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 6-11. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2023-2024/20240518118.pdf#page=11

**Bill history:**
https://www.revisor.mn.gov/bills/93/2024/0/HF/4738/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-THIRD SESSION**

**H. F. No. 4738**


03/07/2024 Authored by Huot, Wolgamott, Lislegard, Brand and Hansen, R.,
The bill was read for the first time and referred to the Committee on Health Finance and Policy
03/14/2024 Adoption of Report: Amended and re-referred to the Committee on State and Local Government Finance and Policy
04/02/2024 Adoption of Report: Amended and re-referred to the Committee on Health Finance and Policy
04/24/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
04/26/2024 Adoption of Report: Re-referred to the Committee on Ways and Means
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
05/02/2024 Adoption of Report: Placed on the General Register
Read for the Second Time
05/07/2024 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments


A bill for an act

relating to health; establishing an Office of Emergency Medical Services to replace the Emergency Medical Services Regulatory Board; specifying duties for the office; transferring duties; establishing advisory councils; establishing alternative EMS response model pilot program; making conforming changes; modifying provisions relating to ambulance service personnel and emergency medical responders; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 62J.49, subdivision 1; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivision 5; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; Minnesota Statutes 2023 Supplement, sections 15A.0815, subdivision 2; 43A.08, subdivision 1a; 144E.101, subdivisions 6, 7, as amended; 152.126, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## OFFICE OF EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 16. **Director.** "Director" means the director of the Office of Emergency Medical Services.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 17. **Office.** "Office" means the Office of Emergency Medical Services.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 3. **[144E.011] OFFICE OF EMERGENCY MEDICAL SERVICES.**

Subdivision 1. **Establishment.** The Office of Emergency Medical Services is established with the powers and duties established in law. In administering this chapter, the office must promote the public health and welfare, protect the safety of the public, and effectively regulate and support the operation of the emergency medical services system in this state.

Subd. 2. **Director.** The governor must appoint a director for the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor. The salary of the director shall be determined according to section 15A.0815. The director shall direct the activities of the office.

Subd. 3. **Powers and duties.** The director has the following powers and duties:

(1) to administer and enforce this chapter and adopt rules as needed to implement this chapter. Rules for which notice is published in the State Register before July 1, 2026, may be adopted using the expedited rulemaking process in section 14.389;

(2) to license ambulance services in the state and regulate their operation;

(3) to establish and modify primary service areas;

(4) to designate an ambulance service as authorized to provide service in a primary service area and to remove an ambulance service's authorization to provide service in a primary service area;

(5) to register medical response units in the state and regulate their operation;

(6) to certify emergency medical technicians, advanced emergency medical technicians, community emergency medical technicians, paramedics, and community paramedics and to register emergency medical responders;

(7) to approve education programs for ambulance service personnel and emergency medical responders and to administer qualifications for instructors of education programs;

(8) to administer grant programs related to emergency medical services;

(9) to report to the legislature, by February 15 each year, on the work of the office and the advisory councils in the previous calendar year and with recommendations for any

needed policy changes related to emergency medical services, including but not limited to improving access to emergency medical services, improving service delivery by ambulance services and medical response units, and improving the effectiveness of the state's emergency medical services system. The director must develop the reports and recommendations in consultation with the office's deputy directors and advisory councils;

(10) to investigate complaints against and hold hearings regarding ambulance services, ambulance service personnel, and emergency medical responders and to impose disciplinary action or otherwise resolve complaints; and

(11) to perform other duties related to the provision of emergency medical services in the state.

Subd. 4. **Employees.** The director may employ personnel in the classified service and unclassified personnel as necessary to carry out the duties of this chapter.

Subd. 5. **Work plan.** The director must prepare a work plan to guide the work of the office. The work plan must be updated biennially.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 4. **[144E.015] MEDICAL SERVICES DIVISION.**

A Medical Services Division is created in the Office of Emergency Medical Services. The Medical Services Division shall be under the supervision of a deputy director of medical services appointed by the director. The deputy director of medical services must be a physician licensed under chapter 147. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include overseeing the clinical aspects of prehospital medical care and education programs for emergency medical service personnel.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 5. **[144E.016] AMBULANCE SERVICES DIVISION.**

An Ambulance Services Division is created in the Office of Emergency Medical Services. The Ambulance Services Division shall be under the supervision of a deputy director of ambulance services appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include operating standards and licensing of ambulance services; registration and operation of medical response units; establishment and modification of primary service areas; authorization of ambulance services to provide service in a primary service area and

revocation of such authorization; coordination of ambulance services within regions and across the state; and administration of grants.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 6. **[144E.017] EMERGENCY MEDICAL SERVICE PROVIDERS DIVISION.**

An Emergency Medical Service Providers Division is created in the Office of Emergency Medical Services. The Emergency Medical Service Providers Division shall be under the supervision of a deputy director of emergency medical service providers appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include certification and registration of individual emergency medical service providers; overseeing worker safety, worker well-being, and working conditions; implementation of education programs; and administration of grants.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 7. **[144E.03] EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Emergency Medical Services Advisory Council is established and consists of the following members:

(1) one emergency medical technician currently practicing with a licensed ambulance service, appointed by the Minnesota Ambulance Association;

(2) one paramedic currently practicing with a licensed ambulance service or a medical response unit, appointed jointly by the Minnesota Professional Fire Fighters Association and the Minnesota Ambulance Association;

(3) one medical director of a licensed ambulance service, appointed by the National Association of EMS Physicians, Minnesota Chapter;

(4) one firefighter currently serving as an emergency medical responder, appointed by the Minnesota State Fire Chiefs Association;

(5) one registered nurse who is certified or currently practicing as a flight nurse, appointed jointly by the regional emergency services boards of the designated regional emergency medical services systems;

(6) one hospital administrator, appointed by the Minnesota Hospital Association;

(7) one social worker, appointed by the Board of Social Work;

(8) one member of a federally recognized Tribal Nation in Minnesota, appointed by the Minnesota Indian Affairs Council;

(9) three public members, appointed by the governor. At least one of the public members must reside outside the metropolitan counties listed in section 473.121, subdivision 4;

(10) one member with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(11) one member representing a local government, appointed by the Coalition of Greater Minnesota Cities;

(12) one member representing a local government in the seven-county metropolitan area, appointed by the League of Minnesota Cities;

(13) two members of the house of representatives and two members of the senate, appointed according to subdivision 2; and

(14) the commissioner of health and commissioner of public safety or their designees as ex officio members.

Subd. 2. **Legislative members.** The speaker of the house and the house minority leader must each appoint one member of the house of representatives to serve on the advisory council. The senate majority leader and the senate minority leader must each appoint one member of the senate to serve on the advisory council. Legislative members appointed under this subdivision serve until successors are appointed. Legislative members may receive per diem compensation and reimbursement for expenses according to the rules of their respective bodies.

Subd. 3. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses for members appointed under subdivision 1, clauses (1) to (12); removal of members; filling of vacancies of members; and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council does not expire.

Subd. 4. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair from among its membership and may elect other officers as the advisory council deems necessary.

(b) The advisory council must meet quarterly or at the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 5. **Duties.** The advisory council must review and make recommendations to the director and the deputy director of ambulance services on the administration of this chapter; the regulation of ambulance services and medical response units; the operation of the emergency medical services system in the state; and other topics as directed by the director.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 8. **[144E.035] EMERGENCY MEDICAL SERVICES PHYSICIAN ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Emergency Medical Services Physician Advisory Council is established and consists of the following members:

(1) eight physicians who meet the qualifications for medical directors in section 144E.265, subdivision 1, with one physician appointed by each of the regional emergency services boards of the designated regional emergency medical services systems;

(2) one physician who meets the qualifications for medical directors in section 144E.265, subdivision 1, appointed by the Minnesota State Fire Chiefs Association;

(3) one physician who is board-certified in pediatrics, appointed by the Minnesota Emergency Medical Services for Children program; and

(4) the medical director member of the Emergency Medical Services Advisory Council appointed under section 144E.03, subdivision 1, clause (3).

Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses, removal of members, filling of vacancies of members, and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire.

Subd. 3. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair from among its membership and may elect other officers as it deems necessary.

(b) The advisory council must meet twice per year or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** The advisory council must:

(1) review and make recommendations to the director and deputy director of medical services on clinical aspects of prehospital medical care. In doing so, the advisory council must incorporate information from medical literature, advances in bedside clinical practice, and advisory council member experience; and

(2) serve as subject matter experts for the director and deputy director of medical services on evolving topics in clinical medicine, including but not limited to infectious disease, pharmaceutical and equipment shortages, and implementation of new therapeutics.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 9. **[144E.04] LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Labor and Emergency Medical Service Providers Advisory Council is established and consists of the following members:

(1) one emergency medical service provider of any type from each of the designated regional emergency medical services systems, appointed by their respective regional emergency services boards;

(2) one emergency medical technician instructor, appointed by an employee organization representing emergency medical service providers;

(3) two members with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(4) one emergency medical service provider based in a fire department, appointed jointly by the Minnesota State Fire Chiefs Association and the Minnesota Professional Fire Fighters Association; and

(5) one emergency medical service provider not based in a fire department, appointed by the League of Minnesota Cities.

Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses for members appointed under subdivision 1; removal of members; filling of vacancies of members; and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the Labor and Emergency Medical Service Providers Advisory Council does not expire.

Subd. 3. **Officers; meetings.** (a) The Labor and Emergency Medical Service Providers Advisory Council must elect a chair and vice-chair from among its membership and may elect other officers as the advisory council deems necessary.

(b) The Labor and Emergency Medical Service Providers Advisory Council must meet quarterly or at the call of the chair.

(c) Meetings of the Labor and Emergency Medical Service Providers Advisory Council are subject to chapter 13D.

Subd. 4. **Duties.** The Labor and Emergency Medical Service Providers Advisory Council must review and make recommendations to the director and deputy director of emergency medical service providers on the laws, rules, and policies assigned to the Emergency Medical Service Providers Division and other topics as directed by the director.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 10. Minnesota Statutes 2022, section 144E.16, subdivision 5, is amended to read:

Subd. 5. **Local government's powers.** (a) Local units of government may, with the approval of the ~~board~~ director, establish standards for ambulance services which impose additional requirements upon such services. Local units of government intending to impose additional requirements shall consider whether any benefit accruing to the public health would outweigh the costs associated with the additional requirements.

(b) Local units of government that desire to impose additional requirements shall, prior to adoption of relevant ordinances, rules, or regulations, furnish the ~~board~~ director with a copy of the proposed ordinances, rules, or regulations, along with information that affirmatively substantiates that the proposed ordinances, rules, or regulations:

(1) will in no way conflict with the relevant rules of the ~~board~~ office;

(2) will establish additional requirements tending to protect the public health;

(3) will not diminish public access to ambulance services of acceptable quality; and

(4) will not interfere with the orderly development of regional systems of emergency medical care.

(c) The ~~board~~ director shall base any decision to approve or disapprove local standards upon whether or not the local unit of government in question has affirmatively substantiated that the proposed ordinances, rules, or regulations meet the criteria specified in paragraph (b).

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 11. Minnesota Statutes 2022, section 144E.19, subdivision 3, is amended to read:

Subd. 3. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend the license of a licensee after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the licensee has

violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the licensee would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting a licensee from providing ambulance service shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the licensee personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the licensee.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from a licensee, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or licensee may be in the form of an affidavit. The licensee or the licensee's designee may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the licensee of the right to a contested case hearing under chapter 14.

(g) If a licensee requests a contested case hearing within 30 days after receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 12. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation.** (a) The ~~board~~ director may deny, suspend, revoke, place conditions on, or refuse to renew the registration of an individual who the ~~board~~ director determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an agreement for corrective action, or an order that the ~~board~~ director issued or is otherwise empowered to enforce;

(2) misrepresents or falsifies information on an application form for registration;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; ~~or~~

(12) makes a false statement or knowingly provides false information to the ~~board~~ director, or fails to cooperate with an investigation of the ~~board~~ director as required by section 144E.30~~.~~; or

(13) fails to engage with the health professionals services program or diversion program required under section 144E.287 after being referred to the program, violates the terms of

the program participation agreement, or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

(b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate a contested case hearing according to chapter 14.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions on, or refuse renewal of an individual's registration for disciplinary action, the individual shall have the opportunity to apply to the ~~board~~ director for reinstatement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 13. Minnesota Statutes 2022, section 144E.28, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation.** (a) The ~~board~~ director may deny certification or take any action authorized in subdivision 4 against an individual who the ~~board~~ director determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, or an order that the ~~board~~ director issued or is otherwise authorized or empowered to enforce, or agreement for corrective action;

(2) misrepresents or falsifies information on an application form for certification;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; ~~or~~

(12) makes a false statement or knowingly provides false information to the ~~board~~ director or fails to cooperate with an investigation of the ~~board~~ director as required by section 144E.30~~.~~; or

(13) fails to engage with the health professionals services program or diversion program required under section 144E.287 after being referred to the program, violates the terms of the program participation agreement, or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

(b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate a contested case hearing according to chapter 14 and no disciplinary action shall be taken at that time.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions on, or refuse renewal of an individual's certification for disciplinary action, the individual shall have the opportunity to apply to the ~~board~~ director for reinstatement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 14. Minnesota Statutes 2022, section 144E.28, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend the certification of an individual after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the individual has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the individual would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting an individual from providing emergency medical care shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the individual personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the individual.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from the individual, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or the individual may be in the form of an affidavit. The individual or individual's designee may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the individual of the right to a contested case hearing under chapter 14.

(g) If an individual requests a contested case hearing within 30 days of receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 144E.285, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend approval of the education program after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the education program has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the education program would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting the education program from providing emergency medical care training shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the education program personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the education program.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from the education program, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or the individual may be in the form of an affidavit. The education program or counsel of record may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the education program of the right to a contested case hearing under chapter 14.

(g) If an education program requests a contested case hearing within 30 days of receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 16. Minnesota Statutes 2022, section 144E.287, is amended to read:

**144E.287 DIVERSION PROGRAM.**

The ~~board~~ director shall either conduct a health professionals ~~service~~ services program ~~under sections 214.31 to 214.37~~ or contract for a diversion program ~~under section 214.28~~ for professionals regulated ~~by the board~~ under this chapter who are unable to perform their duties with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 17. Minnesota Statutes 2022, section 144E.305, subdivision 3, is amended to read:

Subd. 3. **Immunity.** (a) An individual, licensee, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting in good faith a report to the ~~board~~ director under subdivision 1 or 2 or for otherwise reporting in good faith to the ~~board~~ director violations or alleged violations of sections 144E.001 to 144E.33. Reports are classified as confidential data on individuals or protected nonpublic data under section 13.02 while an investigation is active. Except for the ~~board's~~ director's final determination, all communications or information received by or disclosed to the ~~board~~ director relating to disciplinary matters of any person or entity subject to the ~~board's~~ director's regulatory jurisdiction are confidential and privileged and any disciplinary hearing shall be closed to the public.

(b) ~~Members of the board~~ The director, persons employed by the ~~board~~ director, persons engaged in the investigation of violations and in the preparation and management of charges of violations of sections 144E.001 to 144E.33 on behalf of the ~~board~~ director, and persons participating in the investigation regarding charges of violations are immune from civil liability and criminal prosecution for any actions, transactions, or publications, made in good faith, in the execution of, or relating to, their duties under sections 144E.001 to 144E.33.

~~(c) For purposes of this section, a member of the board is considered a state employee under section 3.736, subdivision 9.~~

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 18. **ALTERNATIVE EMERGENCY MEDICAL SERVICES RESPONSE MODEL PILOT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Board" means the Emergency Medical Services Regulatory Board.

(c) "Partnering ambulance services" means the primary ambulance service and the supporting ambulance service that partner to jointly respond to emergency ambulance calls under the pilot program.

(d) "Pilot program" means the alternative emergency medical services response model pilot program established under this section.

(e) "Primary ambulance service" means a basic life support ambulance service or part-time advanced life support ambulance service.

(f) "Supporting ambulance service" means a full-time advanced life support ambulance service.

Subd. 2. **Pilot program established.** The board must establish and oversee an alternative emergency medical services response model pilot program, with one pilot program site in Otter Tail County and Grant County and one pilot program site in St. Louis County. Under the pilot program, the board may authorize primary ambulance services with primary service areas that include: (1) any portion of Otter Tail County or Grant County; or (2) any portion of St. Louis County to partner with supporting ambulance services to provide expanded advanced life support service intercept capability and staffing support for emergency ambulance calls to locations anywhere in the partnering ambulance services' primary service areas, including locations outside of Otter Tail County, Grant County, or St. Louis County.

Subd. 3. **Application.** A primary ambulance service that wishes to participate in the pilot program must apply to the board. An application from a primary ambulance service must be submitted jointly with the supporting ambulance service with which the primary ambulance service proposes to partner. The application must identify the ambulance services applying to be partnering ambulance services and must include:

(1) approval to participate in the pilot program from the medical directors of the proposed partnering ambulance services;

(2) procedures the primary ambulance service will implement to respond to emergency ambulance calls when the primary ambulance service is unable to meet the minimum staffing requirements under Minnesota Statutes, section 144E.101, and the supporting ambulance service is unavailable to jointly respond to emergency ambulance calls;

(3) an agreement between the proposed partnering ambulance services specifying which ambulance service is responsible for:

(i) workers' compensation insurance;

(ii) motor vehicle insurance; and

(iii) billing, identifying which ambulance service, if any, will bill the patient or the patient's insurer and specifying how payments received will be distributed among the proposed partnering ambulance services;

(4) communication procedures to coordinate and make known the real-time availability of the supporting ambulance service to its proposed partnering primary ambulance service and public safety answering points;

(5) an acknowledgment that the proposed partnering ambulance services must coordinate compliance with the prehospital care data requirements in Minnesota Statutes, section 144E.123; and

(6) an acknowledgment that the proposed partnering ambulance services remain responsible for providing continual service as required under Minnesota Statutes, section 144E.101, subdivision 3.

Subd. 4. **Operation.** Under the pilot program, a supporting ambulance service may partner with one or more primary ambulance services. Under this partnership, the supporting ambulance service and primary ambulance service must jointly respond to emergency ambulance calls originating in the primary service area of the primary ambulance service. The supporting ambulance service must respond to emergency ambulance calls with either an ambulance or a nontransporting vehicle fully equipped with the advanced life support complement of equipment and medications required for that nontransporting vehicle by that ambulance service's medical director.

Subd. 5. **Staffing.** (a) When responding to an emergency ambulance call covered by the pilot program and an ambulance or nontransporting vehicle from the supporting ambulance service is confirmed to be available and is responding to the call:

(1) the primary ambulance service ambulance must be staffed by at least one emergency medical technician; and

(2) the supporting ambulance service ambulance or nontransporting vehicle must be staffed with a minimum of one paramedic.

(b) The staffing specified in paragraph (a) is deemed to satisfy the staffing requirements in Minnesota Statutes, section 144E.101, for both the primary ambulance service response and the supporting ambulance service intercept requirements.

Subd. 6. **Medical director oversight.** The medical directors for ambulance services participating in the pilot program retain responsibility for the ambulance service personnel

of their respective ambulance services. When a paramedic from the supporting ambulance service makes contact with the patient, the standing orders, clinical policies, protocols, and triage, treatment, and transportation guidelines for the supporting ambulance service must direct patient care related to the encounter.

Subd. 7. **Waivers and variances.** The board may issue any waivers of or variances to Minnesota Statutes, chapter 144E, or Minnesota Rules, chapter 4690, to partnering ambulance services that are needed to implement the pilot program, provided the waiver or variance does not adversely affect the public health or welfare.

Subd. 8. **Data and evaluation.** In administering the pilot program, the board shall collect from partnering ambulance services data needed to evaluate the impacts of the pilot program on response times, patient outcomes, and patient experience for emergency ambulance calls.

Subd. 9. **Expiration.** This section expires June 30, 2027.

Sec. 19. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.**

(a) Initial appointments of members to the Emergency Medical Services Advisory Council must be made by January 1, 2025. The terms of initial appointees shall be determined by lot by the secretary of state and shall be as follows:

(1) eight members shall serve two-year terms; and

(2) eight members shall serve three-year terms.

(b) The medical director appointee must convene the first meeting of the Emergency Medical Services Advisory Council by February 1, 2025.

Sec. 20. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL SERVICES PHYSICIAN ADVISORY COUNCIL.**

(a) Initial appointments of members to the Emergency Medical Services Physician Advisory Council must be made by January 1, 2025. The terms of initial appointees shall be determined by lot by the secretary of state and shall be as follows:

(1) five members shall serve two-year terms;

(2) five members shall serve three-year terms; and

(3) the term for the medical director appointee to the Emergency Medical Services Physician Advisory Council shall coincide with that member's term on the Emergency Medical Services Advisory Council.

(b) The medical director appointee must convene the first meeting of the Emergency Medical Services Physician Advisory Council by February 1, 2025.

Sec. 21. **INITIAL MEMBERS AND FIRST MEETING; LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

(a) Initial appointments of members to the Labor and Emergency Medical Service Providers Advisory Council must be made by January 1, 2025. The terms of initial appointees shall be determined by lot by the secretary of state and shall be as follows:

(1) six members shall serve two-year terms; and

(2) seven members shall serve three-year terms.

(b) The emergency medical technician instructor appointee must convene the first meeting of the Labor and Emergency Medical Service Providers Advisory Council by February 1, 2025.

Sec. 22. **TRANSITION.**

Subdivision 1. **Appointment of director; operation of office.** No later than October 1, 2024, the governor shall appoint a director-designee of the Office of Emergency Medical Services. The individual appointed as the director-designee of the Office of Emergency Medical Services shall become the governor's appointee as director of the Office of Emergency Medical Services on January 1, 2025. Effective January 1, 2025, the responsibilities to regulate emergency medical services in the state under Minnesota Statutes, chapter 144E, and Minnesota Rules, chapter 4690, are transferred from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services and the director of the Office of Emergency Medical Services.

Subd. 2. **Transfer of responsibilities.** Minnesota Statutes, section 15.039, applies to the transfer of responsibilities from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services required by this act. The commissioner of administration, with the approval of the governor, may issue reorganization orders under Minnesota Statutes, section 16B.37, as necessary to carry out the transfer of responsibilities required by this act. The provision of Minnesota Statutes, section 16B.37, subdivision 1, which states that transfers under that section may be made only to an agency that has been in existence for at least one year, does not apply to transfers in this act to the Office of Emergency Medical Services.

Sec. 23. **APPROPRIATION.**

$6,000,000 in fiscal year 2025 is appropriated from the general fund to the Emergency Medical Services Regulatory Board for grants to Otter Tail County and St. Louis County to fund the alternative emergency medical services response model pilot program. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the Emergency Medical Services Regulatory Board may retain up to ten percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2027.

Sec. 24. **REVISOR INSTRUCTION.**

(a) In Minnesota Statutes, chapter 144E, the revisor of statutes shall replace "board" with "director"; "board's" with "director's"; "Emergency Medical Services Regulatory Board" or "Minnesota Emergency Medical Services Regulatory Board" with "director"; and "board-approved" with "director-approved," except that:

(1) in Minnesota Statutes, section 144E.11, the revisor of statutes shall not modify the term "county board," "community health board," or "community health boards";

(2) in Minnesota Statutes, sections 144E.40, subdivision 2; 144E.42, subdivision 2; 144E.44; and 144E.45, subdivision 2, the revisor of statutes shall not modify the term "State Board of Investment"; and

(3) in Minnesota Statutes, sections 144E.50 and 144E.52, the revisor of statutes shall not modify the term "regional emergency medical services board," "regional board," "regional emergency medical services board's," or "regional boards."

(b) In the following sections of Minnesota Statutes, the revisor of statutes shall replace "Emergency Medical Services Regulatory Board" with "director of the Office of Emergency Medical Services": sections 13.717, subdivision 10; 62J.49, subdivision 2; 144.604; 144.608; 147.09; 156.12, subdivision 2; 169.686, subdivision 3; and 299A.41, subdivision 4.

(c) In the following sections of Minnesota Statutes, the revisor of statutes shall replace "Emergency Medical Services Regulatory Board" with "Office of Emergency Medical Services": sections 144.603 and 161.045, subdivision 3.

(d) In making the changes specified in this section, the revisor of statutes may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Sec. 25. **REPEALER.**

Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; and 144E.50, subdivision 3, are repealed.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

## ARTICLE 2
## CONFORMING CHANGES

Section 1. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation;

Commissioner of veterans affairs;

Executive director of the Gambling Control Board;

Executive director of the Minnesota State Lottery;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for mental health and developmental disabilities;

Ombudsperson for corrections;

Chair, Metropolitan Council;

Chair, Metropolitan Airports Commission;

School trust lands director;

Executive director of pari-mutuel racing; ~~and~~

Commissioner, Public Utilities Commission~~.~~; and

Director of the Office of Emergency Medical Services.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General,

Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; ~~and~~ the Minnesota Zoological Board; and the Office of Emergency Medical Services.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 62J.49, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The director of the Office of Emergency Medical Services ~~Regulatory Board~~ established under chapter ~~144~~ 144E shall establish a financial data collection system for all ambulance services licensed in this state. To establish the financial database, the ~~Emergency Medical Services Regulatory Board~~ director may contract with an entity that has experience in ambulance service financial data collection.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 4. Minnesota Statutes 2023 Supplement, section 152.126, subdivision 6, is amended to read:

Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision, the data submitted to the board under subdivision 4 is private data on individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

(b) Except as specified in subdivision 5, the following persons shall be considered permissible users and may access the data submitted under subdivision 4 in the same or similar manner, and for the same or similar purposes, as those persons who are authorized to access similar private data on individuals under federal and state law:

(1) a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, to the extent the information relates specifically to a current patient, to whom the prescriber is:

(i) prescribing or considering prescribing any controlled substance;

(ii) providing emergency medical treatment for which access to the data may be necessary;

(iii) providing care, and the prescriber has reason to believe, based on clinically valid indications, that the patient is potentially abusing a controlled substance; or

(iv) providing other medical treatment for which access to the data may be necessary for a clinically valid purpose and the patient has consented to access to the submitted data, and with the provision that the prescriber remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(2) a dispenser or an agent or employee of the dispenser to whom the dispenser has delegated the task of accessing the data, to the extent the information relates specifically to a current patient to whom that dispenser is dispensing or considering dispensing any controlled substance and with the provision that the dispenser remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(3) a licensed dispensing practitioner or licensed pharmacist to the extent necessary to determine whether corrections made to the data reported under subdivision 4 are accurate;

(4) a licensed pharmacist who is providing pharmaceutical care for which access to the data may be necessary to the extent that the information relates specifically to a current patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber who is requesting data in accordance with clause (1);

(5) an individual who is the recipient of a controlled substance prescription for which data was submitted under subdivision 4, or a guardian of the individual, parent or guardian of a minor, or health care agent of the individual acting under a health care directive under chapter 145C. For purposes of this clause, access by individuals includes persons in the definition of an individual under section 13.02;

(6) personnel or designees of a health-related licensing board listed in section 214.01, subdivision 2, or of the Office of Emergency Medical Services ~~Regulatory Board~~, assigned to conduct a bona fide investigation of a complaint received by that board or office that alleges that a specific licensee is impaired by use of a drug for which data is collected under subdivision 4, has engaged in activity that would constitute a crime as defined in section 152.025, or has engaged in the behavior specified in subdivision 5, paragraph (a);

(7) personnel of the board engaged in the collection, review, and analysis of controlled substance prescription information as part of the assigned duties and responsibilities under this section;

(8) authorized personnel under contract with the board, or under contract with the state of Minnesota and approved by the board, who are engaged in the design, evaluation, implementation, operation, or maintenance of the prescription monitoring program as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to carry out such duties and responsibilities, and subject to the requirement of de-identification and time limit on retention of data specified in subdivision 5, paragraphs (d) and (e);

(9) federal, state, and local law enforcement authorities acting pursuant to a valid search warrant;

(10) personnel of the Minnesota health care programs assigned to use the data collected under this section to identify and manage recipients whose usage of controlled substances may warrant restriction to a single primary care provider, a single outpatient pharmacy, and a single hospital;

(11) personnel of the Department of Human Services assigned to access the data pursuant to paragraph (k);

(12) personnel of the health professionals services program established under section 214.31, to the extent that the information relates specifically to an individual who is currently enrolled in and being monitored by the program, and the individual consents to access to that information. The health professionals services program personnel shall not provide this

data to a health-related licensing board ~~or the Emergency Medical Services Regulatory Board~~, except as permitted under section 214.33, subdivision 3;

(13) personnel or designees of a health-related licensing board other than the Board of Pharmacy listed in section 214.01, subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that board that alleges that a specific licensee is inappropriately prescribing controlled substances as defined in this section. For the purposes of this clause, the health-related licensing board may also obtain utilization data; and

(14) personnel of the board specifically assigned to conduct a bona fide investigation of a specific licensee or registrant. For the purposes of this clause, the board may also obtain utilization data.

(c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe controlled substances for humans and who holds a current registration issued by the federal Drug Enforcement Administration, and every pharmacist licensed by the board and practicing within the state, shall register and maintain a user account with the prescription monitoring program. Data submitted by a prescriber, pharmacist, or their delegate during the registration application process, other than their name, license number, and license type, is classified as private pursuant to section 13.02, subdivision 12.

(d) Notwithstanding paragraph (b), beginning January 1, 2021, a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, must access the data submitted under subdivision 4 to the extent the information relates specifically to the patient:

(1) before the prescriber issues an initial prescription order for a Schedules II through IV opiate controlled substance to the patient; and

(2) at least once every three months for patients receiving an opiate for treatment of chronic pain or participating in medically assisted treatment for an opioid addiction.

(e) Paragraph (d) does not apply if:

(1) the patient is receiving palliative care, or hospice or other end-of-life care;

(2) the patient is being treated for pain due to cancer or the treatment of cancer;

(3) the prescription order is for a number of doses that is intended to last the patient five days or less and is not subject to a refill;

(4) the prescriber and patient have a current or ongoing provider/patient relationship of a duration longer than one year;

(5) the prescription order is issued within 14 days following surgery or three days following oral surgery or follows the prescribing protocols established under the opioid prescribing improvement program under section 256B.0638;

(6) the controlled substance is prescribed or administered to a patient who is admitted to an inpatient hospital;

(7) the controlled substance is lawfully administered by injection, ingestion, or any other means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a prescriber and in the presence of the prescriber or pharmacist;

(8) due to a medical emergency, it is not possible for the prescriber to review the data before the prescriber issues the prescription order for the patient; or

(9) the prescriber is unable to access the data due to operational or other technological failure of the program so long as the prescriber reports the failure to the board.

(f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8), (10), and (11), may directly access the data electronically. No other permissible users may directly access the data electronically. If the data is directly accessed electronically, the permissible user shall implement and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards that are appropriate to the user's size and complexity, and the sensitivity of the personal information obtained. The permissible user shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, or other compromise of the information and assess the sufficiency of any safeguards in place to control the risks.

(g) The board shall not release data submitted under subdivision 4 unless it is provided with evidence, satisfactory to the board, that the person requesting the information is entitled to receive the data.

(h) The board shall maintain a log of all persons who access the data for a period of at least three years and shall ensure that any permissible user complies with paragraph (c) prior to attaining direct access to the data.

(i) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant to subdivision 2. A vendor shall not use data collected under this section for any purpose not specified in this section.

(j) The board may participate in an interstate prescription monitoring program data exchange system provided that permissible users in other states have access to the data only as allowed under this section, and that section 13.05, subdivision 6, applies to any contract or memorandum of understanding that the board enters into under this paragraph.

(k) With available appropriations, the commissioner of human services shall establish and implement a system through which the Department of Human Services shall routinely access the data for the purpose of determining whether any client enrolled in an opioid treatment program licensed according to chapter 245A has been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

If determined necessary, the commissioner of human services shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section 2.34, paragraph (c), prior to implementing this paragraph.

(l) The board shall review the data submitted under subdivision 4 on at least a quarterly basis and shall establish criteria, in consultation with the advisory task force, for referring information about a patient to prescribers and dispensers who prescribed or dispensed the prescriptions in question if the criteria are met.

(m) The board shall conduct random audits, on at least a quarterly basis, of electronic access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8), (10), and (11), to the data in subdivision 4, to ensure compliance with permissible use as defined in this section. A permissible user whose account has been selected for a random audit shall respond to an inquiry by the board, no later than 30 days after receipt of notice that an audit is being conducted. Failure to respond may result in deactivation of access to the electronic system and referral to the appropriate health licensing board, or the commissioner of human services, for further action. The board shall report the results of random audits to the chairs and ranking minority members of the legislative committees

with jurisdiction over health and human services policy and finance and government data practices.

(n) A permissible user who has delegated the task of accessing the data in subdivision 4 to an agent or employee shall audit the use of the electronic system by delegated agents or employees on at least a quarterly basis to ensure compliance with permissible use as defined in this section. When a delegated agent or employee has been identified as inappropriately accessing data, the permissible user must immediately remove access for that individual and notify the board within seven days. The board shall notify all permissible users associated with the delegated agent or employee of the alleged violation.

(o) A permissible user who delegates access to the data submitted under subdivision 4 to an agent or employee shall terminate that individual's access to the data within three business days of the agent or employee leaving employment with the permissible user. The board may conduct random audits to determine compliance with this requirement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 214.025, is amended to read:

**214.025 COUNCIL OF HEALTH BOARDS.**

The health-related licensing boards may establish a Council of Health Boards consisting of representatives of the health-related licensing boards ~~and the Emergency Medical Services Regulatory Board~~. When reviewing legislation or legislative proposals relating to the regulation of health occupations, the council shall include the commissioner of health or a designee and the director of the Office of Emergency Medical Services or a designee.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 6. Minnesota Statutes 2022, section 214.04, subdivision 2a, is amended to read:

Subd. 2a. **Performance of executive directors.** The governor may request that a health-related licensing board ~~or the Emergency Medical Services Regulatory Board~~ review the performance of the board's executive director. Upon receipt of the request, the board must respond by establishing a performance improvement plan or taking disciplinary or other corrective action, including dismissal. The board shall include the governor's representative as a voting member of the board in the board's discussions and decisions regarding the governor's request. The board shall report to the governor on action taken by the board, including an explanation if no action is deemed necessary.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 214.29, is amended to read:

**214.29 PROGRAM REQUIRED.**

Each health-related licensing board~~, including the Emergency Medical Services Regulatory Board under chapter 144E,~~ shall either conduct a health professionals service program under sections 214.31 to 214.37 or contract for a diversion program under section 214.28.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 214.31, is amended to read:

**214.31 AUTHORITY.**

Two or more of the health-related licensing boards listed in section 214.01, subdivision 2, may jointly conduct a health professionals services program to protect the public from persons regulated by the boards who are unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition. The program does not affect a board's authority to discipline violations of a board's practice act. ~~For purposes of sections 214.31 to 214.37, the emergency medical services regulatory board shall be included in the definition of a health-related licensing board under chapter 144E.~~

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 9. Minnesota Statutes 2022, section 214.355, is amended to read:

**214.355 GROUNDS FOR DISCIPLINARY ACTION.**

Each health-related licensing board~~, including the Emergency Medical Services Regulatory Board under chapter 144E,~~ shall consider it grounds for disciplinary action if a regulated person violates the terms of the health professionals services program participation agreement or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

## ARTICLE 3

## AMBULANCE SERVICE PERSONNEL AND EMERGENCY MEDICAL RESPONDERS

Section 1. Minnesota Statutes 2022, section 144E.001, subdivision 3a, is amended to read:

Subd. 3a. **Ambulance service personnel.** "Ambulance service personnel" means individuals who are authorized by a licensed ambulance service to provide emergency care for the ambulance service and are:

(1) EMTs, AEMTs, or paramedics;

(2) Minnesota registered nurses who are: (i) EMTs, are currently practicing nursing, and have ~~passed a paramedic practical skills test, as approved by the board and administered by an educational program approved by the board~~ been approved by the ambulance service medical director; (ii) on the roster of an ambulance service on or before January 1, 2000; ~~or~~ (iii) after petitioning the board, deemed by the board to have training and skills equivalent to an EMT, as determined on a case-by-case basis; or (iv) certified as a certified flight registered nurse or certified emergency nurse; or

(3) Minnesota licensed physician assistants who are: (i) EMTs, are currently practicing as physician assistants, and have ~~passed a paramedic practical skills test, as approved by the board and administered by an educational program approved by the board~~ been approved by the ambulance service medical director; (ii) on the roster of an ambulance service on or before January 1, 2000; or (iii) after petitioning the board, deemed by the board to have training and skills equivalent to an EMT, as determined on a case-by-case basis.

Sec. 2. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 6, is amended to read:

Subd. 6. **Basic life support.** (a) Except as provided in ~~paragraph (f)~~ subdivision 6a, a basic life-support ambulance shall be staffed by at least ~~two EMTs, one of whom must accompany the patient and provide a level of care so as to ensure that~~:

(1) one individual who is:

(i) certified as an EMT;

(ii) a Minnesota registered nurse who meets the qualification requirements in section 144E.001, subdivision 3a, clause (2); or

(iii) a Minnesota licensed physician assistant who meets the qualification requirements in section 144E.001, subdivision 3a, clause (3); and

(2) one individual to drive the ambulance who:

(i) either meets one of the qualification requirements in clause (1) or is a registered emergency medical responder driver; and

(ii) satisfies the requirements in subdivision 10.

(b) An individual who meets one of the qualification requirements in paragraph (a), clause (1), must accompany the patient and provide a level of care so as to ensure that:

(1) life-threatening situations and potentially serious injuries are recognized;

(2) patients are protected from additional hazards;

(3) basic treatment to reduce the seriousness of emergency situations is administered; and

(4) patients are transported to an appropriate medical facility for treatment.

~~(b)~~ (c) A basic life-support service shall provide basic airway management.

~~(c)~~ (d) A basic life-support service shall provide automatic defibrillation.

~~(d)~~ (e) A basic life-support service shall administer opiate antagonists consistent with protocols established by the service's medical director.

~~(e)~~ (f) A basic life-support service licensee's medical director may authorize ambulance service personnel to perform intravenous infusion and use equipment that is within the licensure level of the ambulance service. Ambulance service personnel must be properly trained. Documentation of authorization for use, guidelines for use, continuing education, and skill verification must be maintained in the licensee's files.

~~(f) For emergency ambulance calls and interfacility transfers, an ambulance service may staff its basic life-support ambulances with one EMT, who must accompany the patient, and one registered emergency medical responder driver. For purposes of this paragraph, "ambulance service" means either an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an ambulance service based in a community with a population of less than 2,500.~~

Sec. 3. Minnesota Statutes 2022, section 144E.101, is amended by adding a subdivision to read:

Subd. 6a. **Variance; staffing of basic life-support ambulance.** (a) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may

grant a variance from the staff requirements in subdivision 6, paragraph (a), and may authorize a basic life-support ambulance to be staffed, for all emergency calls and interfacility transfers, with one individual who meets the qualification requirements in paragraph (b) to drive the ambulance and one individual who meets one of the qualification requirements in subdivision 6, paragraph (a), clause (1), and who must accompany the patient. The variance applies to basic life-support ambulances until the ambulance service renews its license. When the variance expires, the ambulance service may apply for a new variance under this subdivision.

(b) In order to drive an ambulance under a variance granted under this subdivision, an individual must:

(1) hold a valid driver's license from any state;

(2) have attended an emergency vehicle driving course approved by the ambulance service;

(3) have completed a course on cardiopulmonary resuscitation approved by the ambulance service; and

(4) register with the board according to a process established by the board.

(c) If an individual serving as a driver under this subdivision commits or has a record of committing an act listed in section 144E.27, subdivision 5, paragraph (a), the board may temporarily suspend or prohibit the individual from driving an ambulance or place conditions on the individual's ability to drive an ambulance using the procedures and authority in section 144E.27, subdivisions 5 and 6.

Sec. 4. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 7, as amended by Laws 2024, chapter 85, section 32, is amended to read:

Subd. 7. **Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an advanced life-support ambulance shall be staffed by at least:

(1) one EMT or one AEMT and one paramedic;

(2) one EMT or one AEMT and one registered nurse who: (i) is an EMT or an AEMT, is currently practicing nursing, and ~~has passed a paramedic practical skills test approved by the board and administered by an education program~~ has been approved by the ambulance service medical director; or (ii) is certified as a certified flight registered nurse or certified emergency nurse; or

(3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT, is currently practicing as a physician assistant, and ~~has passed a paramedic practical skills test approved by the board and administered by an education program~~ has been approved by the ambulance service medical director.

(b) An advanced life-support service shall provide basic life support, as specified under subdivision 6, paragraph ~~(a)~~ (b), advanced airway management, manual defibrillation, administration of intravenous fluids and pharmaceuticals, and administration of opiate antagonists.

(c) In addition to providing advanced life support, an advanced life-support service may staff additional ambulances to provide basic life support according to subdivision 6 and section 144E.103, subdivision 1.

(d) An ambulance service providing advanced life support shall have a written agreement with its medical director to ensure medical control for patient care 24 hours a day, seven days a week. The terms of the agreement shall include a written policy on the administration of medical control for the service. The policy shall address the following issues:

(1) two-way communication for physician direction of ambulance service personnel;

(2) patient triage, treatment, and transport;

(3) use of standing orders; and

(4) the means by which medical control will be provided 24 hours a day.

The agreement shall be signed by the licensee's medical director and the licensee or the licensee's designee and maintained in the files of the licensee.

(e) When an ambulance service provides advanced life support, the authority of a paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician assistant-EMT to determine the delivery of patient care prevails over the authority of an EMT.

(f) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in paragraph (a), clause (1), and may authorize an advanced life-support ambulance to be staffed by a registered emergency medical responder driver with a paramedic for all emergency calls and interfacility transfers. The variance shall apply to advanced life-support ambulance services until the ambulance service renews its license. When the variance expires, an ambulance service may apply for a new variance under this paragraph. ~~This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan~~

~~counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.~~

(g) After an initial emergency ambulance call, each subsequent emergency ambulance response, until the initial ambulance is again available, and interfacility transfers, may be staffed by one registered emergency medical responder driver and an EMT or paramedic. ~~This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.~~

(h) An individual who staffs an advanced life-support ambulance as a driver must also meet the requirements in subdivision 10.

Sec. 5. Minnesota Statutes 2022, section 144E.27, subdivision 3, is amended to read:

Subd. 3. **Renewal.** (a) The board may renew the registration of an emergency medical responder who:

(1) successfully completes a board-approved refresher course; ~~and~~

(2) successfully completes a course in cardiopulmonary resuscitation approved by the board or by the licensee's medical director. This course may be a component of a board-approved refresher course; and

~~(2)~~ (3) submits a completed renewal application to the board before the registration expiration date.

(b) The board may renew the lapsed registration of an emergency medical responder who:

(1) successfully completes a board-approved refresher course; ~~and~~

(2) successfully completes a course in cardiopulmonary resuscitation approved by the board or by the licensee's medical director. This course may be a component of a board-approved refresher course; and

~~(2)~~ (3) submits a completed renewal application to the board within ~~12~~ 48 months after the registration expiration date.

Sec. 6. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation; emergency medical responders and drivers.** (a) This subdivision applies to individuals seeking registration or registered as an emergency medical responder and to individuals seeking registration or registered as a driver of a basic life-support ambulance under section 144E.101, subdivision 6a. The board may deny, suspend, revoke, place conditions on, or refuse to renew the registration of an individual who the board determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an agreement for corrective action, or an order that the board issued or is otherwise empowered to enforce;

(2) misrepresents or falsifies information on an application form for registration;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services or drive an ambulance with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) for emergency medical responders, provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; or

(12) makes a false statement or knowingly provides false information to the board, or fails to cooperate with an investigation of the board as required by section 144E.30.

(b) Before taking action under paragraph (a), the board shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the board shall initiate a contested case hearing according to chapter 14.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the board's decision to deny, revoke, place conditions on, or refuse renewal of an individual's registration for disciplinary action, the individual shall have the opportunity to apply to the board for reinstatement.

Sec. 7. Minnesota Statutes 2022, section 144E.27, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension; emergency medical responders and drivers.** (a) This subdivision applies to emergency medical responders registered under this section and to individuals registered as drivers of basic life-support ambulances under section 144E.101, subdivision 6a. In addition to any other remedy provided by law, the board may temporarily suspend the registration of an individual after conducting a preliminary inquiry to determine whether the board believes that the individual has violated a statute or rule that the board is empowered to enforce and determining that the continued provision of service by the individual would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting an individual from providing emergency medical care or from driving a basic life-support ambulance shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the individual personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the board for the individual.

(d) At the time the board issues a temporary suspension order, the board shall schedule a hearing, to be held before a group of its members designated by the board, that shall begin

within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the board's receipt of a request for a hearing from the individual, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the board or the individual may be in the form of an affidavit. The individual or the individual's designee may appear for oral argument.

(f) Within five working days of the hearing, the board shall issue its order and, if the suspension is continued, notify the individual of the right to a contested case hearing under chapter 14.

(g) If an individual requests a contested case hearing within 30 days after receiving notice under paragraph (f), the board shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

Sec. 8. Minnesota Statutes 2022, section 144E.28, subdivision 3, is amended to read:

Subd. 3. **Reciprocity.** The board may certify an individual who possesses a current National Registry of Emergency Medical Technicians ~~registration~~ certification from another jurisdiction if the individual submits a board-approved application form. The board certification classification shall be the same as the National Registry's classification. Certification shall be for the duration of the applicant's ~~registration~~ certification period in another jurisdiction, not to exceed two years.

Sec. 9. Minnesota Statutes 2022, section 144E.28, subdivision 8, is amended to read:

Subd. 8. **Reinstatement.** (a) Within four years of a certification expiration date, a person whose certification has expired under subdivision 7, paragraph (d), may have the certification reinstated upon submission of:

(1) evidence to the board of training equivalent to the continuing education requirements of subdivision 7 or, for community paramedics, evidence to the board of training equivalent to the continuing education requirements of subdivision 9, paragraph (c); and

(2) a board-approved application form.

(b) If more than four years have passed since a certificate expiration date, an applicant must complete the initial certification process required under subdivision 1.

(c) Beginning July 1, 2024, through December 31, 2025, and notwithstanding paragraph (b), a person whose certification as an EMT, AEMT, paramedic, or community paramedic expired more than four years ago but less than ten years ago may have the certification reinstated upon submission of:

(1) evidence to the board of the training required under paragraph (a), clause (1). This training must have been completed within the 24 months prior to the date of the application for reinstatement;

(2) a board-approved application form; and

(3) a recommendation from an ambulance service medical director.

This paragraph expires December 31, 2025.

Sec. 10. Minnesota Statutes 2022, section 144E.285, subdivision 1, is amended to read:

Subdivision 1. **Approval required.** (a) All education programs for an EMR, EMT, AEMT, or paramedic must be approved by the board.

(b) To be approved by the board, an education program must:

(1) submit an application prescribed by the board that includes:

(i) type ~~and length~~ of course to be offered;

(ii) names, addresses, and qualifications of the program medical director, program education coordinator, and instructors;

~~(iii) names and addresses of clinical sites, including a contact person and telephone number;~~

~~(iv)~~ (iii) admission criteria for students; and

~~(v)~~ (iv) materials and equipment to be used;

(2) for each course, implement the most current version of the United States Department of Transportation EMS Education Standards, or its equivalent as determined by the board applicable to EMR, EMT, AEMT, or paramedic education;

(3) have a program medical director and a program coordinator;

(4) utilize instructors who meet the requirements of section 144E.283 for teaching at least 50 percent of the course content. The remaining 50 percent of the course may be taught by guest lecturers approved by the education program coordinator or medical director;

~~(5) have at least one instructor for every ten students at the practical skill stations;~~

~~(6) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site;~~

~~(7)~~ (5) retain documentation of program approval by the board, course outline, and student information;

~~(8)~~ (6) notify the board of the starting date of a course prior to the beginning of a course; and

~~(9)~~ (7) submit the appropriate fee as required under section 144E.29~~; and~~.

~~(10) maintain a minimum average yearly pass rate as set by the board on an annual basis. The pass rate will be determined by the percent of candidates who pass the exam on the first attempt. An education program not meeting this yearly standard shall be placed on probation and shall be on a performance improvement plan approved by the board until meeting the pass rate standard. While on probation, the education program may continue providing classes if meeting the terms of the performance improvement plan as determined by the board. If an education program having probation status fails to meet the pass rate standard after two years in which an EMT initial course has been taught, the board may take disciplinary action under subdivision 5.~~

Sec. 11. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision to read:

Subd. 1a. **EMR education program requirements.** The National EMS Education Standards established by the National Highway Traffic Safety Administration of the United States Department of Transportation specify the minimum requirements for knowledge and skills for emergency medical responders. An education program applying for approval to teach EMRs must comply with the requirements under subdivision 1, paragraph (b). A medical director of an emergency medical responder group may establish additional knowledge and skill requirements for EMRs.

Sec. 12. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision to read:

Subd. 1b. **EMT education program requirements.** In addition to the requirements under subdivision 1, paragraph (b), an education program applying for approval to teach EMTs must:

(1) include in the application prescribed by the board the names and addresses of clinical sites, including a contact person and telephone number;

(2) maintain a written agreement with at least one clinical training site that is of a type recognized by the National EMS Education Standards established by the National Highway Traffic Safety Administration; and

(3) maintain a minimum average yearly pass rate as set by the board. An education program not meeting this standard must be placed on probation and must comply with a performance improvement plan approved by the board until the program meets the pass-rate standard. While on probation, the education program may continue to provide classes if the program meets the terms of the performance improvement plan, as determined by the board. If an education program that is on probation status fails to meet the pass-rate standard after two years in which an EMT initial course has been taught, the board may take disciplinary action under subdivision 5.

Sec. 13. Minnesota Statutes 2022, section 144E.285, subdivision 2, is amended to read:

Subd. 2. **AEMT and paramedic education program requirements.** (a) In addition to the requirements under subdivision 1, paragraph (b), an education program applying for approval to teach AEMTs and paramedics must:

(1) be administered by an educational institution accredited by the Commission of Accreditation of Allied Health Education Programs (CAAHEP)~~.~~;

(2) include in the application prescribed by the board the names and addresses of clinical sites, including a contact person and telephone number; and

(3) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site.

(b) An AEMT and paramedic education program that is administered by an educational institution not accredited by CAAHEP, but that is in the process of completing the accreditation process, may be granted provisional approval by the board upon verification of submission of its self-study report and the appropriate review fee to CAAHEP.

(c) An educational institution that discontinues its participation in the accreditation process must notify the board immediately and provisional approval shall be withdrawn.

~~(d) This subdivision does not apply to a paramedic education program when the program is operated by an advanced life-support ambulance service licensed by the Emergency Medical Services Regulatory Board under this chapter, and the ambulance service meets the following criteria:~~

~~(1) covers a rural primary service area that does not contain a hospital within the primary service area or contains a hospital within the primary service area that has been designated as a critical access hospital under section 144.1483, clause (9);~~

~~(2) has tax-exempt status in accordance with the Internal Revenue Code, section 501(c)(3);~~

~~(3) received approval before 1991 from the commissioner of health to operate a paramedic education program;~~

~~(4) operates an AEMT and paramedic education program exclusively to train paramedics for the local ambulance service; and~~

~~(5) limits enrollment in the AEMT and paramedic program to five candidates per biennium.~~

Sec. 14. Minnesota Statutes 2022, section 144E.285, subdivision 4, is amended to read:

Subd. 4. **Reapproval.** An education program shall apply to the board for reapproval at least ~~three months~~ 30 days prior to the expiration date of its approval and must:

(1) submit an application prescribed by the board specifying any changes from the information provided for prior approval and any other information requested by the board to clarify incomplete or ambiguous information presented in the application; ~~and~~

(2) comply with the requirements under subdivision 1, paragraph (b), clauses (2) to ~~(10).~~ (7);

(3) be subject to a site visit by the board;

(4) for education programs that teach EMRs, comply with the requirements in subdivision 1a;

(5) for education programs that teach EMTs, comply with the requirements in subdivision 1b; and

(6) for education programs that teach AEMTs and paramedics, comply with the requirements in subdivision 2 and maintain accreditation with CAAHEP.

Sec. 15. **REPEALER.**

Minnesota Statutes 2022, section 144E.27, subdivisions 1 and 1a, are repealed.

**144E.001 DEFINITIONS.**

Subd. 5. **Board.** "Board" means the Emergency Medical Services Regulatory Board.

**144E.01 EMERGENCY MEDICAL SERVICES REGULATORY BOARD.**

Subdivision 1. **Membership.** (a) The Emergency Medical Services Regulatory Board consists of the following members, all of whom must work in Minnesota, except for the person listed in clause (14):

(1) an emergency physician certified by the American Board of Emergency Physicians;

(2) a representative of Minnesota hospitals;

(3) a representative of fire chiefs;

(4) a full-time firefighter who serves as an emergency medical responder on or within a nontransporting or nonregistered agency and who is a member of a professional firefighter's union;

(5) a volunteer firefighter who serves as an emergency medical responder on or within a nontransporting or nonregistered agency;

(6) an attendant currently practicing on a licensed ambulance service who is a paramedic or an emergency medical technician;

(7) an ambulance director for a licensed ambulance service;

(8) a representative of sheriffs;

(9) a member of a community health board to represent community health services;

(10) two representatives of regional emergency medical services programs, one of whom must be from the metropolitan regional emergency medical services program;

(11) a registered nurse currently practicing in a hospital emergency department;

(12) a pediatrician, certified by the American Board of Pediatrics, with experience in emergency medical services;

(13) a family practice physician who is currently involved in emergency medical services;

(14) a public member who resides in Minnesota; and

(15) the commissioners of health and public safety or their designees.

(b) The governor shall appoint members under paragraph (a). Appointments under paragraph (a), clauses (1) to (9) and (11) to (13), are subject to the advice and consent of the senate. In making appointments under paragraph (a), clauses (1) to (9) and (11) to (13), the governor shall consider recommendations of the American College of Emergency Physicians, the Minnesota Hospital Association, the Minnesota and State Fire Chief's Association, the Minnesota Ambulance Association, the Minnesota Emergency Medical Services Association, the Minnesota State Sheriff's Association, the Association of Minnesota Counties, the Minnesota Nurses Association, and the Minnesota chapter of the Academy of Pediatrics.

(c) At least seven members appointed under paragraph (a) must reside outside of the seven-county metropolitan area, as defined in section 473.121.

Subd. 2. **Ex officio members.** The speaker of the house and the Committee on Rules and Administration of the senate shall appoint one representative and one senator to serve as ex officio, nonvoting members.

Subd. 3. **Chair.** The governor shall designate one of the members appointed under subdivision 1 as chair of the board.

Subd. 4. **Compensation; terms.** Membership terms, compensation, and removal of members appointed under subdivision 1, are governed by section 15.0575.

Subd. 5. **Staff.** The board shall appoint an executive director who shall serve in the unclassified service and may appoint other staff. The service of the executive director shall be subject to the terms described in section 214.04, subdivision 2a.

Subd. 6. **Duties of board.** (a) The Emergency Medical Services Regulatory Board shall:

(1) administer and enforce the provisions of this chapter and other duties as assigned to the board;

(2) advise applicants for state or federal emergency medical services funds, review and comment on such applications, and approve the use of such funds unless otherwise required by federal law;

(3) make recommendations to the legislature on improving the access, delivery, and effectiveness of the state's emergency medical services delivery system; and

(4) establish procedures for investigating, hearing, and resolving complaints against emergency medical services providers.

(b) The Emergency Medical Services Board may prepare an initial work plan, which may be updated biennially. The work plan may include provisions to:

(1) prepare an emergency medical services assessment which addresses issues affecting the statewide delivery system;

(2) establish a statewide public information and education system regarding emergency medical services;

(3) create, in conjunction with the Department of Public Safety, a statewide injury and trauma prevention program; and

(4) designate an annual emergency medical services personnel recognition day.

Subd. 7. **Conflict of interest.** No member of the Emergency Medical Services Board may participate or vote in board proceedings in which the member has a direct conflict of interest, financial or otherwise.

**144E.123 PREHOSPITAL CARE DATA.**

Subd. 5. **Working group.** By October 1, 2011, the board must convene a working group composed of six members, three of which must be appointed by the board and three of which must be appointed by the Minnesota Ambulance Association, to redesign the board's policies related to collection of data from licenses. The issues to be considered include, but are not limited to, the following: user-friendly reporting requirements; data sets; improved accuracy of reported information; appropriate use of information gathered through the reporting system; and methods for minimizing the financial impact of data reporting on licenses, particularly for rural volunteer services. The working group must report its findings and recommendations to the board no later than July 1, 2012.

**144E.27 EDUCATION PROGRAMS; BOARD APPROVAL.**

Subdivision 1. **Education program instructor.** An education program instructor must be an emergency medical responder, EMT, AEMT, paramedic, physician, physician assistant, or registered nurse.

Subd. 1a. **Approval required.** (a) All education programs for an emergency medical responder must be approved by the board.

(b) To be approved by the board, an education program must:

(1) submit an application prescribed by the board that includes:

(i) type and length of course to be offered;

(ii) names, addresses, and qualifications of the program medical director, program education coordinator, and instructors;

(iii) admission criteria for students; and

(iv) materials and equipment to be used;

(2) for each course, implement the most current version of the United States Department of Transportation EMS Education Standards, or its equivalent as determined by the board applicable to Emergency Medical Responder registration education;

(3) have a program medical director and a program coordinator;

(4) have at least one instructor for every ten students at the practical skill stations;

(5) retain documentation of program approval by the board, course outline, and student information; and

(6) submit the appropriate fee as required under section 144E.29.

(c) The National EMS Education Standards by the NHTSA, United States Department of Transportation contains the minimal entry level of knowledge and skills for emergency medical responders. Medical directors of emergency medical responder groups may expand the knowledge and skill set.

**144E.50 EMERGENCY MEDICAL SERVICES FUND.**

Subd. 3. **Definition.** For purposes of this section, "board" means the Emergency Medical Services Regulatory Board.

A bill for an act

relating to health; establishing an Office of Emergency Medical Services to replace the Emergency Medical Services Regulatory Board; specifying duties for the office; transferring duties; establishing advisory councils; establishing alternative EMS response model pilot program; making conforming changes; modifying provisions relating to ambulance service personnel and emergency medical responders; providing emergency ambulance service aid; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 62J.49, subdivision 1; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivision 5; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; Minnesota Statutes 2023 Supplement, sections 15A.0815, subdivision 2; 43A.08, subdivision 1a; 144E.101, subdivisions 6, 7, as amended; 152.126, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## OFFICE OF EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 16. **Director.** "Director" means the director of the Office of Emergency Medical Services.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 17. **Office.** "Office" means the Office of Emergency Medical Services.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 3. **[144E.011] OFFICE OF EMERGENCY MEDICAL SERVICES.**

Subdivision 1. **Establishment.** The Office of Emergency Medical Services is established with the powers and duties established in law. In administering this chapter, the office must promote the public health and welfare, protect the safety of the public, and effectively regulate and support the operation of the emergency medical services system in this state.

Subd. 2. **Director.** The governor must appoint a director for the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor. The salary of the director shall be determined according to section 15A.0815. The director shall direct the activities of the office.

Subd. 3. **Powers and duties.** The director has the following powers and duties:

(1) to administer and enforce this chapter and adopt rules as needed to implement this chapter. Rules for which notice is published in the State Register before July 1, 2026, may be adopted using the expedited rulemaking process in section 14.389;

(2) to license ambulance services in the state and regulate their operation;

(3) to establish and modify primary service areas;

(4) to designate an ambulance service as authorized to provide service in a primary service area and to remove an ambulance service's authorization to provide service in a primary service area;

(5) to register medical response units in the state and regulate their operation;

(6) to certify emergency medical technicians, advanced emergency medical technicians, community emergency medical technicians, paramedics, and community paramedics and to register emergency medical responders;

(7) to approve education programs for ambulance service personnel and emergency medical responders and to administer qualifications for instructors of education programs;

(8) to administer grant programs related to emergency medical services;

(9) to report to the legislature, by February 15 each year, on the work of the office and the advisory councils in the previous calendar year and with recommendations for any

needed policy changes related to emergency medical services, including but not limited to improving access to emergency medical services, improving service delivery by ambulance services and medical response units, and improving the effectiveness of the state's emergency medical services system. The director must develop the reports and recommendations in consultation with the office's deputy directors and advisory councils;

(10) to investigate complaints against and hold hearings regarding ambulance services, ambulance service personnel, and emergency medical responders and to impose disciplinary action or otherwise resolve complaints; and

(11) to perform other duties related to the provision of emergency medical services in the state.

Subd. 4. **Employees.** The director may employ personnel in the classified service and unclassified personnel as necessary to carry out the duties of this chapter.

Subd. 5. **Work plan.** The director must prepare a work plan to guide the work of the office. The work plan must be updated biennially.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 4. **[144E.015] MEDICAL SERVICES DIVISION.**

A Medical Services Division is created in the Office of Emergency Medical Services. The Medical Services Division shall be under the supervision of a deputy director of medical services appointed by the director. The deputy director of medical services must be a physician licensed under chapter 147. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include overseeing the clinical aspects of prehospital medical care and education programs for emergency medical service personnel.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 5. **[144E.016] AMBULANCE SERVICES DIVISION.**

An Ambulance Services Division is created in the Office of Emergency Medical Services. The Ambulance Services Division shall be under the supervision of a deputy director of ambulance services appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include operating standards and licensing of ambulance services; registration and operation of medical response units; establishment and modification of primary service areas; authorization of ambulance services to provide service in a primary service area and

revocation of such authorization; coordination of ambulance services within regions and across the state; and administration of grants.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 6. **[144E.017] EMERGENCY MEDICAL SERVICE PROVIDERS DIVISION.**

An Emergency Medical Service Providers Division is created in the Office of Emergency Medical Services. The Emergency Medical Service Providers Division shall be under the supervision of a deputy director of emergency medical service providers appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include certification and registration of individual emergency medical service providers; overseeing worker safety, worker well-being, and working conditions; implementation of education programs; and administration of grants.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 7. **[144E.03] EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Emergency Medical Services Advisory Council is established and consists of the following members:

(1) one emergency medical technician currently practicing with a licensed ambulance service, appointed by the Minnesota Ambulance Association;

(2) one paramedic currently practicing with a licensed ambulance service or a medical response unit, appointed jointly by the Minnesota Professional Fire Fighters Association and the Minnesota Ambulance Association;

(3) one medical director of a licensed ambulance service, appointed by the National Association of EMS Physicians, Minnesota Chapter;

(4) one firefighter currently serving as an emergency medical responder, appointed by the Minnesota State Fire Chiefs Association;

(5) one registered nurse who is certified or currently practicing as a flight nurse, appointed jointly by the regional emergency services boards of the designated regional emergency medical services systems;

(6) one hospital administrator, appointed by the Minnesota Hospital Association;

(7) one social worker, appointed by the Board of Social Work;

(8) one member of a federally recognized Tribal Nation in Minnesota, appointed by the Minnesota Indian Affairs Council;

(9) three public members, appointed by the governor. At least one of the public members must reside outside the metropolitan counties listed in section 473.121, subdivision 4;

(10) one member with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(11) one member representing a local government, appointed by the Coalition of Greater Minnesota Cities;

(12) one member representing a local government in the seven-county metropolitan area, appointed by the League of Minnesota Cities;

(13) two members of the house of representatives and two members of the senate, appointed according to subdivision 2; and

(14) the commissioner of health and commissioner of public safety or their designees as ex officio members.

Subd. 2. **Legislative members.** The speaker of the house and the house minority leader must each appoint one member of the house of representatives to serve on the advisory council. The senate majority leader and the senate minority leader must each appoint one member of the senate to serve on the advisory council. Legislative members appointed under this subdivision serve until successors are appointed. Legislative members may receive per diem compensation and reimbursement for expenses according to the rules of their respective bodies.

Subd. 3. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses for members appointed under subdivision 1, clauses (1) to (12); removal of members; filling of vacancies of members; and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council does not expire.

Subd. 4. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair from among its membership and may elect other officers as the advisory council deems necessary.

(b) The advisory council must meet quarterly or at the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 5. **Duties.** The advisory council must review and make recommendations to the director and the deputy director of ambulance services on the administration of this chapter; the regulation of ambulance services and medical response units; the operation of the emergency medical services system in the state; and other topics as directed by the director.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 8. **[144E.035] EMERGENCY MEDICAL SERVICES PHYSICIAN ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Emergency Medical Services Physician Advisory Council is established and consists of the following members:

(1) eight physicians who meet the qualifications for medical directors in section 144E.265, subdivision 1, with one physician appointed by each of the regional emergency services boards of the designated regional emergency medical services systems;

(2) one physician who meets the qualifications for medical directors in section 144E.265, subdivision 1, appointed by the Minnesota State Fire Chiefs Association;

(3) one physician who is board-certified in pediatrics, appointed by the Minnesota Emergency Medical Services for Children program; and

(4) the medical director member of the Emergency Medical Services Advisory Council appointed under section 144E.03, subdivision 1, clause (3).

Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses, removal of members, filling of vacancies of members, and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire.

Subd. 3. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair from among its membership and may elect other officers as it deems necessary.

(b) The advisory council must meet twice per year or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** The advisory council must:

(1) review and make recommendations to the director and deputy director of medical services on clinical aspects of prehospital medical care. In doing so, the advisory council must incorporate information from medical literature, advances in bedside clinical practice, and advisory council member experience; and

(2) serve as subject matter experts for the director and deputy director of medical services on evolving topics in clinical medicine, including but not limited to infectious disease, pharmaceutical and equipment shortages, and implementation of new therapeutics.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 9. **[144E.04] LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

Subdivision 1. **Establishment; membership.** The Labor and Emergency Medical Service Providers Advisory Council is established and consists of the following members:

(1) one emergency medical service provider of any type from each of the designated regional emergency medical services systems, appointed by their respective regional emergency services boards;

(2) one emergency medical technician instructor, appointed by an employee organization representing emergency medical service providers;

(3) two members with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(4) one emergency medical service provider based in a fire department, appointed jointly by the Minnesota State Fire Chiefs Association and the Minnesota Professional Fire Fighters Association; and

(5) one emergency medical service provider not based in a fire department, appointed by the League of Minnesota Cities.

Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses for members appointed under subdivision 1; removal of members; filling of vacancies of members; and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the Labor and Emergency Medical Service Providers Advisory Council does not expire.

Subd. 3. **Officers; meetings.** (a) The Labor and Emergency Medical Service Providers Advisory Council must elect a chair and vice-chair from among its membership and may elect other officers as the advisory council deems necessary.

(b) The Labor and Emergency Medical Service Providers Advisory Council must meet quarterly or at the call of the chair.

(c) Meetings of the Labor and Emergency Medical Service Providers Advisory Council are subject to chapter 13D.

Subd. 4. **Duties.** The Labor and Emergency Medical Service Providers Advisory Council must review and make recommendations to the director and deputy director of emergency medical service providers on the laws, rules, and policies assigned to the Emergency Medical Service Providers Division and other topics as directed by the director.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 10. Minnesota Statutes 2022, section 144E.16, subdivision 5, is amended to read:

Subd. 5. **Local government's powers.** (a) Local units of government may, with the approval of the ~~board~~ director, establish standards for ambulance services which impose additional requirements upon such services. Local units of government intending to impose additional requirements shall consider whether any benefit accruing to the public health would outweigh the costs associated with the additional requirements.

(b) Local units of government that desire to impose additional requirements shall, prior to adoption of relevant ordinances, rules, or regulations, furnish the ~~board~~ director with a copy of the proposed ordinances, rules, or regulations, along with information that affirmatively substantiates that the proposed ordinances, rules, or regulations:

(1) will in no way conflict with the relevant rules of the ~~board~~ office;

(2) will establish additional requirements tending to protect the public health;

(3) will not diminish public access to ambulance services of acceptable quality; and

(4) will not interfere with the orderly development of regional systems of emergency medical care.

(c) The ~~board~~ director shall base any decision to approve or disapprove local standards upon whether or not the local unit of government in question has affirmatively substantiated that the proposed ordinances, rules, or regulations meet the criteria specified in paragraph (b).

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 11. Minnesota Statutes 2022, section 144E.19, subdivision 3, is amended to read:

Subd. 3. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend the license of a licensee after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the licensee has

violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the licensee would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting a licensee from providing ambulance service shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the licensee personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the licensee.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from a licensee, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or licensee may be in the form of an affidavit. The licensee or the licensee's designee may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the licensee of the right to a contested case hearing under chapter 14.

(g) If a licensee requests a contested case hearing within 30 days after receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 12. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation.** (a) The ~~board~~ director may deny, suspend, revoke, place conditions on, or refuse to renew the registration of an individual who the ~~board~~ director determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an agreement for corrective action, or an order that the ~~board~~ director issued or is otherwise empowered to enforce;

(2) misrepresents or falsifies information on an application form for registration;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; ~~or~~

(12) makes a false statement or knowingly provides false information to the ~~board~~ director, or fails to cooperate with an investigation of the ~~board~~ director as required by section 144E.30~~.~~; or

(13) fails to engage with the health professionals services program or diversion program required under section 144E.287 after being referred to the program, violates the terms of

the program participation agreement, or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

(b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate a contested case hearing according to chapter 14.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions on, or refuse renewal of an individual's registration for disciplinary action, the individual shall have the opportunity to apply to the ~~board~~ director for reinstatement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 13. Minnesota Statutes 2022, section 144E.28, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation.** (a) The ~~board~~ director may deny certification or take any action authorized in subdivision 4 against an individual who the ~~board~~ director determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, or an order that the ~~board~~ director issued or is otherwise authorized or empowered to enforce, or agreement for corrective action;

(2) misrepresents or falsifies information on an application form for certification;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; ~~or~~

(12) makes a false statement or knowingly provides false information to the ~~board~~ director or fails to cooperate with an investigation of the ~~board~~ director as required by section 144E.30~~.~~; or

(13) fails to engage with the health professionals services program or diversion program required under section 144E.287 after being referred to the program, violates the terms of the program participation agreement, or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

(b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate a contested case hearing according to chapter 14 and no disciplinary action shall be taken at that time.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions on, or refuse renewal of an individual's certification for disciplinary action, the individual shall have the opportunity to apply to the ~~board~~ director for reinstatement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 14. Minnesota Statutes 2022, section 144E.28, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend the certification of an individual after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the individual has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the individual would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting an individual from providing emergency medical care shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the individual personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the individual.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from the individual, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or the individual may be in the form of an affidavit. The individual or individual's designee may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the individual of the right to a contested case hearing under chapter 14.

(g) If an individual requests a contested case hearing within 30 days of receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 144E.285, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law, the ~~board~~ director may temporarily suspend approval of the education program after conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the education program has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining that the continued provision of service by the education program would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting the education program from providing emergency medical care training shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the education program personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the ~~board~~ director for the education program.

(d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director shall schedule a hearing~~, to be held before a group of its members designated by the board,~~ that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from the education program, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the ~~board~~ director or the individual may be in the form of an affidavit. The education program or counsel of record may appear for oral argument.

(f) Within five working days of the hearing, the ~~board~~ director shall issue its order and, if the suspension is continued, notify the education program of the right to a contested case hearing under chapter 14.

(g) If an education program requests a contested case hearing within 30 days of receiving notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue a final order within 30 days after receipt of the administrative law judge's report.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 16. Minnesota Statutes 2022, section 144E.287, is amended to read:

**144E.287 DIVERSION PROGRAM.**

The ~~board~~ director shall either conduct a health professionals ~~service~~ services program ~~under sections 214.31 to 214.37~~ or contract for a diversion program ~~under section 214.28~~ for professionals regulated ~~by the board~~ under this chapter who are unable to perform their duties with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 17. Minnesota Statutes 2022, section 144E.305, subdivision 3, is amended to read:

Subd. 3. **Immunity.** (a) An individual, licensee, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting in good faith a report to the ~~board~~ director under subdivision 1 or 2 or for otherwise reporting in good faith to the ~~board~~ director violations or alleged violations of sections 144E.001 to 144E.33. Reports are classified as confidential data on individuals or protected nonpublic data under section 13.02 while an investigation is active. Except for the ~~board's~~ director's final determination, all communications or information received by or disclosed to the ~~board~~ director relating to disciplinary matters of any person or entity subject to the ~~board's~~ director's regulatory jurisdiction are confidential and privileged and any disciplinary hearing shall be closed to the public.

(b) ~~Members of the board~~ The director, persons employed by the ~~board~~ director, persons engaged in the investigation of violations and in the preparation and management of charges of violations of sections 144E.001 to 144E.33 on behalf of the ~~board~~ director, and persons participating in the investigation regarding charges of violations are immune from civil liability and criminal prosecution for any actions, transactions, or publications, made in good faith, in the execution of, or relating to, their duties under sections 144E.001 to 144E.33.

~~(c) For purposes of this section, a member of the board is considered a state employee under section 3.736, subdivision 9.~~

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 18. **ALTERNATIVE EMERGENCY MEDICAL SERVICES RESPONSE MODEL PILOT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Board" means the Emergency Medical Services Regulatory Board.

(c) "Partnering ambulance services" means the primary ambulance service and the supporting ambulance service that partner to jointly respond to emergency ambulance calls under the pilot program.

(d) "Pilot program" means the alternative emergency medical services response model pilot program established under this section.

(e) "Primary ambulance service" means a basic life support ambulance service or part-time advanced life support ambulance service.

(f) "Supporting ambulance service" means a full-time advanced life support ambulance service.

Subd. 2. **Pilot program established.** The board must establish and oversee an alternative emergency medical services response model pilot program, with one pilot program site in Otter Tail County and Grant County and one pilot program site in St. Louis County. Under the pilot program, the board may authorize primary ambulance services with primary service areas that include: (1) any portion of Otter Tail County or Grant County; or (2) any portion of St. Louis County to partner with supporting ambulance services to provide expanded advanced life support service intercept capability and staffing support for emergency ambulance calls to locations anywhere in the partnering ambulance services' primary service areas, including locations outside of Otter Tail County, Grant County, or St. Louis County.

Subd. 3. **Application.** A primary ambulance service that wishes to participate in the pilot program must apply to the board. An application from a primary ambulance service must be submitted jointly with the supporting ambulance service with which the primary ambulance service proposes to partner. The application must identify the ambulance services applying to be partnering ambulance services and must include:

(1) approval to participate in the pilot program from the medical directors of the proposed partnering ambulance services;

(2) procedures the primary ambulance service will implement to respond to emergency ambulance calls when the primary ambulance service is unable to meet the minimum staffing requirements under Minnesota Statutes, section 144E.101, and the supporting ambulance service is unavailable to jointly respond to emergency ambulance calls;

(3) an agreement between the proposed partnering ambulance services specifying which ambulance service is responsible for:

(i) workers' compensation insurance;

(ii) motor vehicle insurance; and

(iii) billing, identifying which ambulance service, if any, will bill the patient or the patient's insurer and specifying how payments received will be distributed among the proposed partnering ambulance services;

(4) communication procedures to coordinate and make known the real-time availability of the supporting ambulance service to its proposed partnering primary ambulance service and public safety answering points;

(5) an acknowledgment that the proposed partnering ambulance services must coordinate compliance with the prehospital care data requirements in Minnesota Statutes, section 144E.123; and

(6) an acknowledgment that the proposed partnering ambulance services remain responsible for providing continual service as required under Minnesota Statutes, section 144E.101, subdivision 3.

Subd. 4. **Operation.** Under the pilot program, a supporting ambulance service may partner with one or more primary ambulance services. Under this partnership, the supporting ambulance service and primary ambulance service must jointly respond to emergency ambulance calls originating in the primary service area of the primary ambulance service. The supporting ambulance service must respond to emergency ambulance calls with either an ambulance or a nontransporting vehicle fully equipped with the advanced life support complement of equipment and medications required for that nontransporting vehicle by that ambulance service's medical director.

Subd. 5. **Staffing.** (a) When responding to an emergency ambulance call covered by the pilot program and an ambulance or nontransporting vehicle from the supporting ambulance service is confirmed to be available and is responding to the call:

(1) the primary ambulance service ambulance must be staffed by at least one emergency medical technician; and

(2) the supporting ambulance service ambulance or nontransporting vehicle must be staffed with a minimum of one paramedic.

(b) The staffing specified in paragraph (a) is deemed to satisfy the staffing requirements in Minnesota Statutes, section 144E.101, for both the primary ambulance service response and the supporting ambulance service intercept requirements.

Subd. 6. **Medical director oversight.** The medical directors for ambulance services participating in the pilot program retain responsibility for the ambulance service personnel

of their respective ambulance services. When a paramedic from the supporting ambulance service makes contact with the patient, the standing orders, clinical policies, protocols, and triage, treatment, and transportation guidelines for the supporting ambulance service must direct patient care related to the encounter.

Subd. 7. **Waivers and variances.** The board may issue any waivers of or variances to Minnesota Statutes, chapter 144E, or Minnesota Rules, chapter 4690, to partnering ambulance services that are needed to implement the pilot program, provided the waiver or variance does not adversely affect the public health or welfare.

Subd. 8. **Data and evaluation.** In administering the pilot program, the board shall collect from partnering ambulance services data needed to evaluate the impacts of the pilot program on response times, patient outcomes, and patient experience for emergency ambulance calls.

Subd. 9. **Expiration.** This section expires June 30, 2027.

Sec. 19. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.**

(a) Initial appointments of members to the Emergency Medical Services Advisory Council must be made by January 1, 2025. The terms of initial appointees shall be determined by lot by the secretary of state and shall be as follows:

(1) eight members shall serve two-year terms; and

(2) eight members shall serve three-year terms.

(b) The medical director appointee must convene the first meeting of the Emergency Medical Services Advisory Council by February 1, 2025.

Sec. 20. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL SERVICES PHYSICIAN ADVISORY COUNCIL.**

(a) Initial appointments of members to the Emergency Medical Services Physician Advisory Council must be made by January 1, 2025. The terms of initial appointees shall be determined by lot by the secretary of state and shall be as follows:

(1) five members shall serve two-year terms;

(2) five members shall serve three-year terms; and

(3) the term for the medical director appointee to the Emergency Medical Services Physician Advisory Council shall coincide with that member's term on the Emergency Medical Services Advisory Council.

(b) The medical director appointee must convene the first meeting of the Emergency Medical Services Physician Advisory Council by February 1, 2025.

Sec. 21. **INITIAL MEMBERS AND FIRST MEETING; LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

(a) Initial appointments of members to the Labor and Emergency Medical Service Providers Advisory Council must be made by January 1, 2025. The terms of initial appointees shall be determined by lot by the secretary of state and shall be as follows:

(1) six members shall serve two-year terms; and

(2) seven members shall serve three-year terms.

(b) The emergency medical technician instructor appointee must convene the first meeting of the Labor and Emergency Medical Service Providers Advisory Council by February 1, 2025.

Sec. 22. **TRANSITION.**

Subdivision 1. **Appointment of director; operation of office.** No later than October 1, 2024, the governor shall appoint a director-designee of the Office of Emergency Medical Services. The individual appointed as the director-designee of the Office of Emergency Medical Services shall become the governor's appointee as director of the Office of Emergency Medical Services on January 1, 2025. Effective January 1, 2025, the responsibilities to regulate emergency medical services in the state under Minnesota Statutes, chapter 144E, and Minnesota Rules, chapter 4690, are transferred from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services and the director of the Office of Emergency Medical Services.

Subd. 2. **Transfer of responsibilities.** Minnesota Statutes, section 15.039, applies to the transfer of responsibilities from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services required by this act. The commissioner of administration, with the approval of the governor, may issue reorganization orders under Minnesota Statutes, section 16B.37, as necessary to carry out the transfer of responsibilities required by this act. The provision of Minnesota Statutes, section 16B.37, subdivision 1, which states that transfers under that section may be made only to an agency that has been in existence for at least one year, does not apply to transfers in this act to the Office of Emergency Medical Services.

Sec. 23. **APPROPRIATION.**

$6,000,000 in fiscal year 2025 is appropriated from the general fund to the Emergency Medical Services Regulatory Board for grants to Otter Tail County and St. Louis County to fund the alternative emergency medical services response model pilot program. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the Emergency Medical Services Regulatory Board may retain up to ten percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2027.

Sec. 24. **REVISOR INSTRUCTION.**

(a) In Minnesota Statutes, chapter 144E, the revisor of statutes shall replace "board" with "director"; "board's" with "director's"; "Emergency Medical Services Regulatory Board" or "Minnesota Emergency Medical Services Regulatory Board" with "director"; and "board-approved" with "director-approved," except that:

(1) in Minnesota Statutes, section 144E.11, the revisor of statutes shall not modify the term "county board," "community health board," or "community health boards";

(2) in Minnesota Statutes, sections 144E.40, subdivision 2; 144E.42, subdivision 2; 144E.44; and 144E.45, subdivision 2, the revisor of statutes shall not modify the term "State Board of Investment"; and

(3) in Minnesota Statutes, sections 144E.50 and 144E.52, the revisor of statutes shall not modify the term "regional emergency medical services board," "regional board," "regional emergency medical services board's," or "regional boards."

(b) In the following sections of Minnesota Statutes, the revisor of statutes shall replace "Emergency Medical Services Regulatory Board" with "director of the Office of Emergency Medical Services": sections 13.717, subdivision 10; 62J.49, subdivision 2; 144.604; 144.608; 147.09; 156.12, subdivision 2; 169.686, subdivision 3; and 299A.41, subdivision 4.

(c) In the following sections of Minnesota Statutes, the revisor of statutes shall replace "Emergency Medical Services Regulatory Board" with "Office of Emergency Medical Services": sections 144.603 and 161.045, subdivision 3.

(d) In making the changes specified in this section, the revisor of statutes may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Sec. 25. **REPEALER.**

Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; and 144E.50, subdivision 3, are repealed.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

## ARTICLE 2
## CONFORMING CHANGES

Section 1. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation;

Commissioner of veterans affairs;

Executive director of the Gambling Control Board;

Executive director of the Minnesota State Lottery;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for mental health and developmental disabilities;

Ombudsperson for corrections;

Chair, Metropolitan Council;

Chair, Metropolitan Airports Commission;

School trust lands director;

Executive director of pari-mutuel racing; ~~and~~

Commissioner, Public Utilities Commission~~.~~; and

Director of the Office of Emergency Medical Services.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General,

Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; ~~and~~ the Minnesota Zoological Board; and the Office of Emergency Medical Services.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 62J.49, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The director of the Office of Emergency Medical Services ~~Regulatory Board~~ established under chapter ~~144~~ 144E shall establish a financial data collection system for all ambulance services licensed in this state. To establish the financial database, the ~~Emergency Medical Services Regulatory Board~~ director may contract with an entity that has experience in ambulance service financial data collection.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 4. Minnesota Statutes 2023 Supplement, section 152.126, subdivision 6, is amended to read:

Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision, the data submitted to the board under subdivision 4 is private data on individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

(b) Except as specified in subdivision 5, the following persons shall be considered permissible users and may access the data submitted under subdivision 4 in the same or similar manner, and for the same or similar purposes, as those persons who are authorized to access similar private data on individuals under federal and state law:

(1) a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, to the extent the information relates specifically to a current patient, to whom the prescriber is:

(i) prescribing or considering prescribing any controlled substance;

(ii) providing emergency medical treatment for which access to the data may be necessary;

(iii) providing care, and the prescriber has reason to believe, based on clinically valid indications, that the patient is potentially abusing a controlled substance; or

(iv) providing other medical treatment for which access to the data may be necessary for a clinically valid purpose and the patient has consented to access to the submitted data, and with the provision that the prescriber remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(2) a dispenser or an agent or employee of the dispenser to whom the dispenser has delegated the task of accessing the data, to the extent the information relates specifically to a current patient to whom that dispenser is dispensing or considering dispensing any controlled substance and with the provision that the dispenser remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(3) a licensed dispensing practitioner or licensed pharmacist to the extent necessary to determine whether corrections made to the data reported under subdivision 4 are accurate;

(4) a licensed pharmacist who is providing pharmaceutical care for which access to the data may be necessary to the extent that the information relates specifically to a current patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber who is requesting data in accordance with clause (1);

(5) an individual who is the recipient of a controlled substance prescription for which data was submitted under subdivision 4, or a guardian of the individual, parent or guardian of a minor, or health care agent of the individual acting under a health care directive under chapter 145C. For purposes of this clause, access by individuals includes persons in the definition of an individual under section 13.02;

(6) personnel or designees of a health-related licensing board listed in section 214.01, subdivision 2, or of the Office of Emergency Medical Services ~~Regulatory Board~~, assigned to conduct a bona fide investigation of a complaint received by that board or office that alleges that a specific licensee is impaired by use of a drug for which data is collected under subdivision 4, has engaged in activity that would constitute a crime as defined in section 152.025, or has engaged in the behavior specified in subdivision 5, paragraph (a);

(7) personnel of the board engaged in the collection, review, and analysis of controlled substance prescription information as part of the assigned duties and responsibilities under this section;

(8) authorized personnel under contract with the board, or under contract with the state of Minnesota and approved by the board, who are engaged in the design, evaluation, implementation, operation, or maintenance of the prescription monitoring program as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to carry out such duties and responsibilities, and subject to the requirement of de-identification and time limit on retention of data specified in subdivision 5, paragraphs (d) and (e);

(9) federal, state, and local law enforcement authorities acting pursuant to a valid search warrant;

(10) personnel of the Minnesota health care programs assigned to use the data collected under this section to identify and manage recipients whose usage of controlled substances may warrant restriction to a single primary care provider, a single outpatient pharmacy, and a single hospital;

(11) personnel of the Department of Human Services assigned to access the data pursuant to paragraph (k);

(12) personnel of the health professionals services program established under section 214.31, to the extent that the information relates specifically to an individual who is currently enrolled in and being monitored by the program, and the individual consents to access to that information. The health professionals services program personnel shall not provide this

data to a health-related licensing board ~~or the Emergency Medical Services Regulatory Board~~, except as permitted under section 214.33, subdivision 3;

(13) personnel or designees of a health-related licensing board other than the Board of Pharmacy listed in section 214.01, subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that board that alleges that a specific licensee is inappropriately prescribing controlled substances as defined in this section. For the purposes of this clause, the health-related licensing board may also obtain utilization data; and

(14) personnel of the board specifically assigned to conduct a bona fide investigation of a specific licensee or registrant. For the purposes of this clause, the board may also obtain utilization data.

(c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe controlled substances for humans and who holds a current registration issued by the federal Drug Enforcement Administration, and every pharmacist licensed by the board and practicing within the state, shall register and maintain a user account with the prescription monitoring program. Data submitted by a prescriber, pharmacist, or their delegate during the registration application process, other than their name, license number, and license type, is classified as private pursuant to section 13.02, subdivision 12.

(d) Notwithstanding paragraph (b), beginning January 1, 2021, a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, must access the data submitted under subdivision 4 to the extent the information relates specifically to the patient:

(1) before the prescriber issues an initial prescription order for a Schedules II through IV opiate controlled substance to the patient; and

(2) at least once every three months for patients receiving an opiate for treatment of chronic pain or participating in medically assisted treatment for an opioid addiction.

(e) Paragraph (d) does not apply if:

(1) the patient is receiving palliative care, or hospice or other end-of-life care;

(2) the patient is being treated for pain due to cancer or the treatment of cancer;

(3) the prescription order is for a number of doses that is intended to last the patient five days or less and is not subject to a refill;

(4) the prescriber and patient have a current or ongoing provider/patient relationship of a duration longer than one year;

(5) the prescription order is issued within 14 days following surgery or three days following oral surgery or follows the prescribing protocols established under the opioid prescribing improvement program under section 256B.0638;

(6) the controlled substance is prescribed or administered to a patient who is admitted to an inpatient hospital;

(7) the controlled substance is lawfully administered by injection, ingestion, or any other means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a prescriber and in the presence of the prescriber or pharmacist;

(8) due to a medical emergency, it is not possible for the prescriber to review the data before the prescriber issues the prescription order for the patient; or

(9) the prescriber is unable to access the data due to operational or other technological failure of the program so long as the prescriber reports the failure to the board.

(f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8), (10), and (11), may directly access the data electronically. No other permissible users may directly access the data electronically. If the data is directly accessed electronically, the permissible user shall implement and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards that are appropriate to the user's size and complexity, and the sensitivity of the personal information obtained. The permissible user shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, or other compromise of the information and assess the sufficiency of any safeguards in place to control the risks.

(g) The board shall not release data submitted under subdivision 4 unless it is provided with evidence, satisfactory to the board, that the person requesting the information is entitled to receive the data.

(h) The board shall maintain a log of all persons who access the data for a period of at least three years and shall ensure that any permissible user complies with paragraph (c) prior to attaining direct access to the data.

(i) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant to subdivision 2. A vendor shall not use data collected under this section for any purpose not specified in this section.

(j) The board may participate in an interstate prescription monitoring program data exchange system provided that permissible users in other states have access to the data only as allowed under this section, and that section 13.05, subdivision 6, applies to any contract or memorandum of understanding that the board enters into under this paragraph.

(k) With available appropriations, the commissioner of human services shall establish and implement a system through which the Department of Human Services shall routinely access the data for the purpose of determining whether any client enrolled in an opioid treatment program licensed according to chapter 245A has been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

If determined necessary, the commissioner of human services shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section 2.34, paragraph (c), prior to implementing this paragraph.

(l) The board shall review the data submitted under subdivision 4 on at least a quarterly basis and shall establish criteria, in consultation with the advisory task force, for referring information about a patient to prescribers and dispensers who prescribed or dispensed the prescriptions in question if the criteria are met.

(m) The board shall conduct random audits, on at least a quarterly basis, of electronic access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8), (10), and (11), to the data in subdivision 4, to ensure compliance with permissible use as defined in this section. A permissible user whose account has been selected for a random audit shall respond to an inquiry by the board, no later than 30 days after receipt of notice that an audit is being conducted. Failure to respond may result in deactivation of access to the electronic system and referral to the appropriate health licensing board, or the commissioner of human services, for further action. The board shall report the results of random audits to the chairs and ranking minority members of the legislative committees

with jurisdiction over health and human services policy and finance and government data practices.

(n) A permissible user who has delegated the task of accessing the data in subdivision 4 to an agent or employee shall audit the use of the electronic system by delegated agents or employees on at least a quarterly basis to ensure compliance with permissible use as defined in this section. When a delegated agent or employee has been identified as inappropriately accessing data, the permissible user must immediately remove access for that individual and notify the board within seven days. The board shall notify all permissible users associated with the delegated agent or employee of the alleged violation.

(o) A permissible user who delegates access to the data submitted under subdivision 4 to an agent or employee shall terminate that individual's access to the data within three business days of the agent or employee leaving employment with the permissible user. The board may conduct random audits to determine compliance with this requirement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 214.025, is amended to read:

**214.025 COUNCIL OF HEALTH BOARDS.**

The health-related licensing boards may establish a Council of Health Boards consisting of representatives of the health-related licensing boards ~~and the Emergency Medical Services Regulatory Board~~. When reviewing legislation or legislative proposals relating to the regulation of health occupations, the council shall include the commissioner of health or a designee and the director of the Office of Emergency Medical Services or a designee.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 6. Minnesota Statutes 2022, section 214.04, subdivision 2a, is amended to read:

Subd. 2a. **Performance of executive directors.** The governor may request that a health-related licensing board ~~or the Emergency Medical Services Regulatory Board~~ review the performance of the board's executive director. Upon receipt of the request, the board must respond by establishing a performance improvement plan or taking disciplinary or other corrective action, including dismissal. The board shall include the governor's representative as a voting member of the board in the board's discussions and decisions regarding the governor's request. The board shall report to the governor on action taken by the board, including an explanation if no action is deemed necessary.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 214.29, is amended to read:

**214.29 PROGRAM REQUIRED.**

Each health-related licensing board~~, including the Emergency Medical Services Regulatory Board under chapter 144E,~~ shall either conduct a health professionals service program under sections 214.31 to 214.37 or contract for a diversion program under section 214.28.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 214.31, is amended to read:

**214.31 AUTHORITY.**

Two or more of the health-related licensing boards listed in section 214.01, subdivision 2, may jointly conduct a health professionals services program to protect the public from persons regulated by the boards who are unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition. The program does not affect a board's authority to discipline violations of a board's practice act. ~~For purposes of sections 214.31 to 214.37, the emergency medical services regulatory board shall be included in the definition of a health-related licensing board under chapter 144E.~~

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 9. Minnesota Statutes 2022, section 214.355, is amended to read:

**214.355 GROUNDS FOR DISCIPLINARY ACTION.**

Each health-related licensing board~~, including the Emergency Medical Services Regulatory Board under chapter 144E,~~ shall consider it grounds for disciplinary action if a regulated person violates the terms of the health professionals services program participation agreement or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

## ARTICLE 3

## AMBULANCE SERVICE PERSONNEL AND EMERGENCY MEDICAL RESPONDERS

Section 1. Minnesota Statutes 2022, section 144E.001, subdivision 3a, is amended to read:

Subd. 3a. **Ambulance service personnel.** "Ambulance service personnel" means individuals who are authorized by a licensed ambulance service to provide emergency care for the ambulance service and are:

(1) EMTs, AEMTs, or paramedics;

(2) Minnesota registered nurses who are: (i) EMTs, are currently practicing nursing, and have ~~passed a paramedic practical skills test, as approved by the board and administered by an educational program approved by the board~~ been approved by the ambulance service medical director; (ii) on the roster of an ambulance service on or before January 1, 2000; ~~or~~ (iii) after petitioning the board, deemed by the board to have training and skills equivalent to an EMT, as determined on a case-by-case basis; or (iv) certified as a certified flight registered nurse or certified emergency nurse; or

(3) Minnesota licensed physician assistants who are: (i) EMTs, are currently practicing as physician assistants, and have ~~passed a paramedic practical skills test, as approved by the board and administered by an educational program approved by the board~~ been approved by the ambulance service medical director; (ii) on the roster of an ambulance service on or before January 1, 2000; or (iii) after petitioning the board, deemed by the board to have training and skills equivalent to an EMT, as determined on a case-by-case basis.

Sec. 2. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 6, is amended to read:

Subd. 6. **Basic life support.** (a) Except as provided in ~~paragraph (f)~~ subdivision 6a, a basic life-support ambulance shall be staffed by at least ~~two EMTs, one of whom must accompany the patient and provide a level of care so as to ensure that~~:

(1) one individual who is:

(i) certified as an EMT;

(ii) a Minnesota registered nurse who meets the qualification requirements in section 144E.001, subdivision 3a, clause (2); or

(iii) a Minnesota licensed physician assistant who meets the qualification requirements in section 144E.001, subdivision 3a, clause (3); and

(2) one individual to drive the ambulance who:

(i) either meets one of the qualification requirements in clause (1) or is a registered emergency medical responder driver; and

(ii) satisfies the requirements in subdivision 10.

(b) An individual who meets one of the qualification requirements in paragraph (a), clause (1), must accompany the patient and provide a level of care so as to ensure that:

(1) life-threatening situations and potentially serious injuries are recognized;

(2) patients are protected from additional hazards;

(3) basic treatment to reduce the seriousness of emergency situations is administered; and

(4) patients are transported to an appropriate medical facility for treatment.

~~(b)~~ (c) A basic life-support service shall provide basic airway management.

~~(c)~~ (d) A basic life-support service shall provide automatic defibrillation.

~~(d)~~ (e) A basic life-support service shall administer opiate antagonists consistent with protocols established by the service's medical director.

~~(e)~~ (f) A basic life-support service licensee's medical director may authorize ambulance service personnel to perform intravenous infusion and use equipment that is within the licensure level of the ambulance service. Ambulance service personnel must be properly trained. Documentation of authorization for use, guidelines for use, continuing education, and skill verification must be maintained in the licensee's files.

~~(f) For emergency ambulance calls and interfacility transfers, an ambulance service may staff its basic life-support ambulances with one EMT, who must accompany the patient, and one registered emergency medical responder driver. For purposes of this paragraph, "ambulance service" means either an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an ambulance service based in a community with a population of less than 2,500.~~

Sec. 3. Minnesota Statutes 2022, section 144E.101, is amended by adding a subdivision to read:

Subd. 6a. **Variance; staffing of basic life-support ambulance.** (a) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may

grant a variance from the staff requirements in subdivision 6, paragraph (a), and may authorize a basic life-support ambulance to be staffed, for all emergency calls and interfacility transfers, with one individual who meets the qualification requirements in paragraph (b) to drive the ambulance and one individual who meets one of the qualification requirements in subdivision 6, paragraph (a), clause (1), and who must accompany the patient. The variance applies to basic life-support ambulances until the ambulance service renews its license. When the variance expires, the ambulance service may apply for a new variance under this subdivision.

(b) In order to drive an ambulance under a variance granted under this subdivision, an individual must:

(1) hold a valid driver's license from any state;

(2) have attended an emergency vehicle driving course approved by the ambulance service;

(3) have completed a course on cardiopulmonary resuscitation approved by the ambulance service; and

(4) register with the board according to a process established by the board.

(c) If an individual serving as a driver under this subdivision commits or has a record of committing an act listed in section 144E.27, subdivision 5, paragraph (a), the board may temporarily suspend or prohibit the individual from driving an ambulance or place conditions on the individual's ability to drive an ambulance using the procedures and authority in section 144E.27, subdivisions 5 and 6.

Sec. 4. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 7, as amended by Laws 2024, chapter 85, section 32, is amended to read:

Subd. 7. **Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an advanced life-support ambulance shall be staffed by at least:

(1) one EMT or one AEMT and one paramedic;

(2) one EMT or one AEMT and one registered nurse who: (i) is an EMT or an AEMT, is currently practicing nursing, and ~~has passed a paramedic practical skills test approved by the board and administered by an education program~~ has been approved by the ambulance service medical director; or (ii) is certified as a certified flight registered nurse or certified emergency nurse; or

(3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT, is currently practicing as a physician assistant, and ~~has passed a paramedic practical skills test approved by the board and administered by an education program~~ has been approved by the ambulance service medical director.

(b) An advanced life-support service shall provide basic life support, as specified under subdivision 6, paragraph ~~(a)~~ (b), advanced airway management, manual defibrillation, administration of intravenous fluids and pharmaceuticals, and administration of opiate antagonists.

(c) In addition to providing advanced life support, an advanced life-support service may staff additional ambulances to provide basic life support according to subdivision 6 and section 144E.103, subdivision 1.

(d) An ambulance service providing advanced life support shall have a written agreement with its medical director to ensure medical control for patient care 24 hours a day, seven days a week. The terms of the agreement shall include a written policy on the administration of medical control for the service. The policy shall address the following issues:

(1) two-way communication for physician direction of ambulance service personnel;

(2) patient triage, treatment, and transport;

(3) use of standing orders; and

(4) the means by which medical control will be provided 24 hours a day.

The agreement shall be signed by the licensee's medical director and the licensee or the licensee's designee and maintained in the files of the licensee.

(e) When an ambulance service provides advanced life support, the authority of a paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician assistant-EMT to determine the delivery of patient care prevails over the authority of an EMT.

(f) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in paragraph (a), clause (1), and may authorize an advanced life-support ambulance to be staffed by a registered emergency medical responder driver with a paramedic for all emergency calls and interfacility transfers. The variance shall apply to advanced life-support ambulance services until the ambulance service renews its license. When the variance expires, an ambulance service may apply for a new variance under this paragraph. ~~This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan~~

~~counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.~~

(g) After an initial emergency ambulance call, each subsequent emergency ambulance response, until the initial ambulance is again available, and interfacility transfers, may be staffed by one registered emergency medical responder driver and an EMT or paramedic. ~~This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with a population of less than 1,000 persons.~~

(h) An individual who staffs an advanced life-support ambulance as a driver must also meet the requirements in subdivision 10.

Sec. 5. Minnesota Statutes 2022, section 144E.27, subdivision 3, is amended to read:

Subd. 3. **Renewal.** (a) The board may renew the registration of an emergency medical responder who:

(1) successfully completes a board-approved refresher course; ~~and~~

(2) successfully completes a course in cardiopulmonary resuscitation approved by the board or by the licensee's medical director. This course may be a component of a board-approved refresher course; and

~~(2)~~ (3) submits a completed renewal application to the board before the registration expiration date.

(b) The board may renew the lapsed registration of an emergency medical responder who:

(1) successfully completes a board-approved refresher course; ~~and~~

(2) successfully completes a course in cardiopulmonary resuscitation approved by the board or by the licensee's medical director. This course may be a component of a board-approved refresher course; and

~~(2)~~ (3) submits a completed renewal application to the board within ~~12~~ 48 months after the registration expiration date.

Sec. 6. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation; emergency medical responders and drivers.** (a) This subdivision applies to individuals seeking registration or registered as an emergency medical responder and to individuals seeking registration or registered as a driver of a basic life-support ambulance under section 144E.101, subdivision 6a. The board may deny, suspend, revoke, place conditions on, or refuse to renew the registration of an individual who the board determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an agreement for corrective action, or an order that the board issued or is otherwise empowered to enforce;

(2) misrepresents or falsifies information on an application form for registration;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services or drive an ambulance with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) for emergency medical responders, provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient; or

(12) makes a false statement or knowingly provides false information to the board, or fails to cooperate with an investigation of the board as required by section 144E.30.

(b) Before taking action under paragraph (a), the board shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the board shall initiate a contested case hearing according to chapter 14.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the board's decision to deny, revoke, place conditions on, or refuse renewal of an individual's registration for disciplinary action, the individual shall have the opportunity to apply to the board for reinstatement.

Sec. 7. Minnesota Statutes 2022, section 144E.27, subdivision 6, is amended to read:

Subd. 6. **Temporary suspension; emergency medical responders and drivers.** (a) This subdivision applies to emergency medical responders registered under this section and to individuals registered as drivers of basic life-support ambulances under section 144E.101, subdivision 6a. In addition to any other remedy provided by law, the board may temporarily suspend the registration of an individual after conducting a preliminary inquiry to determine whether the board believes that the individual has violated a statute or rule that the board is empowered to enforce and determining that the continued provision of service by the individual would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting an individual from providing emergency medical care or from driving a basic life-support ambulance shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the individual personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the board for the individual.

(d) At the time the board issues a temporary suspension order, the board shall schedule a hearing, to be held before a group of its members designated by the board, that shall begin

within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the board's receipt of a request for a hearing from the individual, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the board or the individual may be in the form of an affidavit. The individual or the individual's designee may appear for oral argument.

(f) Within five working days of the hearing, the board shall issue its order and, if the suspension is continued, notify the individual of the right to a contested case hearing under chapter 14.

(g) If an individual requests a contested case hearing within 30 days after receiving notice under paragraph (f), the board shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

Sec. 8. Minnesota Statutes 2022, section 144E.28, subdivision 3, is amended to read:

Subd. 3. **Reciprocity.** The board may certify an individual who possesses a current National Registry of Emergency Medical Technicians ~~registration~~ certification from another jurisdiction if the individual submits a board-approved application form. The board certification classification shall be the same as the National Registry's classification. Certification shall be for the duration of the applicant's ~~registration~~ certification period in another jurisdiction, not to exceed two years.

Sec. 9. Minnesota Statutes 2022, section 144E.28, subdivision 8, is amended to read:

Subd. 8. **Reinstatement.** (a) Within four years of a certification expiration date, a person whose certification has expired under subdivision 7, paragraph (d), may have the certification reinstated upon submission of:

(1) evidence to the board of training equivalent to the continuing education requirements of subdivision 7 or, for community paramedics, evidence to the board of training equivalent to the continuing education requirements of subdivision 9, paragraph (c); and

(2) a board-approved application form.

(b) If more than four years have passed since a certificate expiration date, an applicant must complete the initial certification process required under subdivision 1.

(c) Beginning July 1, 2024, through December 31, 2025, and notwithstanding paragraph (b), a person whose certification as an EMT, AEMT, paramedic, or community paramedic expired more than four years ago but less than ten years ago may have the certification reinstated upon submission of:

(1) evidence to the board of the training required under paragraph (a), clause (1). This training must have been completed within the 24 months prior to the date of the application for reinstatement;

(2) a board-approved application form; and

(3) a recommendation from an ambulance service medical director.

This paragraph expires December 31, 2025.

Sec. 10. Minnesota Statutes 2022, section 144E.285, subdivision 1, is amended to read:

Subdivision 1. **Approval required.** (a) All education programs for an EMR, EMT, AEMT, or paramedic must be approved by the board.

(b) To be approved by the board, an education program must:

(1) submit an application prescribed by the board that includes:

(i) type ~~and length~~ of course to be offered;

(ii) names, addresses, and qualifications of the program medical director, program education coordinator, and instructors;

~~(iii) names and addresses of clinical sites, including a contact person and telephone number;~~

~~(iv)~~ (iii) admission criteria for students; and

~~(v)~~ (iv) materials and equipment to be used;

(2) for each course, implement the most current version of the United States Department of Transportation EMS Education Standards, or its equivalent as determined by the board applicable to EMR, EMT, AEMT, or paramedic education;

(3) have a program medical director and a program coordinator;

(4) utilize instructors who meet the requirements of section 144E.283 for teaching at least 50 percent of the course content. The remaining 50 percent of the course may be taught by guest lecturers approved by the education program coordinator or medical director;

~~(5) have at least one instructor for every ten students at the practical skill stations;~~

~~(6) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site;~~

~~(7)~~ (5) retain documentation of program approval by the board, course outline, and student information;

~~(8)~~ (6) notify the board of the starting date of a course prior to the beginning of a course; and

~~(9)~~ (7) submit the appropriate fee as required under section 144E.29~~; and~~.

~~(10) maintain a minimum average yearly pass rate as set by the board on an annual basis. The pass rate will be determined by the percent of candidates who pass the exam on the first attempt. An education program not meeting this yearly standard shall be placed on probation and shall be on a performance improvement plan approved by the board until meeting the pass rate standard. While on probation, the education program may continue providing classes if meeting the terms of the performance improvement plan as determined by the board. If an education program having probation status fails to meet the pass rate standard after two years in which an EMT initial course has been taught, the board may take disciplinary action under subdivision 5.~~

Sec. 11. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision to read:

Subd. 1a. **EMR education program requirements.** The National EMS Education Standards established by the National Highway Traffic Safety Administration of the United States Department of Transportation specify the minimum requirements for knowledge and skills for emergency medical responders. An education program applying for approval to teach EMRs must comply with the requirements under subdivision 1, paragraph (b). A medical director of an emergency medical responder group may establish additional knowledge and skill requirements for EMRs.

Sec. 12. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision to read:

Subd. 1b. **EMT education program requirements.** In addition to the requirements under subdivision 1, paragraph (b), an education program applying for approval to teach EMTs must:

(1) include in the application prescribed by the board the names and addresses of clinical sites, including a contact person and telephone number;

(2) maintain a written agreement with at least one clinical training site that is of a type recognized by the National EMS Education Standards established by the National Highway Traffic Safety Administration; and

(3) maintain a minimum average yearly pass rate as set by the board. An education program not meeting this standard must be placed on probation and must comply with a performance improvement plan approved by the board until the program meets the pass-rate standard. While on probation, the education program may continue to provide classes if the program meets the terms of the performance improvement plan, as determined by the board. If an education program that is on probation status fails to meet the pass-rate standard after two years in which an EMT initial course has been taught, the board may take disciplinary action under subdivision 5.

Sec. 13. Minnesota Statutes 2022, section 144E.285, subdivision 2, is amended to read:

Subd. 2. **AEMT and paramedic education program requirements.** (a) In addition to the requirements under subdivision 1, paragraph (b), an education program applying for approval to teach AEMTs and paramedics must:

(1) be administered by an educational institution accredited by the Commission of Accreditation of Allied Health Education Programs (CAAHEP)~~.~~;

(2) include in the application prescribed by the board the names and addresses of clinical sites, including a contact person and telephone number; and

(3) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site.

(b) An AEMT and paramedic education program that is administered by an educational institution not accredited by CAAHEP, but that is in the process of completing the accreditation process, may be granted provisional approval by the board upon verification of submission of its self-study report and the appropriate review fee to CAAHEP.

(c) An educational institution that discontinues its participation in the accreditation process must notify the board immediately and provisional approval shall be withdrawn.

~~(d) This subdivision does not apply to a paramedic education program when the program is operated by an advanced life-support ambulance service licensed by the Emergency Medical Services Regulatory Board under this chapter, and the ambulance service meets the following criteria:~~

~~(1) covers a rural primary service area that does not contain a hospital within the primary service area or contains a hospital within the primary service area that has been designated as a critical access hospital under section 144.1483, clause (9);~~

~~(2) has tax-exempt status in accordance with the Internal Revenue Code, section 501(c)(3);~~

~~(3) received approval before 1991 from the commissioner of health to operate a paramedic education program;~~

~~(4) operates an AEMT and paramedic education program exclusively to train paramedics for the local ambulance service; and~~

~~(5) limits enrollment in the AEMT and paramedic program to five candidates per biennium.~~

Sec. 14. Minnesota Statutes 2022, section 144E.285, subdivision 4, is amended to read:

Subd. 4. **Reapproval.** An education program shall apply to the board for reapproval at least ~~three months~~ 30 days prior to the expiration date of its approval and must:

(1) submit an application prescribed by the board specifying any changes from the information provided for prior approval and any other information requested by the board to clarify incomplete or ambiguous information presented in the application; ~~and~~

(2) comply with the requirements under subdivision 1, paragraph (b), clauses (2) to ~~(10).~~ (7);

(3) be subject to a site visit by the board;

(4) for education programs that teach EMRs, comply with the requirements in subdivision 1a;

(5) for education programs that teach EMTs, comply with the requirements in subdivision 1b; and

(6) for education programs that teach AEMTs and paramedics, comply with the requirements in subdivision 2 and maintain accreditation with CAAHEP.

Sec. 15. **REPEALER.**

Minnesota Statutes 2022, section 144E.27, subdivisions 1 and 1a, are repealed.

## ARTICLE 4

## EMERGENCY AMBULANCE SERVICE AID

Section 1. **EMERGENCY AMBULANCE SERVICE AID.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Ambulance service" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 3.

(c) "Board" means the Emergency Medical Services Regulatory Board.

(d) "Capital expenses" means expenses that are incurred by a licensed ambulance service provider for the purchase, improvement, or maintenance of long-term assets to improve the efficiency or capability of the ambulance services, with an expected useful life of greater than five years.

(e) "Commissioner" means the commissioner of revenue.

(f) "EMS responses" means the number of responses provided within a primary service area during calendar year 2023 by the licensed ambulance service provider designated to serve the primary service area as reported by the provider to the board via the Minnesota state ambulance reporting system.

(g) "Licensed ambulance service provider" or "provider" means a natural person, partnership, association, corporation, Tribal government, or unit of government that possesses an ambulance service license under Minnesota Statutes, chapter 144E.

(h) "Metropolitan county" means a metropolitan county listed in Minnesota Statutes, section 473.121, subdivision 4.

(i) "Multiple license holder" means a licensed ambulance service provider, a licensed ambulance service provider's parent company, a subsidiary of the licensed ambulance service provider, or a subsidiary of the licensed ambulance service provider's parent company that collectively holds more than one license.

(j) "Nonexcluded license" means a license that is not excluded under subdivision 3 from receiving aid under this section.

(k) "Operational expenses" means costs related to personnel expenses, supplies and equipment, fuel, vehicle maintenance, travel, education, fundraising, and expenses associated with obtaining advanced life support intercepts.

(l) "Primary service area" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 10.

(m) "Response density" means the quotient of EMS responses divided by the square mileage of the primary service area.

(n) "Unit of government" means a county, a statutory or home rule charter city, or a township.

Subd. 2. **Excluded services.** The commissioner, in coordination with the executive director of the board, must exclude EMS responses by a specialized life support service as described in Minnesota Statutes, section 144E.101, subdivision 9, when calculating EMS responses, response density, and aid payments under this section.

Subd. 3. **Certain multiple license holders excluded.** (a) Except as provided under paragraph (b), all licenses held by a multiple license holder are ineligible for aid payments under this section if any license held by a multiple license holder is designated to serve a primary service area, any portion of which is located within the cities of Duluth, Mankato, Moorhead, Rochester, or St. Cloud, or a metropolitan county.

(b) For a multiple license holder affiliated with a private, nonprofit adult hospital that is located in Hennepin County and designated by the commissioner of health as a level I trauma hospital, only the licenses held by the multiple license holder and located entirely within one or more metropolitan counties are ineligible for aid payments under this section.

Subd. 4. **Eligibility.** A licensed ambulance service provider is eligible for aid under this section if the licensed ambulance service provider:

(1) possessed a nonexcluded license in calendar year 2022;

(2) continues to operate under the nonexcluded license during calendar year 2024; and

(3) completes the requirements under subdivision 5.

Subd. 5. **Application process.** (a) An eligible licensed ambulance service provider may apply to the commissioner, in the form and manner determined by the commissioner, for aid under this section. Applications must be submitted by September 16, 2024. The commissioner may require an eligible licensed ambulance service provider to submit any information necessary, including financial statements, to make the calculations under subdivision 6. An eligible licensed ambulance service provider who applies for aid under this section must provide a copy of the application to the executive director of the board by September 16, 2024.

(b) The commissioner and the executive director of the board must establish a process for verifying the data submitted with applications under this section. By September 20, 2024, for each eligible licensed ambulance service provider that applies for aid under paragraph (a), the executive director of the board must certify the following information to the commissioner:

(1) EMS responses by primary service area reported for calendar year 2023;

(2) EMS responses by primary service area reported for calendar year 2023 that were provided by a specialized life support service;

(3) information necessary to determine the location of each primary service area, including municipalities served; and

(4) the square mileage of each primary service area as of January 1, 2024.

Subd. 6. **Commissioner calculations.** (a) Prior to determining an aid payment amount for eligible licensed ambulance service providers, the commissioner, in coordination with the executive director of the board, must make the calculations in paragraphs (b) to (d).

(b) The commissioner must determine the amount equal to dividing 20 percent of the amount appropriated for aid payments under this section equally among all eligible licensed ambulance service providers who possess at least one nonexcluded license. Eligible licensed ambulance service providers who possess only one nonexcluded license do not qualify for a payment under this paragraph if the nonexcluded license has a response density greater than 30.

(c) For each nonexcluded license with a response density less than or equal to 30 held by an eligible licensed ambulance service provider, the commissioner must determine the amount equal to the product of 40 percent of the amount appropriated for aid payments under this section multiplied by the quotient of the square mileage of the primary service area served under the nonexcluded license divided by the total square mileage of all primary service areas served under nonexcluded licenses.

(d) For each nonexcluded license with a response density less than or equal to 30 held by an eligible licensed ambulance service provider, the commissioner must determine the amount equal to the product of 40 percent of the amount appropriated for aid payments under this section multiplied by the quotient of the number of points determined under clauses (1) to (4) for each nonexcluded license with a response density less than or equal to 30 divided by the total points determined under clauses (1) to (4) for all nonexcluded licenses with a response density less than or equal to 30 held by eligible licensed ambulance

service providers. For calculations under this paragraph, the commissioner must determine points as follows:

(1) for EMS response one to EMS response 500, a nonexcluded license is awarded ten points for each EMS response;

(2) for EMS response 501 to EMS response 1,500, a nonexcluded license is awarded five points for each EMS response;

(3) for EMS response 1,501 to EMS response 2,500, a nonexcluded license is awarded zero points for each EMS response; and

(4) for EMS response 2,501 and each subsequent EMS response, a nonexcluded license's points are reduced by two points for each EMS response, except a nonexcluded license's total awarded points must not be reduced below zero.

Subd. 7. **Aid amount.** The commissioner must make an aid payment to each eligible licensed ambulance service provider in the amount equal to the sum of the amounts calculated in subdivision 6, paragraphs (b) to (d), for each nonexcluded license held by the eligible licensed ambulance service.

Subd. 8. **Eligible uses.** A licensed ambulance service provider must spend aid received under this section on operational expenses and capital expenses incurred to provide ambulance services within the licensed ambulance service provider's primary service area that is located in Minnesota.

Subd. 9. **Administration.** (a) The commissioner, in coordination with the executive director of the board, must certify the aid amount to each licensed ambulance service provider by December 1, 2024.

(b) The commissioner must make the full aid payment to each eligible licensed ambulance service provider by December 26, 2024.

(c) Any funds not spent on or encumbered for eligible uses by December 31, 2025, must be returned to the commissioner and cancel to the general fund.

Subd. 10. **Report.** By February 15, 2026, each licensed ambulance service provider that receives aid under this section must submit a report to the commissioner, the executive director of the board, and the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. The report must include the amount of aid that each licensed ambulance service provider received, the amount of aid that was spent on or encumbered for operational expenses, the amount of aid that was spent on or encumbered for capital expenses, and documentation sufficient to establish that

awarded aid was spent on or encumbered for eligible uses as defined in subdivision 8. The executive director of the board may request financial statements or other information necessary to verify that aid was spent on eligible uses.

Subd. 11. **Appropriation.** (a) $24,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue for aid payments under this section.

(b) Of the amount in paragraph (a), the commissioner may retain up to $60,000 for administrative costs related to aid under this section.

(c) This is a onetime appropriation.

**EFFECTIVE DATE.** This section is effective for aids payable in 2024.

**144E.001 DEFINITIONS.**

Subd. 5. **Board.** "Board" means the Emergency Medical Services Regulatory Board.

**144E.01 EMERGENCY MEDICAL SERVICES REGULATORY BOARD.**

Subdivision 1. **Membership.** (a) The Emergency Medical Services Regulatory Board consists of the following members, all of whom must work in Minnesota, except for the person listed in clause (14):

(1) an emergency physician certified by the American Board of Emergency Physicians;

(2) a representative of Minnesota hospitals;

(3) a representative of fire chiefs;

(4) a full-time firefighter who serves as an emergency medical responder on or within a nontransporting or nonregistered agency and who is a member of a professional firefighter's union;

(5) a volunteer firefighter who serves as an emergency medical responder on or within a nontransporting or nonregistered agency;

(6) an attendant currently practicing on a licensed ambulance service who is a paramedic or an emergency medical technician;

(7) an ambulance director for a licensed ambulance service;

(8) a representative of sheriffs;

(9) a member of a community health board to represent community health services;

(10) two representatives of regional emergency medical services programs, one of whom must be from the metropolitan regional emergency medical services program;

(11) a registered nurse currently practicing in a hospital emergency department;

(12) a pediatrician, certified by the American Board of Pediatrics, with experience in emergency medical services;

(13) a family practice physician who is currently involved in emergency medical services;

(14) a public member who resides in Minnesota; and

(15) the commissioners of health and public safety or their designees.

(b) The governor shall appoint members under paragraph (a). Appointments under paragraph (a), clauses (1) to (9) and (11) to (13), are subject to the advice and consent of the senate. In making appointments under paragraph (a), clauses (1) to (9) and (11) to (13), the governor shall consider recommendations of the American College of Emergency Physicians, the Minnesota Hospital Association, the Minnesota and State Fire Chief's Association, the Minnesota Ambulance Association, the Minnesota Emergency Medical Services Association, the Minnesota State Sheriff's Association, the Association of Minnesota Counties, the Minnesota Nurses Association, and the Minnesota chapter of the Academy of Pediatrics.

(c) At least seven members appointed under paragraph (a) must reside outside of the seven-county metropolitan area, as defined in section 473.121.

Subd. 2. **Ex officio members.** The speaker of the house and the Committee on Rules and Administration of the senate shall appoint one representative and one senator to serve as ex officio, nonvoting members.

Subd. 3. **Chair.** The governor shall designate one of the members appointed under subdivision 1 as chair of the board.

Subd. 4. **Compensation; terms.** Membership terms, compensation, and removal of members appointed under subdivision 1, are governed by section 15.0575.

Subd. 5. **Staff.** The board shall appoint an executive director who shall serve in the unclassified service and may appoint other staff. The service of the executive director shall be subject to the terms described in section 214.04, subdivision 2a.

Subd. 6. **Duties of board.** (a) The Emergency Medical Services Regulatory Board shall:

(1) administer and enforce the provisions of this chapter and other duties as assigned to the board;

(2) advise applicants for state or federal emergency medical services funds, review and comment on such applications, and approve the use of such funds unless otherwise required by federal law;

(3) make recommendations to the legislature on improving the access, delivery, and effectiveness of the state's emergency medical services delivery system; and

(4) establish procedures for investigating, hearing, and resolving complaints against emergency medical services providers.

(b) The Emergency Medical Services Board may prepare an initial work plan, which may be updated biennially. The work plan may include provisions to:

(1) prepare an emergency medical services assessment which addresses issues affecting the statewide delivery system;

(2) establish a statewide public information and education system regarding emergency medical services;

(3) create, in conjunction with the Department of Public Safety, a statewide injury and trauma prevention program; and

(4) designate an annual emergency medical services personnel recognition day.

Subd. 7. **Conflict of interest.** No member of the Emergency Medical Services Board may participate or vote in board proceedings in which the member has a direct conflict of interest, financial or otherwise.

**144E.123 PREHOSPITAL CARE DATA.**

Subd. 5. **Working group.** By October 1, 2011, the board must convene a working group composed of six members, three of which must be appointed by the board and three of which must be appointed by the Minnesota Ambulance Association, to redesign the board's policies related to collection of data from licenses. The issues to be considered include, but are not limited to, the following: user-friendly reporting requirements; data sets; improved accuracy of reported information; appropriate use of information gathered through the reporting system; and methods for minimizing the financial impact of data reporting on licenses, particularly for rural volunteer services. The working group must report its findings and recommendations to the board no later than July 1, 2012.

**144E.27 EDUCATION PROGRAMS; BOARD APPROVAL.**

Subdivision 1. **Education program instructor.** An education program instructor must be an emergency medical responder, EMT, AEMT, paramedic, physician, physician assistant, or registered nurse.

Subd. 1a. **Approval required.** (a) All education programs for an emergency medical responder must be approved by the board.

(b) To be approved by the board, an education program must:

(1) submit an application prescribed by the board that includes:

(i) type and length of course to be offered;

(ii) names, addresses, and qualifications of the program medical director, program education coordinator, and instructors;

(iii) admission criteria for students; and

(iv) materials and equipment to be used;

(2) for each course, implement the most current version of the United States Department of Transportation EMS Education Standards, or its equivalent as determined by the board applicable to Emergency Medical Responder registration education;

(3) have a program medical director and a program coordinator;

(4) have at least one instructor for every ten students at the practical skill stations;

(5) retain documentation of program approval by the board, course outline, and student information; and

(6) submit the appropriate fee as required under section 144E.29.

(c) The National EMS Education Standards by the NHTSA, United States Department of Transportation contains the minimal entry level of knowledge and skills for emergency medical responders. Medical directors of emergency medical responder groups may expand the knowledge and skill set.

**144E.50 EMERGENCY MEDICAL SERVICES FUND.**

Subd. 3. **Definition.** For purposes of this section, "board" means the Emergency Medical Services Regulatory Board.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 4738 and 5363.

## SPECIAL ORDER

**H.F. No. 4738:** A bill for an act relating to health; establishing an Office of Emergency Medical Services to replace the Emergency Medical Services Regulatory Board; specifying duties for the office; transferring duties; establishing advisory councils; establishing alternative EMS response model pilot program; making conforming changes; modifying provisions relating to ambulance service personnel and emergency medical responders; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 62J.49, subdivision 1; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivision 5; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; Minnesota Statutes 2023 Supplement, sections 15A.0815, subdivision 2; 43A.08, subdivision 1a; 144E.101, subdivisions 6, 7, as amended; 152.126, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3.

Senator Seeberger moved that the amendment made to H.F. No. 4738 by the Committee on Rules and Administration in the report adopted May 13, 2024, pursuant to Rule 45, be stricken.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Klein | McEwen | Rasmusson |
| Anderson | Eichorn | Koran | Miller | Rest |
| Bahr | Farnsworth | Kreun | Mitchell | Seeberger |
| Boldon | Frentz | Kunesh | Mohamed | Utke |
| Carlson | Green | Kupec | Morrison | Weber |
| Champion | Gruenhagen | Lang | Murphy | Wesenberg |
| Coleman | Gustafson | Latz | Nelson | Westlin |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dahms | Hawj | Limmer | Pappas | Wiklund |
| Dibble | Hoffman | Lucero | Pha | Xiong |
| Dornink | Housley | Mann | Port | |
| Draheim | Howe | Marty | Pratt | |
| Drazkowski | Jasinski | Mathews | Putnam | |
| Duckworth | Johnson | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Hawj, and Morrison.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr and Lang.

The motion prevailed. So the amendment was stricken.

Senator Hauschild moved to amend H.F. No. 4738 as follows:

Page 42, after line 28, insert:

**"ARTICLE 4**

**EMERGENCY AMBULANCE SERVICE AID**

Section 1. **EMERGENCY AMBULANCE SERVICE AID.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Ambulance service" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 3.

(c) "Board" means the Emergency Medical Services Regulatory Board.

(d) "Capital expenses" means expenses that are incurred by a licensed ambulance service provider for the purchase, improvement, or maintenance of long-term assets to improve the efficiency or capability of the ambulance services, with an expected useful life of greater than five years.

(e) "Commissioner" means the commissioner of revenue.

(f) "EMS responses" means the number of responses provided within a primary service area during calendar year 2023 by the licensed ambulance service provider designated to serve the primary service area as reported by the provider to the board via the Minnesota state ambulance reporting system.

(g) "Licensed ambulance service provider" or "provider" means a natural person, partnership, association, corporation, Tribal government, or unit of government that possesses an ambulance service license under Minnesota Statutes, chapter 144E.

(h) "Metropolitan county" means a metropolitan county listed in Minnesota Statutes, section 473.121, subdivision 4.

(i) "Multiple license holder" means a licensed ambulance service provider, a licensed ambulance service provider's parent company, a subsidiary of the licensed ambulance service provider, or a subsidiary of the licensed ambulance service provider's parent company that collectively holds more than one license.

(j) "Nonexcluded license" means a license that is not excluded under subdivision 3 from receiving aid under this section.

(k) "Operational expenses" means costs related to personnel expenses, supplies and equipment, fuel, vehicle maintenance, travel, education, fundraising, and expenses associated with obtaining advanced life support intercepts.

(l) "Primary service area" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 10.

(m) "Response density" means the quotient of EMS responses divided by the square mileage of the primary service area.

(n) "Unit of government" means a county, a statutory or home rule charter city, or a township.

Subd. 2. **Excluded services.** The commissioner, in coordination with the executive director of the board, must exclude EMS responses by a specialized life support service as described in Minnesota Statutes, section 144E.101, subdivision 9, when calculating EMS responses, response density, and aid payments under this section.

Subd. 3. **Certain multiple license holders excluded.** (a) Except as provided under paragraph (b), all licenses held by a multiple license holder are ineligible for aid payments under this section if any license held by a multiple license holder is designated to serve a primary service area, any portion of which is located within the cities of Duluth, Mankato, Moorhead, Rochester, or St. Cloud, or a metropolitan county.

(b) For a multiple license holder affiliated with a private, nonprofit adult hospital that is located in Hennepin County and designated by the commissioner of health as a level I trauma hospital, only the licenses held by the multiple license holder and located entirely within one or more metropolitan counties are ineligible for aid payments under this section.

Subd. 4. **Eligibility.** A licensed ambulance service provider is eligible for aid under this section if the licensed ambulance service provider:

(1) possessed a nonexcluded license in calendar year 2022;

(2) continues to operate under the nonexcluded license during calendar year 2024; and

(3) completes the requirements under subdivision 5.

Subd. 5. **Application process.** (a) An eligible licensed ambulance service provider may apply to the commissioner, in the form and manner determined by the commissioner, for aid under this section. Applications must be submitted by September 16, 2024. The commissioner may require an eligible licensed ambulance service provider to submit any information necessary, including financial statements, to make the calculations under subdivision 6. An eligible licensed ambulance service provider who applies for aid under this section must provide a copy of the application to the executive director of the board by September 16, 2024.

(b) The commissioner and the executive director of the board must establish a process for verifying the data submitted with applications under this section. By September 20, 2024, for each eligible licensed ambulance service provider that applies for aid under paragraph (a), the executive director of the board must certify the following information to the commissioner:

(1) EMS responses by primary service area reported for calendar year 2023;

(2) EMS responses by primary service area reported for calendar year 2023 that were provided by a specialized life support service;

(3) information necessary to determine the location of each primary service area, including municipalities served; and

(4) the square mileage of each primary service area as of January 1, 2024.

Subd. 6. **Commissioner calculations.** (a) Prior to determining an aid payment amount for eligible licensed ambulance service providers, the commissioner, in coordination with the executive director of the board, must make the calculations in paragraphs (b) to (d).

(b) The commissioner must determine the amount equal to dividing 20 percent of the amount appropriated for aid payments under this section equally among all eligible licensed ambulance service providers who possess at least one nonexcluded license. Eligible licensed ambulance service providers who possess only one nonexcluded license do not qualify for a payment under this paragraph if the nonexcluded license has a response density greater than 30.

(c) For each nonexcluded license with a response density less than or equal to 30 held by an eligible licensed ambulance service provider, the commissioner must determine the amount equal to the product of 40 percent of the amount appropriated for aid payments under this section multiplied by the quotient of the square mileage of the primary service area served under the nonexcluded license divided by the total square mileage of all primary service areas served under nonexcluded licenses.

(d) For each nonexcluded license with a response density less than or equal to 30 held by an eligible licensed ambulance service provider, the commissioner must determine the amount equal to the product of 40 percent of the amount appropriated for aid payments under this section multiplied by the quotient of the number of points determined under clauses (1) to (4) for each nonexcluded license with a response density less than or equal to 30 divided by the total points determined under clauses (1) to (4) for all nonexcluded licenses with a response density less than or equal to 30 held by eligible licensed ambulance service providers. For calculations under this paragraph, the commissioner must determine points as follows:

(1) for EMS response one to EMS response 500, a nonexcluded license is awarded ten points for each EMS response;

(2) for EMS response 501 to EMS response 1,500, a nonexcluded license is awarded five points for each EMS response;

(3) for EMS response 1,501 to EMS response 2,500, a nonexcluded license is awarded zero points for each EMS response; and

(4) for EMS response 2,501 and each subsequent EMS response, a nonexcluded license's points are reduced by two points for each EMS response, except a nonexcluded license's total awarded points must not be reduced below zero.

Subd. 7. **Aid amount.** The commissioner must make an aid payment to each eligible licensed ambulance service provider in the amount equal to the sum of the amounts calculated in subdivision 6, paragraphs (b) to (d), for each nonexcluded license held by the eligible licensed ambulance service.

Subd. 8. **Eligible uses.** A licensed ambulance service provider must spend aid received under this section on operational expenses and capital expenses incurred to provide ambulance services within the licensed ambulance service provider's primary service area that is located in Minnesota.

Subd. 9. **Administration.** (a) The commissioner, in coordination with the executive director of the board, must certify the aid amount to each licensed ambulance service provider by December 1, 2024.

(b) The commissioner must make the full aid payment to each eligible licensed ambulance service provider by December 26, 2024.

(c) Any funds not spent on or encumbered for eligible uses by December 31, 2025, must be returned to the commissioner and cancel to the general fund.

Subd. 10. **Report.** By February 15, 2026, each licensed ambulance service provider that receives aid under this section must submit a report to the commissioner, the executive director of the board, and the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. The report must include the amount of aid that each licensed ambulance service provider received, the amount of aid that was spent on or encumbered for operational expenses, the amount of aid that was spent on or encumbered for capital expenses, and documentation sufficient to establish that awarded aid was spent on or encumbered for eligible uses as defined in subdivision 8. The executive director of the board may request financial statements or other information necessary to verify that aid was spent on eligible uses.

Subd. 11. **Appropriation.** (a) $24,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue for aid payments under this section.

(b) Of the amount in paragraph (a), the commissioner may retain up to $60,000 for administrative costs related to aid under this section.

(c) This is a onetime appropriation.

**EFFECTIVE DATE.** This section is effective for aids payable in 2024."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Hawj | Lang | Mitchell |
| Anderson | Drazkowski | Hoffman | Latz | Morrison |
| Bahr | Duckworth | Housley | Lieske | Murphy |
| Boldon | Dziedzic | Howe | Limmer | Nelson |
| Carlson | Eichorn | Jasinski | Lucero | Oumou Verbeten |
| Champion | Farnsworth | Johnson | Mann | Pappas |
| Coleman | Frentz | Klein | Marty | Pha |
| Cwodzinski | Green | Koran | Mathews | Port |
| Dahms | Gruenhagen | Kreun | Maye Quade | Pratt |
| Dibble | Gustafson | Kunesh | McEwen | Putnam |
| Dornink | Hauschild | Kupec | Miller | Rarick |

| | | | | |
|---|---|---|---|---|
| Rasmusson | Seeberger | Weber | Westlin | Wiklund |
| Rest | Utke | Wesenberg | Westrom | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Hawj, and Morrison.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr and Lang.

The motion prevailed. So the amendment was adopted.

H.F. No. 4738 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dziedzic | Klein | McEwen | Rasmusson |
| Anderson | Eichorn | Koran | Miller | Rest |
| Bahr | Farnsworth | Kreun | Mitchell | Seeberger |
| Boldon | Frentz | Kunesh | Mohamed | Utke |
| Carlson | Green | Kupec | Morrison | Weber |
| Champion | Gruenhagen | Lang | Murphy | Wesenberg |
| Coleman | Gustafson | Latz | Nelson | Westlin |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Westrom |
| Dahms | Hawj | Limmer | Pappas | Wiklund |
| Dibble | Hoffman | Lucero | Pha | Xiong |
| Dornink | Housley | Mann | Port | |
| Draheim | Howe | Marty | Pratt | |
| Drazkowski | Jasinski | Mathews | Putnam | |
| Duckworth | Johnson | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Hawj, and Morrison.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr and Lang.

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

President Champion called Senator Pappas to preside.

# 041. SF 571

**Vote:** 2025-02-27 | **Workbook row:** 46
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Uniform Trust Code, Powers of Appointment, and Uniform Probate Code provisions modifications

## Included complete bill documents

**1. 1st Engrossment, posted 2025-01-30** - 23 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/571/versions/1/pdf/

## Original Senate journal context

PDF pages 51-52. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/2025022707.pdf#page=52

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/571/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 571

**(SENATE AUTHORS: WESTLIN and Kreun)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/23/2025 | 163 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 01/30/2025 | 212a | Comm report: To pass as amended |
| | 213 | Second reading |
| 02/27/2025 | 578 | Author added Kreun |
| | 581 | Special Order |
| | 582 | Third reading Passed |
| 04/25/2025 | | Returned from House with amendment |
| | | Senate concurred and repassed bill |
| | | Third Reading Repassed |

A bill for an act

relating to trusts; modifying various provisions of the Uniform Trust Code, Powers of Appointment, and the Uniform Probate Code; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2024, sections 501A.01; 501C.0301; 501C.0302; 501C.0407; 501C.0411; 501C.0414; 501C.0602; 501C.0605; 501C.0701; 501C.0808, subdivisions 1, 2, 3, 4, 5, 6, 8, by adding a subdivision; 501C.1013, subdivision 4; 501C.1014, by adding a subdivision; 501C.1105, subdivision 1, by adding a subdivision; 502.851, subdivisions 1, 2, 3, 4, 11, 15, 16; 524.2-114; 524.2-804, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 501A.01, is amended to read:

**501A.01 WHEN NONVESTED INTEREST, POWERS OF APPOINTMENT ARE INVALID; EXCEPTIONS.**

(a) A nonvested property interest is invalid unless:

(1) when the interest is created, it is certain to vest or terminate no later than 21 years after the death of an individual then alive; or

(2) the interest either vests or terminates within 90 years after its creation.

(b) A general power of appointment not presently exercisable because of a condition precedent is invalid unless:

(1) when the power is created, the condition precedent is certain to be satisfied or become impossible to satisfy no later than 21 years after the death of an individual then alive; or

(2) the condition precedent either is satisfied or becomes impossible to satisfy within 90 years after its creation.

(c) A nongeneral power of appointment or a general testamentary power of appointment is invalid unless:

(1) when the power is created, it is certain to be irrevocably exercised or otherwise to terminate no later than 21 years after the death of an individual then alive; or

(2) the power is irrevocably exercised or otherwise terminates within 90 years after its creation.

(d) In determining whether a nonvested property interest or a power of appointment is valid under paragraph (a), clause (1), paragraph (b), clause (1), or paragraph (c), clause (1), the possibility that a child will be born to an individual after the individual's death is disregarded.

(e) If, in measuring a period from the creation of a trust or other property arrangement, language in a governing instrument seeks to:

(1) disallow the vesting or termination of any interest trust beyond;

(2) postpone the vesting or termination of any interest or trust until; or

(3) operate in effect in any similar fashion upon,

the later of the expiration of a period of time not exceeding 21 years after the death of the survivor of specified lives in being at the creation of the trust or other property arrangement, or the expiration of a period of time that exceeds or might exceed 21 years after the death of the survivor of lives in being at the creation of the trust or other property arrangement;

that language is inoperative to the extent it produces a period of time that exceeds 21 years after the death of the survivor of the specified lives.

(f) For any trust created on or after August 1, 2025, this section shall apply to a nonvested property interest or power of appointment contained in a trust by substituting the term "500 years" for "90 years" in each place it appears in this section, unless the terms of the trust require that all beneficial interests in the trust vest or terminate within a lesser period.

Sec. 2. Minnesota Statutes 2024, section 501C.0301, is amended to read:

**501C.0301 REPRESENTATION: BASIC EFFECT.**

(a) Notice to a person who may represent and bind another person under sections 501C.0302 to 501C.0305 has the same effect as if notice were given directly to the other person.

(b) The consent, agreement, or waiver of a person who may represent and bind another person under sections 501C.0302 to 501C.0305 is binding on the person represented unless the person represented objects to the representation before the consent, agreement, or waiver would otherwise have been effective. The provisions of this paragraph shall not apply to representation under section 501C.0302.

(c) Except as otherwise provided in sections 501C.0411 and 501C.0602, a person who under sections 501C.0302 to 501C.0305 may represent a settlor who lacks capacity may receive notice and give a binding consent on the settlor's behalf.

(d) A settlor may not represent and bind a beneficiary under sections 501C.0302 to 501C.0305 with respect to the termination or modification of a trust under section 501C.0411, paragraph (a).

(e) The settlor or another person, including one or more beneficiaries of the trust, designated by the terms of the trust instrument to receive information from the trustee concerning the administration of the trust and the material facts necessary to protect the beneficiaries' interests in the manner described in section 501C.0813, paragraph (b), shall be a representative of the beneficiaries with respect to the limitations period on judicial proceedings against a trustee under section 501C.1005, paragraph (a).

Sec. 3. Minnesota Statutes 2024, section 501C.0302, is amended to read:

**501C.0302 REPRESENTATION BY HOLDER OF A ~~GENERAL~~ POWER OF APPOINTMENT.**

For purposes of giving notice, waiving notice, initiating a proceeding, granting consent or approval, or objecting with regard to any proceedings under this chapter, the sole holder or all co-holders of a presently exercisable or testamentary ~~general~~ power of appointment, whether general or special, power of revocation, or unlimited power of withdrawal are deemed to represent and act for beneficiaries to the extent that their interests as permissible appointees, takers in default, or otherwise are subject to the power.

Sec. 4. Minnesota Statutes 2024, section 501C.0407, is amended to read:

**501C.0407 EVIDENCE OF ORAL TRUST.**

The formal expression of intent to create a trust can be either written or oral subject to the requirements of sections 513.04 with respect to the conveyance of interest in land except up to a one-year lease and 524.2-502 with respect to a testamentary trust. The creation of an oral trust and its terms must be established by clear and convincing evidence.

Sec. 5. Minnesota Statutes 2024, section 501C.0411, is amended to read:

**501C.0411 MODIFICATION OR TERMINATION OF NONCHARITABLE IRREVOCABLE TRUST BY CONSENT.**

(a) A noncharitable irrevocable trust may be modified or terminated upon consent of the settlor and all beneficiaries, even if the modification or termination is inconsistent with a material purpose of the trust. A settlor's power to consent to a trust's modification or termination may be exercised by an agent under a power of attorney only to the extent expressly authorized by ~~the power of attorney or~~ the terms of the trust, or if the trust instrument is silent with respect to consent to the trust's modification by an agent, then by a power of attorney, other than a statutory short form power of attorney executed in accordance with section 523.23, that expressly authorizes the agent to consent to a trust's modification; by the settlor's conservator with the approval of the court supervising the conservatorship if an agent is not so authorized; or by the settlor's guardian with the approval of the court supervising the guardianship if an agent is not so authorized and a conservator has not been appointed.

(b) A noncharitable irrevocable trust may be terminated upon consent of all of the beneficiaries if the court concludes that continuance of the trust is not necessary to achieve any material purpose of the trust. A noncharitable irrevocable trust may be modified upon consent of all of the beneficiaries if the court concludes that modification is not inconsistent with a material purpose of the trust.

(c) The court is not precluded from modifying or terminating a trust because the trust instrument contains spendthrift provisions.

(d) Upon termination of a trust under paragraph (a) or (b), the trustee shall distribute the trust property as agreed by the beneficiaries.

(e) If not all of the beneficiaries consent to a proposed modification or termination of the trust under paragraph (a) or (b), the modification or termination may be approved by the court if the court is satisfied that:

(1) if all of the beneficiaries had consented, the trust could have been modified or terminated under this section; and

(2) the interests of a beneficiary who does not consent will be adequately protected.

Sec. 6. Minnesota Statutes 2024, section 501C.0414, is amended to read:

**501C.0414 MODIFICATION OR TERMINATION OF UNECONOMIC TRUST.**

(a) After notice to the qualified beneficiaries, the trustee of a trust consisting of trust property having a total value less than ~~$50,000~~ $150,000 may terminate the trust if the trustee concludes that the value of the trust property is insufficient to justify the cost of administration.

(b) The court may modify or terminate a trust or remove the trustee and appoint a different trustee if it determines that the value of the trust property is insufficient to justify the cost of administration.

(c) Upon termination of a trust under this section, the trustee shall distribute the trust property in a manner consistent with the purposes of the trust.

(d) This section does not apply to an easement for conservation or preservation.

Sec. 7. Minnesota Statutes 2024, section 501C.0602, is amended to read:

**501C.0602 REVOCATION OR AMENDMENT OF REVOCABLE TRUST.**

(a) Unless the terms of a trust expressly provide that the trust is revocable, the settlor may not revoke or amend the trust.

(b) If a revocable trust is created or funded by more than one settlor:

(1) to the extent the trust consists of community property, the trust may be revoked by either spouse acting alone but may be amended only by joint action of both spouses;

(2) to the extent the trust consists of property other than community property, each settlor may revoke or amend the trust with regard to the portion of the trust property attributable to that settlor's contribution; and

(3) upon the revocation or amendment of the trust by fewer than all of the settlors, the trustee shall promptly notify the other settlors of the revocation or amendment.

(c) The settlor may revoke or amend a revocable trust:

(1) by substantial compliance with a method provided in the terms of the trust; or

(2) if the terms of the trust do not provide a method or the method provided in the terms is not expressly made exclusive, by:

(i) if the trust is created pursuant to a writing, by another writing manifesting clear and convincing evidence of the settlor's intent to revoke or amend the trust; or

(ii) if the trust is an oral trust, by any other method manifesting clear and convincing evidence of the settlor's intent.

(d) Upon revocation of a revocable trust, the trustee shall deliver the trust property as the settlor directs.

(e) A settlor's powers with respect to revocation, amendment, or distribution of trust property may be exercised by an agent under a power of attorney only to the extent expressly authorized by the terms of the trust, or ~~the power~~ if the trust instrument is silent with respect to revocation, amendment, or distribution of trust property by an agent, then by a power of attorney, other than a statutory short form power of attorney executed in accordance with section 523.23, that expressly authorizes the agent to exercise the settlor's powers with respect to revocation, amendment, or distribution of property.

(f) A conservator of the settlor may exercise a settlor's powers with respect to revocation, amendment, or distribution of trust property only with the approval of the court supervising the conservatorship.

(g) A trustee who does not know that a trust has been revoked or amended is not liable to the settlor or settlor's successors in interest for distributions made and other actions taken on the assumption that the trust had not been amended or revoked.

Sec. 8. Minnesota Statutes 2024, section 501C.0605, is amended to read:

**501C.0605 LIMITATION ON ACTION CONTESTING VALIDITY OF REVOCABLE TRUST; DISTRIBUTION OF TRUST PROPERTY.**

(a) A person may commence a judicial proceeding to contest the validity of a trust that was revocable immediately prior to the settlor's death within the earlier of:

(1) three years after the settlor's death; or

(2) 120 days after the trustee sent the person a copy of the trust instrument and a notice informing the person of the settlor's death, of the trust's existence, of the trustee's name and address, and of the time allowed for commencing a proceeding.

(b) Upon the death of the settlor of a trust that was revocable at the settlor's death, the trustee may proceed to distribute the trust property in accordance with the terms of the trust. The trustee is not subject to liability for doing so unless:

(1) the trustee knows of a pending judicial proceeding contesting the validity of the trust; or

(2) a potential contestant has notified the trustee of a possible judicial proceeding to contest the trust and a judicial proceeding is commenced within 60 days after the contestant sent the notification.

(c) A beneficiary of a trust that is determined to have been invalid, in whole or in part, is liable to return any distribution received, to the extent the invalidity applies to the distribution.

Sec. 9. Minnesota Statutes 2024, section 501C.0701, is amended to read:

**501C.0701 ACCEPTING OR DECLINING TRUSTEESHIP.**

(a) Except as otherwise provided in paragraph (c), a person designated as trustee accepts the trusteeship:

(1) by substantially complying with a method of acceptance provided in the terms of the trust; or

(2) if the terms of the trust do not provide a method, or the method provided in the terms is not expressly made exclusive, by accepting delivery of the trust property, exercising powers or performing duties as trustee, or otherwise indicating acceptance of the trusteeship.

(b) A person designated as trustee who has not yet accepted the trusteeship may reject the trusteeship. A designated trustee who does not accept the trusteeship within a reasonable time after knowing of the designation, but not more than 120 days, is deemed to have rejected the trusteeship.

(c) A person designated as trustee, without accepting the trusteeship, may:

(1) act to preserve the trust property if, within a reasonable time after acting, the person sends a rejection of the trusteeship to the settlor or, if the settlor is dead or lacks capacity, to a qualified beneficiary; and

(2) inspect or investigate trust property to determine potential liability or for any other purpose.

Sec. 10. Minnesota Statutes 2024, section 501C.0808, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this section apply to this section.

(b) "Directing party" means ~~any~~ one or more persons acting as investment trust advisor, distribution trust advisor, or trust protector as provided in this section.

(c) "Distribution trust advisor" means one or more persons given authority by the governing instrument to ~~direct, consent to, veto, or otherwise exercise all or any portion of the distribution powers and discretions of the trust, including but not limited to authority to make discretionary distributions of income or principal~~ exercise the powers specified in subdivision 3.

(d) "Excluded fiduciary" means ~~any fiduciary~~ one or more fiduciaries that by the governing instrument ~~is~~ are directed to act in accordance with the exercise of specified powers by a directing party, in which case such specified powers shall be deemed granted not to the fiduciary but to the directing party and such fiduciary shall be deemed excluded from exercising such specified powers. If a governing instrument provides that a fiduciary as to one or more specified matters is to act, omit action, or make decisions only with the consent of a directing party, then such fiduciary is an excluded fiduciary with respect to such matters. A person may be an excluded fiduciary even if such person participated in the exercise of (1) a power described in section 501C.0111 relating to nonjudicial settlement agreements, (2) a power described in section 502.851 relating to decanting, (3) a permitted trustee amendment, or (4) a similar power that invokes the provisions of this section with respect to any new or existing trust.

(e) "Fiduciary" means ~~any person~~ one or more persons expressly given one or more fiduciary duties by the governing instrument or by this section, including but not limited to a trustee.

(f) "Governing instrument" means the instrument stating the terms of a trust, including but not limited to any court order, or nonjudicial settlement agreement establishing, construing, or modifying the terms of the trust in accordance with section 501C.0111 or 502.851, or other applicable law.

(g) "Investment trust advisor" means ~~any~~ one or more persons given authority by the governing instrument to ~~direct, consent to, or veto the exercise of all or any portion of the investment powers of the trust~~ exercise the powers specified in subdivision 2.

(h) "Power" means authority to take or withhold an action or decision, including but not limited to an expressly specified power, the implied power necessary to exercise a specified power, and authority inherent in a general grant of discretion.

(i) "Trust protector" means one or more persons given one or more of the powers specified in subdivision 4~~, whether or not designated with the title of trust protector by the governing instrument~~.

Sec. 11. Minnesota Statutes 2024, section 501C.0808, subdivision 2, is amended to read:

Subd. 2. **Powers of investment trust advisor.** An investment trust advisor may be designated in the governing instrument of a trust. The powers of an investment trust advisor may be exercised or not exercised in the sole and absolute discretion of the investment trust advisor, and are binding on all other persons, including but not limited to each beneficiary, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "investment trust advisor" or any similar name or description demonstrating the intent to provide for the office and function of an investment trust advisor. The governing instrument may provide that the investment trust advisor has the authority to direct, consent to, or veto the exercise of all or any portion of the investment powers of the trustee. Unless the terms of the governing instrument provide otherwise, the investment trust advisor has the authority to:

(1) direct the trustee with respect to the retention, purchase, transfer, assignment, sale, or encumbrance of trust property and the investment and reinvestment of principal and income of the trust;

(2) direct the trustee with respect to all management, control, and voting powers related directly or indirectly to trust assets, including but not limited to voting proxies for securities held in trust;

(3) select ~~and determine reasonable compensation of~~ any one or more advisors, managers, consultants, or counselors, ~~including~~ which may be the trustee, and ~~to~~ delegate to them any of the powers of the investment trust advisor in accordance with section 501C.0807 and determine their reasonable compensation for investment services; and

(4) determine the frequency and methodology for valuing any asset for which there is no readily available market value.

Sec. 12. Minnesota Statutes 2024, section 501C.0808, subdivision 3, is amended to read:

Subd. 3. **Powers of distribution trust advisor.** A distribution trust advisor may be designated in the governing instrument of a trust. The powers of a distribution trust advisor may be exercised or not exercised in the sole and absolute discretion of the distribution trust advisor, and are binding on all other persons, including but not limited to each beneficiary, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "distribution trust advisor" or any similar name or description demonstrating the intent to provide for the office and function of a distribution trust advisor. The governing instrument may provide that the distribution trust advisor has

the authority to direct, consent to, veto, or otherwise exercise all or any portion of the distribution powers and discretions of the trustee. Unless the terms of the governing instrument provide otherwise, the distribution trust advisor has authority to:

(1) direct the trustee with regard to all decisions relating directly or indirectly to discretionary distributions of income or principal to or for one or more beneficiaries.; and

(2) direct the trustee to terminate the trust, including determination of how the trustee shall distribute the trust property to be consistent with the purposes of the trust.

Sec. 13. Minnesota Statutes 2024, section 501C.0808, subdivision 4, is amended to read:

Subd. 4. **Powers of trust protector.** A trust protector may be designated in the governing instrument of a trust. The powers of a trust protector may be exercised or not exercised in the sole and absolute discretion of the trust protector, and are binding on all other persons, including but not limited to each beneficiary, investment trust advisor, distribution trust advisor, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "trust protector" or any similar name or description demonstrating the intent to provide for the office and function of a trust protector. The powers granted to a trust protector by the governing instrument may include but are not limited to authority to do any one or more of the following:

(1) modify or amend the governing instrument to achieve favorable tax status or respond to changes in the Internal Revenue Code, federal laws, state law, or the rulings and regulations under such laws;

(2) increase, decrease, or modify the interests of any beneficiary or beneficiaries of the trust;

(3) modify the terms of any power of appointment granted by the trust; provided, however, such modification or amendment may not grant a beneficial interest to any individual, class of individuals, or other parties not specifically provided for under the trust instrument;

(4) remove, appoint, or remove and appoint, a trustee, investment trust advisor, distribution trust advisor, another directing party, investment committee member, or distribution committee member, including designation of a plan of succession for future holders of any such office;

~~(5) terminate the trust, including determination of how the trustee shall distribute the trust property to be consistent with the purposes of the trust;~~

~~(6)~~ (5) change the situs of the trust, the governing law of the trust, or both;

~~(7)~~ (6) appoint one or more successor trust protectors, including designation of a plan of succession for future trust protectors;

~~(8)~~ (7) interpret terms of the trust instrument at the request of the trustee;

~~(9)~~ (8) advise the trustee on matters concerning a beneficiary;

~~(10)~~ (9) amend or modify the governing instrument to take advantage of laws governing restraints on alienation, distribution of trust property, or to improve the administration of the trust; or

~~(11) veto or direct trust distributions; or~~

~~(12)~~ (10) provide direction regarding notification of qualified beneficiaries.

If a charity is a current beneficiary or a presumptive remainder beneficiary of the trust, a trust protector must give notice to the attorney general's charitable trust division at least 60 days before taking any of the actions authorized under clause (2), (3), (4), or (5)~~, or (6)~~. The attorney general's charitable trust division may, however, waive this notice requirement.

Sec. 14. Minnesota Statutes 2024, section 501C.0808, subdivision 5, is amended to read:

Subd. 5. **Duty and liability of directing party.** (a) A directing party who is a distribution trust advisor or an investment trust advisor is a fiduciary of the trust subject to the same duties and standards applicable to a trustee of a trust as provided by applicable law ~~unless the governing instrument provides otherwise, but the governing instrument may not, however, relieve or exonerate a directing party from the duty to act or withhold acting as the directing party in good faith reasonably believes is in the best interests of the trust.~~, including but not limited to the limitation period for actions against a trustee, the effect of providing a report or account, and the defenses available to a trustee in an action for breach of trust against the trustee. The terms of the governing instrument may vary the duty or liability of an investment trust advisor or a distribution trust advisor, but only to the same extent the terms of the trust could vary the duty or liability of a trustee in a like position and under similar circumstances.

(b) A trust protector is not a fiduciary of the trust unless the governing instrument provides otherwise, provided that a trust protector shall be a fiduciary subject to paragraph (a) if the governing instrument grants the trust protector any of the powers of an investment trust advisor under subdivision 2 or a distribution trust advisor under subdivision 3, but only to the extent of the power or powers granted.

Sec. 15. Minnesota Statutes 2024, section 501C.0808, subdivision 6, is amended to read:

Subd. 6. **Duty and liability of excluded fiduciary.** (a) The excluded fiduciary shall act in accordance with the governing instrument and shall take reasonable steps to comply with the directing party's exercise of the powers granted to the directing party by the governing instrument. Unless otherwise provided in the governing instrument, an excluded fiduciary has no duty to monitor, review, inquire, investigate, recommend, evaluate, or warn with respect to a directing party's exercise of or failure to exercise any power granted to the directing party by the governing instrument, including but not limited to, any power related to the acquisition, disposition, retention, management, or valuation of any asset or investment. Except as otherwise provided in this section or the governing instrument, an excluded fiduciary is not liable, either individually or as a fiduciary, for any action, inaction, consent, or failure to consent by a directing party, including but not limited to, any of the following:

(1) if a governing instrument provides that an excluded fiduciary is to follow the direction of a directing party, and the excluded fiduciary acts in accordance with the direction, then except in cases of willful misconduct on the part of the excluded fiduciary in complying with the direction of the directing party, the excluded fiduciary is not liable for any loss resulting directly or indirectly from following the direction, including but not limited to, compliance regarding the valuation of assets for which there is no readily available market value;

(2) if a governing instrument provides that an excluded fiduciary is to act or omit to act only with the consent of a directing party, then except in cases of willful misconduct on the part of the excluded fiduciary, the excluded fiduciary is not liable for any loss resulting directly or indirectly from any act taken or omitted as a result of the directing party's failure to provide consent after having been requested to do so by the excluded fiduciary; or

(3) if a governing instrument provides that, or if for any other reason, an excluded fiduciary is required to assume the role or responsibilities of a directing party, or if the excluded fiduciary appoints a directing party or successor to a directing party, then except in cases of willful misconduct on the part of the excluded fiduciary, the excluded fiduciary is not liable for any loss resulting directly or indirectly from its actions in carrying out the roles and responsibilities of the directing party.

(b) Any excluded fiduciary is also relieved from any obligation to review or evaluate any direction from a distribution trust advisor or to perform investment or suitability reviews, inquiries, or investigations or to make recommendations or evaluations with respect to investments to the extent the directing party, custodial account owner, or authorized designee

of a custodial account owner had authority to direct the acquisition, disposition, or retention of any such investment. If the excluded fiduciary offers such communication to the directing party or any investment person selected by the investment trust advisor, the action may not be deemed to constitute an undertaking by the excluded fiduciary to monitor or otherwise participate in actions within the scope of the advisor's authority or to constitute any duty to do so.

(c) An excluded fiduciary is also relieved of any duty to communicate with, warn, or apprise any beneficiary or third party concerning instances in which the excluded fiduciary would or may have exercised the excluded fiduciary's own discretion in a manner different from the manner directed by the directing party.

(d) Absent a contrary provision in the governing instrument, the actions of the excluded fiduciary, including any communications with the directing party or others, or carrying out, recording, or reporting actions taken at the directing party's direction pertaining to matters within the scope of authority of the directing party, shall be deemed to be administrative actions taken by the excluded fiduciary solely to allow the excluded fiduciary to perform those duties assigned to the excluded fiduciary under the governing instrument. An administrative action described under this paragraph may not be deemed to constitute an undertaking by the excluded fiduciary to monitor, participate, or otherwise take any fiduciary responsibility for actions within the scope of authority of the directing party.

(e) Any person acting in the role of excluded fiduciary or directing party is an interested person who may petition the district court and invoke its jurisdiction as provided in sections 501C.0201 to 501C.0208 for those matters specified in section 501C.0202, and the provisions of section 501C.0202 shall be construed and applied so that the references in that section to a "trustee" include the excluded fiduciary or directing party, as applicable.

Sec. 16. Minnesota Statutes 2024, section 501C.0808, subdivision 8, is amended to read:

Subd. 8. **Duty to inform excluded fiduciary and directing parties.** (a) Each directing party shall keep the excluded fiduciary and any other directing party reasonably informed regarding the administration of the trust with respect to any specific duty or function being performed by the directing party to the extent that the duty or function would normally be performed by the excluded fiduciary or to the extent that providing such information to the excluded fiduciary or other directing party is reasonably necessary for the excluded fiduciary or other directing party to perform its duties. The directing party shall provide such information as reasonably requested by the excluded fiduciary or other directing party. Neither the performance nor the failure to perform of a directing party's duty to inform as

provided in this subdivision affects the limitation on the liability of the excluded fiduciary as provided in this section.

(b) Each excluded fiduciary shall keep the directing party or parties reasonably informed regarding the administration of the trust with respect to any specific duty or function performed by the excluded fiduciary to the extent that providing such information to the directing party or parties is reasonably necessary for the directing party to perform its duties. The excluded fiduciary shall provide such information as reasonably requested by a directing party. Neither the performance of nor the failure to perform an excluded fiduciary's duty to inform as provided in this subdivision affects the liability of the directing party as provided in this section.

Sec. 17. Minnesota Statutes 2024, section 501C.0808, is amended by adding a subdivision to read:

Subd. 9a. **Office of directing party.** Unless the terms of a governing instrument provide otherwise, the rules applicable to a trustee apply to a directing party regarding the following matters:

(1) acceptance under section 501C.0701;

(2) giving of bond to secure performance under section 501C.0702;

(3) when more than one person is acting in the role of a directing party, the provisions applicable to cotrustees under section 501C.0703;

(4) reasonable compensation under section 501C.0708;

(5) resignation under section 501C.0705;

(6) removal under section 501C.0706; and

(7) vacancy and appointment of successor under section 501C.0704.

Sec. 18. Minnesota Statutes 2024, section 501C.1013, subdivision 4, is amended to read:

Subd. 4. **Effect.** When a certificate of trust is recorded in a county where real property is situated, or in the case of personal property, when it is presented to a third party, the certificate of trust serves to document the existence of the trust, the identity of the trustees, the powers of the trustees and any limitations on those powers, and other matters the certificate of trust sets out, as though the full trust instrument had been recorded or presented. Until amended or revoked under subdivision 5, or until the full trust instrument is recorded or presented, a certificate of trust is prima facie proof as to matters contained in it and any

party may rely upon the continued effectiveness of the certificate, and the subsequent revocation or amendment of a certificate of trust shall not affect transactions entered into in reliance on a prior certificate of trust.

Sec. 19. Minnesota Statutes 2024, section 501C.1014, is amended by adding a subdivision to read:

Subd. 5. **Affidavit of trustee.** An affidavit of a trustee or of trustees of an inter vivos trust or a testamentary trust in support of a personal property transaction may be substantially in the form of the affidavit provided in subdivision 1 or 2, as long as the affidavit sets forth a description of the personal property and includes paragraphs 2, 3(a) and (b), changing the property reference to the personal property described, 4, 5, 6, and 7 of the form of the affidavit provided in subdivision 1 or 2.

Sec. 20. Minnesota Statutes 2024, section 501C.1105, subdivision 1, is amended to read:

Subdivision 1. **Expenses.** Unless a will or trust instrument provides otherwise and subject to subdivision 2, all expenses incurred in connection with the settlement of a decedent's estate, including debts, funeral expenses, estate taxes, interest and penalties concerning taxes, family allowances, fees of attorneys and personal representatives, and court costs must be charged against the principal of the estate.

Sec. 21. Minnesota Statutes 2024, section 501C.1105, is amended by adding a subdivision to read:

Subd. 4. **Decedent's estate.** For purposes of this section, the "decedent's estate" includes the estate of the decedent and any trust that was revocable by the decedent at the time of the decedent's death.

Sec. 22. Minnesota Statutes 2024, section 502.851, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Appointed trust" means an irrevocable trust which receives principal from an invaded trust under subdivision 3 or 4, including another trust created by the settlor of the invaded trust, under the terms of the invaded trust or any other trust instrument, or by the trustees, in that capacity, of the invaded trust. For purposes of creating another trust, any requirement that a trust instrument be signed by the settlor shall be deemed satisfied by the signature of the trustee of the appointed trust. In the discretion of the authorized trustee, the appointed trust may be the same trust as the invaded trust with modified terms which does not require

the trustee of the appointed trust to refer to the trust by a different name or obtain a separate tax identification number when applicable.

(c) "Authorized trustee" means, as to an invaded trust, any trustee or trustees with authority to pay trust principal to or for one or more current beneficiaries other than a trustee who is the settlor, or a beneficiary to whom income or principal must be paid currently or in the future, or who is or will become eligible to receive a distribution of income or principal in the discretion of the trustee, other than by the exercise of a power of appointment held in a nonfiduciary capacity.

(d) "Current beneficiary" or "beneficiaries" means the person or persons, or as to a class, any person or persons who are or will become members of that class, to whom the trustees may distribute principal at the time of the exercise of the power, provided that the interest of a beneficiary to whom income, but not principal, may be distributed at the discretion of the trustee of the invaded trust, may be continued in the appointed trust.

(e) "Invade" means the power to pay directly to the beneficiary of a trust or make application for the benefit of the beneficiary.

(f) "Invaded trust" means any existing irrevocable inter vivos or testamentary trust whose principal is appointed under subdivision 3 or 4.

(g) "Person or persons interested in the invaded trust" means all qualified beneficiaries as defined in section 501C.0103, paragraph (m).

(h) "Principal" includes the income of the trust at the time of the exercise of the power that is not currently required to be distributed, including accrued and accumulated income.

(i) "Unlimited discretion" means the unlimited power to distribute principal. A power to distribute principal that includes words such as best interests, welfare, comfort, or happiness shall not be considered a limitation of the power to distribute principal.

Sec. 23. Minnesota Statutes 2024, section 502.851, subdivision 2, is amended to read:

Subd. 2. ~~**Power of appointment; effect when more or less extensive than authorized**~~ **Savings provision.** ~~An exercise of a power of appointment is not void if the exercise is:~~

~~(1) more extensive than was authorized but is valid to the extent authorized by the instrument creating its power; or~~

~~(2) less extensive than authorized by the instrument creating the power, unless the donor has manifested a contrary intention.~~

(a) If exercise of the power to invade trust principal under subdivision 3 or 4 would be effective under this section except that the appointed trust instrument in part does not comply with this section, the exercise of the power is effective and the following rules apply with respect to the principal of the appointed trust attributable to the exercise of the power:

(1) a provision in the appointed trust instrument that is not permitted under this section is void to the extent necessary to comply with this section; and

(2) a provision required by this section to be in the appointed trust instrument that is not contained in the trust instrument is deemed to be included in the trust instrument to the extent necessary to comply with this section.

(b) If a trustee or other fiduciary of an appointed trust determines that paragraph (a) applies to a prior exercise of the power to invade trust principal under subdivision 3 or 4, the fiduciary shall take corrective action consistent with the fiduciary's duties.

Sec. 24. Minnesota Statutes 2024, section 502.851, subdivision 3, is amended to read:

Subd. 3. **Authorized trustee with unlimited discretion.** (a) An authorized trustee with unlimited discretion to invade trust principal may appoint part or all of the principal to a trustee of an appointed trust for, and only for the benefit of, one, more than one, or all of the current beneficiaries of the invaded trust, to the exclusion of any one or more of the current beneficiaries. The successor and remainder beneficiaries of the appointed trust ~~may be none,~~ must be one, more than one, or all of the successor and remainder beneficiaries of the invaded trust, and may be to the exclusion of any one, more than one, or all of such successor and remainder beneficiaries.

(b) An authorized trustee exercising the power under paragraph (a) may grant a discretionary power of appointment in the appointed trust to one or more of the current beneficiaries of the invaded trust, provided that the beneficiary granted a power to appoint may receive principal outright under the terms of the invaded trust.

(c) If the authorized trustee grants a power of appointment, the class of permissible appointees in favor of whom the beneficiary may exercise the power of appointment granted in the appointed trust may be broader or otherwise different from the current, successor, and remainder beneficiaries of the invaded trust.

(d) If the beneficiary or beneficiaries of the invaded trust are described by a class, the beneficiary or beneficiaries of the appointed trust may include present or future members of the class.

Sec. 25. Minnesota Statutes 2024, section 502.851, subdivision 4, is amended to read:

Subd. 4. **Authorized trustee without unlimited discretion.** (a) An authorized trustee with the power to invade trust principal but without unlimited discretion may appoint part or all of the principal of the trust to a trustee of an appointed trust, provided that the current beneficiaries of the appointed trust shall be the same as the current beneficiaries of the invaded trust and the successor and remainder beneficiaries shall be the same as the successor and remainder beneficiaries of the invaded trust.

(b) If the authorized trustee exercises the power under this subdivision, the appointed trust shall include the same language authorizing the trustee to distribute the income or invade the principal of the appointed trust as in the invaded trust.

(c) If the authorized trustee exercises the power under this subdivision to extend the term of the appointed trust beyond the term of the invaded trust, for any period after the invaded trust would have otherwise terminated under the provisions of the invaded trust, the appointed trust, in addition to the language required to be included in the appointed trust pursuant to paragraph (b), may also include language providing the trustee with unlimited discretion to invade the principal of the appointed trust during this extended term.

(d) If the beneficiary or beneficiaries of the invaded trust are described by a class, the beneficiary or beneficiaries of the appointed trust shall include present ~~or~~ and future members of the class.

(e) If the authorized trustee exercises the power under this subdivision and if the invaded trust grants a power of appointment to a beneficiary of the trust, the appointed trust shall grant the power of appointment in the appointed trust and the class of permissible appointees shall be the same as in the invaded trust.

Sec. 26. Minnesota Statutes 2024, section 502.851, subdivision 11, is amended to read:

Subd. 11. **Requirements for exercise of power to appoint; notice.** (a) The exercise of the power to appoint to an appointed trust under subdivision 3 or 4 must be evidenced by an instrument in writing, signed~~,~~ and dated~~, and acknowledged~~ by the authorized trustee. The exercise of the power shall be effective 60 days after the date of delivery of notice as specified in paragraph (c), unless each person entitled to notice agrees in writing to an earlier effective date or waives in writing the right to object to the exercise of the power.

(b) An authorized trustee may exercise the power authorized by subdivision 3 or 4 without the consent of the settlor or the persons interested in the invaded trust and without

court approval, provided that the authorized trustee may seek court approval for the exercise with notice to all persons interested in the invaded trust.

(c) A copy of the instrument exercising the power, a copy of the appointed trust, and a copy of the invaded trust shall be delivered to:

(1) any person having the right, pursuant to the terms of the invaded trust, to remove or replace the authorized trustee exercising the power under subdivision 3 or 4; ~~and~~

(2) all persons interested in the invaded trust~~.~~; and

(3) any person who would be considered the owner of all or any portion of the appointed trust under sections 671 to 679 of the Internal Revenue Code.

(d) Notice of an exercise of the power must be given in the same manner as provided in section 501C.0109 and is subject to the provisions of section 501C.0301.

(e) The instrument exercising the power shall state whether the appointment is of all the assets comprising the principal of the invaded trust or only a part of the assets comprising the principal of the invaded trust and, if a part, the approximate percentage of the value of the principal of the invaded trust that is subject to the appointment.

(f) A person entitled to notice may object to the authorized trustee's exercise of the power under this section by serving a written notice of objection upon the authorized trustee prior to the effective date of the exercise of the power. The failure to object shall not constitute a consent.

(g) If the authorized trustee does not receive a written objection to the proposed exercise from a person entitled to notice within the applicable period, the authorized trustee is not liable to any person who received the required notice for the exercise of the power.

(h) If the authorized trustee receives a written objection within the applicable period, either the authorized trustee or any person entitled to notice may petition the court to have the proposed exercise of a power performed as proposed, performed with modifications, or denied. In a proceeding, a person objecting to the proposed exercise has the burden of proof as to whether the authorized trustee's proposed exercise should not be performed. A person who has not objected is not estopped from opposing the proposed exercise in the proceeding. If the authorized trustee decides not to implement the proposed exercise, the trustee shall notify all persons entitled to notice of the decision not to exercise the power and the reasons for the decision, and the authorized trustee's decision not to implement the proposed exercise does not itself give rise to liability to any person interested in the invaded trust. A person

entitled to notice may petition the court to have the exercise of a power performed and has the burden of proof as to whether it should be performed.

(i) A copy of the instrument exercising the power and a copy of each of the invaded trust and the appointed trust shall be filed with records of the appointed trust and the invaded trust.

Sec. 27. Minnesota Statutes 2024, section 502.851, subdivision 15, is amended to read:

Subd. 15. **Prohibitions.** (a) An authorized trustee may not exercise a power authorized by subdivision 3 or 4 to effect any of the following:

(1) to reduce, limit, or modify any beneficiary's current right to a mandatory distribution of income or principal, a mandatory annuity or unitrust interest, a current right to withdraw a percentage of the value of the trust, or a current right to withdraw a specified dollar amount; provided, however, and subject to the other limitations in this section, an authorized trustee may exercise a power authorized by subdivision 3 or 4 to appoint to an appointed trust that is a supplemental needs trust that conforms to the provisions of section 501C.1205;

(2) notwithstanding section 501C.1008, paragraph (b), to decrease or indemnify against a trustee's liability or exonerate a trustee from liability for failure to exercise reasonable care, diligence, and prudence, except that the appointed trust may divide and reallocate fiduciary powers among fiduciaries, including one or more trustees, distribution trust advisors, investment trust advisors, trust protectors, or other persons, and relieve a fiduciary from liability for an act or failure to act of another fiduciary as permitted under section 501C.0808;

(3) to alter or eliminate a provision granting another person the right to remove or replace the authorized trustee exercising the power under subdivision 3 or 4, unless notice has been provided to the persons under subdivision 11, paragraph (c), or approval is granted by a court having jurisdiction over the trust;

(4) to make a binding and conclusive fixation of the value of any asset for purposes of distribution, allocation, or otherwise;

(5) to extend the term of the appointed trust beyond any permissible period of the rule against perpetuities of the invaded trust, and any exercise of the power which extends the term of the appointed trust beyond the permissible period of the rule against perpetuities of the invaded trust shall void the entire exercise of the power; or

(6) to jeopardize:

(i) the deduction or exclusion originally claimed with respect to any contribution to the invaded trust that qualified for the annual exclusion under section 2503(b) of the Internal Revenue Code; the marital deduction under section 2056(a) or 2523(a) of the Internal Revenue Code; or the charitable deduction under section 170(a), 642(c), 2055(a), or 2522(a) of the Internal Revenue Code;

(ii) the qualification of a transfer as a direct skip under section 2642(c) of the Internal Revenue Code; ~~or~~

(iii) the qualification as a foreign grantor trust under section 672(f)(2)(A) of the Internal Revenue Code; or

~~(iii)~~ (iv) any other specific tax benefit for which a contribution originally qualified for income, gift, estate, or generation-skipping transfer purposes under the Internal Revenue Code.

(b) If the property of the invaded trust includes shares of stock in an S corporation, as defined in section 1361 of the Internal Revenue Code, and the invaded trust is, or but for the exercise of power to invade the trust principal under this section would be, a permitted shareholder under any provision of section 1361 of the Internal Revenue Code, the authorized trustee may exercise the power with respect to part or all of the S corporation stock only if any appointed trust receiving the stock is a permitted shareholder under section 1361(c)(2) of the Internal Revenue Code. If the property of the invaded trust includes shares of stock in an S corporation and the invaded trust is, or but for the exercise of power to invade the trust principal under this section would be, a qualified subchapter S trust within the meaning of section 1361(d) of the Internal Revenue Code, the appointed trust instrument must not include or omit a term that prevents the appointed trust from qualifying as a qualified subchapter S trust.

Sec. 28. Minnesota Statutes 2024, section 502.851, subdivision 16, is amended to read:

Subd. 16. **Compensation; commissions.** For the purposes of this section~~: (1),~~ unless a court otherwise directs, an authorized trustee may not exercise a power authorized by subdivision 3 or 4 to change the provisions regarding the determination of the compensation of any trustee. The commissions or other compensation payable to the trustees of the invaded trust may continue to be paid to the trustees of the appointed trust during the term of the appointed trust and shall be determined in the same manner as in the invaded trust.

~~(2) No trustee shall receive any paying commission or other compensation for appointing of property from the invaded trust to an appointed trust pursuant to subdivision 3 or 4.~~

Sec. 29. Minnesota Statutes 2024, section 524.2-114, is amended to read:

**524.2-114 PARENT BARRED FROM INHERITING IN CERTAIN CIRCUMSTANCES.**

(a) A parent is barred from inheriting from or through a child of the parent if:

(1) the parent's parental rights were terminated and the parent-child relationship was not judicially reestablished; ~~or~~

(2) the child died before reaching 18 years of age and there is clear and convincing evidence that immediately before the child's death the parental rights of the parent could have been terminated under law of this state other than this chapter on the basis of nonsupport, abandonment, abuse, neglect, or other actions or inactions of the parent toward the child~~.~~; or

(3) the child died after reaching 18 years of age and there is clear and convincing evidence that:

(i) during the years of the child's minority, the parental rights of the parent could have been terminated under laws of this state other than this chapter on the basis of nonsupport, abandonment, abuse, neglect, or other actions or inactions of the parent toward the child; and

(ii) in the year preceding the child's death, the parent and child were estranged. For purposes of this subdivision, "estranged" means having a relationship characterized by enmity, hostility, or indifference.

(b) For the purpose of intestate succession from or through the deceased child, a parent who is barred from inheriting under this section is treated as if the parent predeceased the child.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to actions commenced on or after that date.

Sec. 30. Minnesota Statutes 2024, section 524.2-804, subdivision 1, is amended to read:

Subdivision 1. **Revocation upon dissolution.** Except as provided by the express terms of a governing instrument, other than a trust instrument under section 501C.1207, executed prior to the dissolution or annulment of an individual's marriage, a court order, a contract relating to the division of the marital property made between individuals before or after their marriage, dissolution, or annulment, or a plan document governing a qualified or

nonqualified retirement plan, the dissolution or annulment of a marriage revokes any revocable:

(1) disposition, beneficiary designation, or appointment of property made in a governing instrument by an individual to the individual's former spouse ~~in a governing instrument~~ or any members of the former spouse's family who are not also members of the individual's family;

(2) provision in a governing instrument conferring a general or nongeneral power of appointment on an individual's former spouse; and

(3) nomination in a governing instrument, nominating an individual's former spouse or any members of the former spouse's family who are not also members of the individual's family to serve in any fiduciary or representative capacity, including a personal representative, executor, trustee, conservator, agent, or guardian.

Senator Westlin moved that the name of Senator Draheim be added as a co-author to S.F. No. 1851. The motion prevailed.

Senator Westlin moved that the name of Senator Latz be added as a co-author to S.F. No. 1855. The motion prevailed.

Senator Maye Quade moved that the names of Senators Boldon, Mann, and Mohamed be added as co-authors to S.F. No. 1856. The motion prevailed.

Senator Maye Quade moved that the names of Senators Lucero and Mohamed be added as co-authors to S.F. No. 1857. The motion prevailed.

Senator Seeberger moved that S.F. No. 549 be withdrawn from the Committee on Capital Investment and returned to its author. The motion prevailed.

Senator Seeberger moved that S.F. No. 550 be withdrawn from the Committee on Capital Investment and returned to its author. The motion prevailed.

Senator Hoffman moved that S.F. No. 1676 be withdrawn from the Committee on Higher Education and re-referred to the Committee on Health and Human Services. The motion prevailed.

**Senators Latz, Oumou Verbeten, Clark, Seeberger, and Murphy introduced --**

**Senate Resolution No. 15:** A Senate resolution expressing the Minnesota Senate's condemnation of President Trump's pardon of criminal participants of the January 6 insurrection who had been found guilty of violent crimes.

Referred to the Committee on Judiciary and Public Safety.

**Senators Johnson, Murphy, Housley, Champion, and Rasmusson introduced --**

**Senate Resolution No. 16:** A Senate resolution honoring the connections between Norway and Minnesota.

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 571, 1552, and 1075.

## SPECIAL ORDER

**S.F. No. 571:** A bill for an act relating to trusts; modifying various provisions of the Uniform Trust Code, Powers of Appointment, and the Uniform Probate Code; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2024, sections 501A.01; 501C.0301; 501C.0302; 501C.0407; 501C.0411; 501C.0414; 501C.0602; 501C.0605; 501C.0701; 501C.0808,

subdivisions 1, 2, 3, 4, 5, 6, 8, by adding a subdivision; 501C.1013, subdivision 4; 501C.1014, by adding a subdivision; 501C.1105, subdivision 1, by adding a subdivision; 502.851, subdivisions 1, 2, 3, 4, 11, 15, 16; 524.2-114; 524.2-804, subdivision 1.

S.F. No. 571 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Mann | Putnam |
| Anderson | Duckworth | Johnson | Marty | Rarick |
| Bahr | Eichorn | Johnson Stewart | Mathews | Rasmusson |
| Boldon | Farnsworth | Klein | Maye Quade | Rest |
| Carlson | Fateh | Koran | McEwen | Seeberger |
| Champion | Frentz | Kreun | Miller | Utke |
| Clark | Green | Kunesh | Mitchell | Weber |
| Coleman | Gruenhagen | Kupec | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Lang | Nelson | Westlin |
| Dahms | Hauschild | Latz | Oumou Verbeten | Westrom |
| Dibble | Hawj | Lieske | Pappas | Wiklund |
| Dornink | Housley | Limmer | Pha | Xiong |
| Draheim | Howe | Lucero | Port | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson and Miller.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1552:** A bill for an act relating to agriculture; modifying financial reporting requirements for grain buyers; amending Minnesota Statutes 2024, section 223.17, subdivision 6.

Senator Kupec moved to amend S.F. No. 1552 as follows (A-1):

Page 1, line 8, after "prepared" insert ", reviewed, or audited"

Page 2, reinstate lines 1 to 4

Renumber the clauses in sequence

Page 2, line 14, delete "$20,000,000" and insert "$17,500,000"

The motion prevailed. So the amendment was adopted.

S.F. No. 1552 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

# 042. SF 1552

**Vote:** 2025-02-27 | **Workbook row:** 47
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Financial reporting requirements for grain buyers modification

## Included complete bill documents

**1. 1st Engrossment, posted 2025-02-27** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1552/versions/1/pdf/

## Original Senate journal context

PDF pages 52-52. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/2025022707.pdf#page=52

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/1552/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1552

**(SENATE AUTHORS: KUPEC, Putnam, Dornink and Westrom)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/17/2025 | 420 | Introduction and first reading |
| | | Referred to Agriculture, Veterans, Broadband, and Rural Development |
| 02/24/2025 | 473 | Comm report: To pass |
| | 473 | Second reading |
| 02/27/2025 | 582a | Special Order: Amended |
| | 582 | Third reading Passed as amended |
| 03/13/2025 | 731 | Returned from House |
| | | Presentment date 03/14/25 |
| | 948 | Governor's action Approval 03/17/25 |
| | 948 | Secretary of State Chapter 1 03/17/2025 |

A bill for an act

relating to agriculture; modifying financial reporting requirements for grain buyers; amending Minnesota Statutes 2024, section 223.17, subdivision 6.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 223.17, subdivision 6, is amended to read:

Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer licensed under this chapter must annually submit to the commissioner a financial statement prepared, reviewed, or audited by a third-party independent accountant or certified public accountant in accordance with ~~generally accepted accounting principles~~ national or international accounting standards. The annual financial statement required under this subdivision must also:

(1) include~~,~~ but not be limited to the following:

(i) a balance sheet;

(ii) a statement of income (profit and loss);

(iii) a statement of retained earnings;

(iv) a statement of ~~changes in financial position~~ cash flow; and

(v) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer;

(2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared by a grain commission firm or a management firm approved by the commissioner or by an

independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants or similar international standards;

(3) be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, and where applicable, all members of the governing board of directors under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement;

~~(4) for grain buyers purchasing under $7,500,000 of grain annually, be reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants, and must show that the financial statements are free from material misstatements; and~~

~~(5)~~ (4) for grain buyers purchasing $7,500,000 or more of grain annually, be audited or reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants ~~and~~ or similar international standards. An audit must include an opinion statement from the certified public accountant~~.~~ performing the audit; and

(5) for grain buyers purchasing $17,500,000 or more of grain annually, be audited by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants or similar international standards. The audit must include an opinion statement from the certified public accountant performing the audit.

(b) Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

(c) A grain buyer who purchases grain immediately upon delivery solely with cash~~; a certified check; a cashier's check; or a postal, bank, or express money order~~, as defined in section 223.16, subdivision 2a, paragraph (b), is exempt from this subdivision if the grain buyer's gross annual purchases are $1,000,000 or less.

(d) For a grain buyer that qualifies for the exemption in paragraph (c), the commissioner retains the right to require the grain buyer to provide the commissioner with financial reporting based on inspections, any report of nonpayment, or other documentation related to violations of this chapter, chapter 232, or Minnesota Rules, chapter 1562.

(e) To ensure compliance with this chapter, the commissioner must annually review financial statements submitted under paragraph (a).

~~(d)~~ (f) The commissioner shall annually provide information on a person's fiduciary duties to each licensee. ~~To the extent practicable, the commissioner must direct each licensee to provide this information to all persons required to certify the licensee's financial statement under paragraph (a), clause (3).~~

(g) The commissioner may require a grain buyer to provide additional financial statements or financial reporting, including audited financial statements.

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

subdivisions 1, 2, 3, 4, 5, 6, 8, by adding a subdivision; 501C.1013, subdivision 4; 501C.1014, by adding a subdivision; 501C.1105, subdivision 1, by adding a subdivision; 502.851, subdivisions 1, 2, 3, 4, 11, 15, 16; 524.2-114; 524.2-804, subdivision 1.

S.F. No. 571 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Mann | Putnam |
| Anderson | Duckworth | Johnson | Marty | Rarick |
| Bahr | Eichorn | Johnson Stewart | Mathews | Rasmusson |
| Boldon | Farnsworth | Klein | Maye Quade | Rest |
| Carlson | Fateh | Koran | McEwen | Seeberger |
| Champion | Frentz | Kreun | Miller | Utke |
| Clark | Green | Kunesh | Mitchell | Weber |
| Coleman | Gruenhagen | Kupec | Murphy | Wesenberg |
| Cwodzinski | Gustafson | Lang | Nelson | Westlin |
| Dahms | Hauschild | Latz | Oumou Verbeten | Westrom |
| Dibble | Hawj | Lieske | Pappas | Wiklund |
| Dornink | Housley | Limmer | Pha | Xiong |
| Draheim | Howe | Lucero | Port | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson and Miller.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1552:** A bill for an act relating to agriculture; modifying financial reporting requirements for grain buyers; amending Minnesota Statutes 2024, section 223.17, subdivision 6.

Senator Kupec moved to amend S.F. No. 1552 as follows (A-1):

Page 1, line 8, after "prepared" insert ", reviewed, or audited"

Page 2, reinstate lines 1 to 4

Renumber the clauses in sequence

Page 2, line 14, delete "$20,000,000" and insert "$17,500,000"

The motion prevailed. So the amendment was adopted.

S.F. No. 1552 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

# 043. SF 1075

**Vote:** 2025-02-27 | **Workbook row:** 48
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Requirements modification for exception to window glazing requirements

## Included complete bill documents

**1. Introduction, posted 2025-02-04** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1075/versions/0/pdf/

## Original Senate journal context

PDF pages 53-53. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/2025022707.pdf#page=53

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/1075/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1075

**(SENATE AUTHORS: HOWE)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/06/2025 | 305 | Introduction and first reading |
| | | Referred to Transportation |
| 02/13/2025 | 353 | Comm report: To pass |
| | 363 | Second reading |
| 02/27/2025 | 583 | Special Order |
| | 583 | Third reading Passed |
| 04/09/2025 | 1720 | Returned from House |
| | | Presentment date 04/22/25 |
| | 3968 | Governor's action Approval 04/24/25 |
| | 3968 | Secretary of State Chapter 5 04/24/25 |
| | | Effective date 07/01/2025 |

A bill for an act

relating to transportation; modifying requirements for the exception to window glazing requirements; amending Minnesota Statutes 2024, section 169.71, subdivision 4a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 169.71, subdivision 4a, is amended to read:

Subd. 4a. **Glazing material; exceptions.** (a) Subdivision 4 does not apply to glazing materials that:

(1) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformity with Federal Motor Vehicle Safety Standard 205;

(2) are required to satisfy prescription or medical needs, provided:

(i) the vehicle's driver or a passenger possesses a prescription or a physician's statement of medical need;

(ii) the prescription specifically states whether the medical need is a temporary or permanent condition;

(iii) the prescription or statement specifically states the minimum percentage that light transmittance may be reduced to satisfy the prescription or medical needs of the patient; and

~~(iii)~~ (iv) the prescription or statement contains an expiration date provided by the physician, which must be no more than two years after the date the prescription or statement

was issued, unless an indication is made by the physician that the driver's condition is permanent and no expiration date is appropriate; or

(3) are applied to:

(i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

(ii) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.002, subdivision 40;

(iii) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a license under section 149A.50;

(iv) the side and rear windows of a limousine as defined in section 168.002, subdivision 15; or

(v) the rear and side windows of a police vehicle.

(b) For the purposes of paragraph (a), clause (2), a driver of a vehicle may rely on a prescription or physician's statement of medical need issued to a person not present in the vehicle if:

(1) the prescription or physician's statement of medical need is issued to (i) the driver's parent, child, grandparent, grandchild, sibling, or spouse, or (ii) a person for whom the driver is a personal care attendant;

(2) the prescription or physician's statement of medical need specifies the make, model, and license plate of one or two vehicles that will have tinted windows; and

(3) the driver is in possession of the prescription or physician's statement of medical need.

**EFFECTIVE DATE.** This section is effective July 1, 2025, and applies to prescriptions issued on or after that date.

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Mathews | Rasmusson |
| Anderson | Eichorn | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Koran | Miller | Utke |
| Carlson | Frentz | Kreun | Mitchell | Weber |
| Champion | Green | Kunesh | Mohamed | Wesenberg |
| Clark | Gruenhagen | Kupec | Murphy | Westlin |
| Coleman | Gustafson | Lang | Nelson | Westrom |
| Cwodzinski | Hauschild | Latz | Oumou Verbeten | Wiklund |
| Dahms | Hawj | Lieske | Pappas | Xiong |
| Dibble | Hoffman | Limmer | Pha | |
| Dornink | Housley | Lucero | Port | |
| Draheim | Howe | Mann | Putnam | |
| Drazkowski | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson and Miller.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1075:** A bill for an act relating to transportation; modifying requirements for the exception to window glazing requirements; amending Minnesota Statutes 2024, section 169.71, subdivision 4a.

S.F. No. 1075 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Mathews | Rasmusson |
| Anderson | Eichorn | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Koran | Miller | Utke |
| Carlson | Frentz | Kreun | Mitchell | Weber |
| Champion | Green | Kunesh | Mohamed | Wesenberg |
| Clark | Gruenhagen | Kupec | Murphy | Westlin |
| Coleman | Gustafson | Lang | Nelson | Westrom |
| Cwodzinski | Hauschild | Latz | Oumou Verbeten | Wiklund |
| Dahms | Hawj | Lieske | Pappas | Xiong |
| Dibble | Hoffman | Limmer | Pha | |
| Dornink | Housley | Lucero | Port | |
| Draheim | Howe | Mann | Putnam | |
| Drazkowski | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson and Miller.

So the bill passed and its title was agreed to.

# 044. SF 1360

**Vote:** 2025-03-03 | **Workbook row:** 49
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Implements of husbandry speed limit increase to 35 miles per hour provision

## Included complete bill documents

**1. 1st Engrossment, posted 2025-03-03** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1360/versions/1/pdf/

## Original Senate journal context

PDF pages 45-46. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/2025030308.pdf#page=46

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/1360/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1360

**(SENATE AUTHORS: JOHNSON STEWART, Dibble and Jasinski)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/13/2025 | 380 | Introduction and first reading |
| | | Referred to Transportation |
| 02/20/2025 | 429 | Comm report: To pass |
| | 433 | Second reading |
| 03/03/2025 | 629a | Special Order: Amended |
| | 630 | Third reading Passed as amended |
| 04/07/2025 | 1361 | Returned from House |
| | | Presentment date 04/09/25 |
| | 1989 | Governor's action Approval 04/10/25 |
| | 1989 | Secretary of State Chapter 4 04/10/25 |
| | | Effective date 08/01/2025 |

A bill for an act

relating to public safety; increasing speed limit for implements of husbandry to 35 miles per hour; amending Minnesota Statutes 2024, sections 168A.01, subdivision 8; 169.50, subdivision 1; 169.522, subdivision 1; 169.801, subdivision 6; 169.81, subdivision 5b.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 168A.01, subdivision 8, is amended to read:

Subd. 8. **Implement of husbandry.** (a) "Implement of husbandry" means every vehicle, including a farm tractor and farm wagon, designed or adapted exclusively for agricultural, horticultural, or livestock raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

(b) A towed vehicle meeting the description in paragraph (a) is an implement of husbandry without regard to whether the vehicle is towed by an implement of husbandry or by a registered motor vehicle.

(c) A self-propelled motor vehicle used in livestock raising operations is an implement of husbandry only if it is:

(1) owned by or under the control of a farmer;

(2) operated at speeds not exceeding ~~30~~ 35 miles per hour; and

(3) displaying the slow-moving vehicle emblem described in section 169.522.

Sec. 2. Minnesota Statutes 2024, section 169.50, subdivision 1, is amended to read:

Subdivision 1. **Requirements; exception.** (a) Every motor vehicle and every vehicle that is being drawn at the end of a train of vehicles must be equipped with at least one tail lamp, exhibiting a red light plainly visible from a distance of 500 feet to the rear.

(b) Every motor vehicle, other than a truck-tractor, and every vehicle that is being drawn at the end of a train of vehicles, registered in this state and manufactured or assembled after January 1, 1960, must be equipped with at least two tail lamps mounted on the rear and on the same level and as widely spaced laterally as practicable. When lighted, the tail lamps must comply with the provisions of this section.

(c) An implement of husbandry being towed by a motor vehicle at a speed of not more than ~~30~~ 35 miles per hour, displaying a slow-moving vehicle emblem, and complying with section 169.55, subdivision 2, paragraph (a), clause (4), is not subject to the requirements of this section.

Sec. 3. Minnesota Statutes 2024, section 169.522, subdivision 1, is amended to read:

Subdivision 1. **Displaying emblem; rules.** (a) All animal-drawn vehicles, motorized golf carts when operated on designated roadways pursuant to section 169.045, implements of husbandry, and other machinery, including all road construction machinery, which are designed for operation at a speed of ~~30~~ 35 miles per hour or less, must display a triangular slow-moving vehicle emblem, except (1) when being used in actual construction and maintenance work and traveling within the limits of a construction area marked in accordance with the Manual on Uniform Traffic Control Devices, as set forth in section 169.06, or (2) for a towed implement of husbandry that is empty and that is not self-propelled, in which case it may be towed at lawful speeds greater than ~~30~~ 35 miles per hour without removing the slow-moving vehicle emblem. The emblem must consist of a fluorescent or illuminated red-orange triangle with a dark red reflective border and be mounted so as to be visible from a distance of not less than 600 feet to the rear. When a primary power unit towing an implement of husbandry or other machinery displays a slow-moving vehicle emblem visible from a distance of 600 feet to the rear, it is not necessary to display a similar emblem on the secondary unit. All slow-moving vehicle emblems sold in this state must be so designed that when properly mounted they are visible from a distance of not less than 600 feet to the rear when directly in front of lawful lower beam of headlamps on a motor vehicle. The commissioner of public safety shall adopt standards and specifications for the design and position of mounting the slow-moving vehicle emblem. Such standards and specifications must be adopted by rule in accordance with the Administrative Procedure Act.

(b) An alternate slow-moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow-moving vehicle emblem must:

(1) carry in the vehicle a regular slow-moving vehicle emblem and display the emblem when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and

(2) permanently affix to the rear of the slow-moving vehicle at least 72 square inches of reflective tape that reflects the color red.

(c) In addition to the emblem requirement under this subdivision, an animal-drawn vehicle must comply with section 169.58, subdivision 6.

Sec. 4. Minnesota Statutes 2024, section 169.801, subdivision 6, is amended to read:

Subd. 6. **Speed.** No person may operate or tow an implement of husbandry at a speed of more than ~~30~~ 35 miles per hour.

Sec. 5. Minnesota Statutes 2024, section 169.81, subdivision 5b, is amended to read:

Subd. 5b. **Securing load; exceptions.** (a) The driver of a vehicle transporting sand, gravel, aggregate, dirt, lime rock, silica, or similar material shall ensure that the cargo compartment of the vehicle is securely covered if:

(1) the vertical distance from the top of an exterior wall of the cargo compartment to the load, when measured downward along the inside surface of the wall, is less than six inches; or

(2) the horizontal distance from the top of an exterior wall of the cargo compartment to the load is less than two feet.

(b) The driver shall not operate a vehicle to transport sand, gravel, aggregate, dirt, lime rock, silica, or similar material in or on any part of the vehicle other than in the cargo container. The driver shall clean the vehicle of loose sand, gravel, aggregate, dirt, lime rock, silica, or similar material before the vehicle is moved on a road, street, or highway following loading or unloading.

(c) A driver of a vehicle used to transport garbage, rubbish, trash, debris, or similar material is not required to cover the transported material as long as (1) the vehicle is being operated at a speed less than ~~30~~ 35 miles per hour, (2) the vehicle is not being operated on

an interstate highway, and (3) no part of the load escapes from the vehicle. A driver shall immediately retrieve material that escapes from the vehicle, when safe to do so.

The question was taken on the adoption of the Nelson motion.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Eichorn | Johnson | Mathews | Weber |
| Coleman | Farnsworth | Koran | Miller | Wesenberg |
| Dahms | Green | Kreun | Nelson | Westrom |
| Dornink | Gruenhagen | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Hauschild cast the negative vote on behalf of the following Senator: McEwen.

The motion did not prevail.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 1360 and 823.

## SPECIAL ORDER

**S.F. No. 1360:** A bill for an act relating to public safety; increasing speed limit for implements of husbandry to 35 miles per hour; amending Minnesota Statutes 2024, sections 169.50, subdivision 1; 169.522, subdivision 1; 169.801, subdivision 6; 169.81, subdivision 5b.

Senator Johnson Stewart moved to amend S.F. No. 1360 as follows (A-1):

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 168A.01, subdivision 8, is amended to read:

Subd. 8. **Implement of husbandry.** (a) "Implement of husbandry" means every vehicle, including a farm tractor and farm wagon, designed or adapted exclusively for agricultural, horticultural, or livestock raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

(b) A towed vehicle meeting the description in paragraph (a) is an implement of husbandry without regard to whether the vehicle is towed by an implement of husbandry or by a registered motor vehicle.

(c) A self-propelled motor vehicle used in livestock raising operations is an implement of husbandry only if it is:

(1) owned by or under the control of a farmer;

(2) operated at speeds not exceeding ~~30~~ 35 miles per hour; and

(3) displaying the slow-moving vehicle emblem described in section 169.522."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1360 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Mann | Pratt |
| Anderson | Duckworth | Johnson | Marty | Putnam |
| Bahr | Eichorn | Johnson Stewart | Mathews | Rarick |
| Boldon | Farnsworth | Klein | Maye Quade | Rasmusson |
| Carlson | Fateh | Koran | Miller | Rest |
| Champion | Frentz | Kreun | Mitchell | Seeberger |
| Clark | Green | Kunesh | Mohamed | Utke |
| Coleman | Gruenhagen | Kupec | Murphy | Weber |
| Cwodzinski | Gustafson | Lang | Nelson | Wesenberg |
| Dahms | Hauschild | Latz | Oumou Verbeten | Westlin |
| Dibble | Hawj | Lieske | Pappas | Westrom |
| Dornink | Housley | Limmer | Pha | Wiklund |
| Draheim | Howe | Lucero | Port | Xiong |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

So the bill, as amended, was passed and its title was agreed to.

# 045. SF 823

**Vote:** 2025-03-03 | **Workbook row:** 50
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** U.S. Highway 169 and Trunk Highway 282 intersection in Scott County construction appropriation modification, city of Shakopee identification sign lighting authorization provision, and appropriation

## Included complete bill documents

**1. Introduction, posted 2025-01-29** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/823/versions/0/pdf/

## Original Senate journal context

PDF pages 47-47. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/2025030308.pdf#page=47

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/823/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 823

**(SENATE AUTHORS: PRATT)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/30/2025 | 228 | Introduction and first reading |
| | | Referred to Transportation |
| 02/20/2025 | 430 | Comm report: To pass |
| | 433 | Second reading |
| 03/03/2025 | 631 | Special Order |
| | 631 | Third reading Passed |
| 04/01/2025 | | Returned from House with amendment |
| | | Senate concurred and repassed bill |
| | | Third reading Passed as amended |

A bill for an act

relating to transportation; modifying appropriation for construction of an interchange at marked U.S. Highway 169 and marked Trunk Highway 282 in Scott County; appropriating money; amending Laws 2023, chapter 68, article 1, section 17, subdivision 10.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 2023, chapter 68, article 1, section 17, subdivision 10, is amended to read:

Subd. 10. **U.S. Highway 169/Trunk Highway 282 interchange; Jordan.** $4,900,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for ~~a grant to Scott County for~~ design and construction of local road improvements associated with an interchange at marked U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians, rail grade separation, road work, and public utility relocations. This is a onetime appropriation and is available until June 30, 2027.

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

## SPECIAL ORDER

**S.F. No. 823:** A bill for an act relating to transportation; modifying appropriation for construction of an interchange at marked U.S. Highway 169 and marked Trunk Highway 282 in Scott County; appropriating money; amending Laws 2023, chapter 68, article 1, section 17, subdivision 10.

S.F. No. 823 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Mathews | Rasmusson |
| Anderson | Eichorn | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | Miller | Seeberger |
| Boldon | Fateh | Koran | Mitchell | Utke |
| Carlson | Frentz | Kreun | Mohamed | Weber |
| Champion | Green | Kunesh | Murphy | Wesenberg |
| Clark | Gruenhagen | Kupec | Nelson | Westlin |
| Coleman | Gustafson | Lang | Oumou Verbeten | Westrom |
| Cwodzinski | Hauschild | Latz | Pappas | Wiklund |
| Dahms | Hawj | Lieske | Pha | Xiong |
| Dibble | Hoffman | Limmer | Port | |
| Dornink | Housley | Lucero | Pratt | |
| Draheim | Howe | Mann | Putnam | |
| Drazkowski | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senator McEwen was excused from the Session of today at 12:15 p.m.

## ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:30 a.m., Thursday, March 6, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 046. HF 1058

**Vote:** 2025-04-02 | **Workbook row:** 51
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** North Koochiching sanitary sewer board composition modified.

## Included complete bill documents

**1. Introduction, posted 2025-02-14** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1058/versions/0/pdf/

**2. 1st Unofficial Engrossment, posted 2025-04-02** - 4 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2025/0/HF/1058/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 13-14. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250402017.pdf#page=14

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/1058/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 1058**

02/17/2025 Authored by Skraba
The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations
02/26/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/17/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to local government; modifying composition of North Koochiching sanitary sewer board; amending Laws 1981, chapter 291, sections 1, subdivision 14; 2, as amended; 4, subdivision 1, as amended; 23; repealing Laws 1981, chapter 291, section 1, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 1981, chapter 291, section 1, subdivision 14, is amended to read:

Subd. 14. **Municipality.** "Municipality" means any home rule charter or statutory city or town located in whole or in part in the district, including but not limited to International Falls~~, South International Falls~~ and Ranier.

Sec. 2. Laws 1981, chapter 291, section 2, as amended by Laws 1982, chapter 509, section 2, is amended to read:

Subd. 1a. **District.** The North Koochiching area sanitary district is the International Falls~~, South International Falls~~ and Ranier municipalities and the East Koochiching county sewer district ~~and the Papermakers sewer district~~, except that if the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985, the north Koochiching area sanitary district shall then be the area served by the district disposal system on that date.

Sec. 3. Laws 1981, chapter 291, section 2, subdivision 2, as amended by Laws 1982, chapter 509, section 3, is amended to read:

Subd. 2. **Members and selections.** The board members shall be appointed by each of their governmental units in the following numbers:

International Falls ~~4~~ 3

~~South International Falls 2~~

East Koochiching county sewer district ~~1~~ 2

~~Papermakers sewer district 1~~

Ranier 1

At-large 1

The East Koochiching ~~and Papermakers sewer districts shall each~~ county sewer district shall appoint ~~their member~~ members on the board and designate the term of the ~~member~~ members in accordance with subdivision 5, by a majority vote. If the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985 the composition of the board shall be changed, with each local government unit remaining in the district appointing one board member. The at-large member shall be appointed by the board and the board will designate the term of the member in accordance with subdivision 5, by majority vote.

Sec. 4. Laws 1981, chapter 291, section 2, subdivision 8, is amended to read:

Subd. 8. **Certificate of selection; oath of office.** A certificate of selection of every board member selected under subdivision 2 stating the term for which he was selected, shall be prepared by the city clerks or, in the case of the East Koochiching county sewer district ~~and Papermakers sewer district~~, by the county auditor. The certificates shall be filed with the secretary of state. Copies shall be furnished to the board member and the secretary of the board. Each member shall qualify by taking and subscribing the oath of office prescribed by the constitution, article V, section 8. The oath, certified by the official administering it, shall be filed with the secretary of the board.

Sec. 5. Laws 1981, chapter 291, section 4, subdivision 1, as amended by Laws 1982, chapter 509, section 5, is amended to read:

Subdivision 1. **Board plan and program.** The board shall adopt as its first comprehensive plan for the collection, treatment and disposal of waste water in the district for the period the board deems proper the comprehensive plan adopted by the joint powers board previously established for the cities of International Falls~~, South International Falls,~~ and Ranier and the county of Koochiching by agreement pursuant to Minnesota Statutes, Section 471.59. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment and disposal of waste water in the district for each succeeding designated period

the board deems proper. The first plan, as modified by the board, and any subsequent plan, shall provide that no treatment facilities shall be constructed which would allow a discharge above the water intake used to supply drinking water to residents of the district, and shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, uses and potential for use of lands adjoining waters of the state to be used for the disposal of waste water; and the impact the disposal system will have on present and future land use in the area affected. Plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long range capital improvements program and other details the board deems appropriate. Plans shall specifically identify those interceptors and treatment works which are critical to the integrity of the district. In developing the plans, the board shall consult with persons designated for the purpose by the governing body of any municipal and public corporation or governmental or political subdivision or agency within the district. It shall consider the data, resources, and suggestions offered to the board by the entities and any planning agency acting on behalf of one or more of them. Each plan, when adopted, shall be followed in the district and may be revised as often as the board deems necessary.

Sec. 6. Laws 1981, chapter 291, section 23, is amended to read:

Sec. 23. **AFFECTED LOCAL GOVERNMENTAL UNITS.**

This act applies to Koochiching county and the cities of International Falls~~, South International Falls,~~ and Ranier.

Sec. 7. **REPEALER.**

Laws 1981, chapter 291, section 1, subdivision 3, is repealed.

Sec. 8. **EFFECTIVE DATE; LOCAL APPROVAL.**

This act is effective the day after the governing body of the North Koochiching sanitary sewer board and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

A bill for an act

relating to local government; modifying composition of North Koochiching sanitary sewer board; amending Laws 1981, chapter 291, sections 1, subdivision 14; 2, as amended; 4, subdivision 1, as amended; 23; repealing Laws 1981, chapter 291, section 1, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 1981, chapter 291, section 1, subdivision 14, is amended to read:

Subd. 14. **Municipality.** "Municipality" means any home rule charter or statutory city or town located in whole or in part in the district, including but not limited to International Falls~~, South International Falls~~ and Ranier.

Sec. 2. Laws 1981, chapter 291, section 2, as amended by Laws 1982, chapter 509, section 2, is amended to read:

Subd. 1a. **District.** The North Koochiching area sanitary district is the International Falls~~, South International Falls~~ and Ranier municipalities and the East Koochiching county sewer district ~~and the Papermakers sewer district~~, except that if the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985, the north Koochiching area sanitary district shall then be the area served by the district disposal system on that date.

Sec. 3. Laws 1981, chapter 291, section 2, subdivision 2, as amended by Laws 1982, chapter 509, section 3, is amended to read:

Subd. 2. **Members and selections.** The board members shall be appointed by each of their governmental units in the following numbers:

International Falls ~~4~~ 3

~~South International Falls 2~~

East Koochiching county sewer district ~~1~~ 2

~~Papermakers sewer district 1~~

Ranier 1

At-large 1

The East Koochiching ~~and Papermakers sewer districts shall each~~ county sewer district shall appoint ~~their member~~ members on the board and designate the term of the ~~member~~ members in accordance with subdivision 5, by a majority vote. If the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985 the composition of the board shall be changed, with each local government unit remaining in the district appointing one board member. The at-large member shall be appointed by the board and the board will designate the term of the member in accordance with subdivision 5, by majority vote.

Sec. 4. Laws 1981, chapter 291, section 2, subdivision 8, is amended to read:

Subd. 8. **Certificate of selection; oath of office.** A certificate of selection of every board member selected under subdivision 2 stating the term for which he was selected, shall be prepared by the city clerks or, in the case of the East Koochiching county sewer district ~~and Papermakers sewer district~~, by the county auditor. The certificates shall be filed with the secretary of state. Copies shall be furnished to the board member and the secretary of the board. Each member shall qualify by taking and subscribing the oath of office prescribed by the constitution, article V, section 8. The oath, certified by the official administering it, shall be filed with the secretary of the board.

Sec. 5. Laws 1981, chapter 291, section 4, subdivision 1, as amended by Laws 1982, chapter 509, section 5, is amended to read:

Subdivision 1. **Board plan and program.** The board shall adopt as its first comprehensive plan for the collection, treatment and disposal of waste water in the district for the period the board deems proper the comprehensive plan adopted by the joint powers board previously established for the cities of International Falls~~, South International Falls,~~ and Ranier and the county of Koochiching by agreement pursuant to Minnesota Statutes, Section 471.59. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment and disposal of waste water in the district for each succeeding designated period

the board deems proper. The first plan, as modified by the board, and any subsequent plan, shall provide that no treatment facilities shall be constructed which would allow a discharge above the water intake used to supply drinking water to residents of the district, and shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, uses and potential for use of lands adjoining waters of the state to be used for the disposal of waste water; and the impact the disposal system will have on present and future land use in the area affected. Plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long range capital improvements program and other details the board deems appropriate. Plans shall specifically identify those interceptors and treatment works which are critical to the integrity of the district. In developing the plans, the board shall consult with persons designated for the purpose by the governing body of any municipal and public corporation or governmental or political subdivision or agency within the district. It shall consider the data, resources, and suggestions offered to the board by the entities and any planning agency acting on behalf of one or more of them. Each plan, when adopted, shall be followed in the district and may be revised as often as the board deems necessary.

Sec. 6. Laws 1981, chapter 291, section 23, is amended to read:

Sec. 23. **AFFECTED LOCAL GOVERNMENTAL UNITS.**

This act applies to Koochiching county and the cities of International Falls~~, South International Falls,~~ and Ranier.

Sec. 7. **CRANE LAKE WATER AND SANITARY DISTRICT; BOARD OF MANAGERS.**

(a) Notwithstanding Minnesota Statutes, section 442A.14, subdivision 1, upon approval by the related governing body, the board of managers of the Crane Lake Water and Sanitary District may be reduced from five members to three members, as provided in paragraphs (b) and (c).

(b) Upon approval pursuant to paragraph (a), and notwithstanding anything to the contrary in Minnesota Statutes, section 442A.14, vacancies on the board of managers shall not be filled until the number of current board members has been reduced to three. Once the board of managers has three members, vacancies on the board shall be filled as provided in Minnesota Statutes, section 442A.14, as necessary to maintain a three-member board of managers.

(c) Once the board of managers has three members as provided in paragraph (b), the related governing body shall assign newly elected board members to one of the groups under Minnesota Statutes, section 442A.14, subdivision 2, clauses (1) to (3), as necessary to ensure, to the extent practical, that no two board members have terms that expire in the same year. Thereafter, board members shall be elected successively for regular terms beginning upon expiration of the preceding terms and expiring on the first business day in January of the third calendar year thereafter. Each board member serves until a successor is elected and has qualified.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the Crane Lake Water and Sanitary District and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. **REPEALER.**

Laws 1981, chapter 291, section 1, subdivision 3, is repealed.

Sec. 9. **EFFECTIVE DATE; LOCAL APPROVAL.**

This act is effective the day after the governing body of the North Koochiching sanitary sewer board and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

| | | | |
|---|---|---|---|
| Rarick | Seeberger | Wesenberg | Wiklund |
| Rasmusson | Utke | Westlin | Xiong |
| Rest | Weber | Westrom | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Johnson Stewart.

The motion prevailed.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 1058 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 1058:** A bill for an act relating to local government; modifying composition of North Koochiching sanitary sewer board; amending Laws 1981, chapter 291, sections 1, subdivision 14; 2, as amended; 4, subdivision 1, as amended; 23; repealing Laws 1981, chapter 291, section 1, subdivision 3.

Senator Hauschild moved to amend H.F. No. 1058 as follows (A-1):

Page 3, after line 21, insert:

"Sec. 7. **CRANE LAKE WATER AND SANITARY DISTRICT; BOARD OF MANAGERS.**

(a) Notwithstanding Minnesota Statutes, section 442A.14, subdivision 1, upon approval by the related governing body, the board of managers of the Crane Lake Water and Sanitary District may be reduced from five members to three members, as provided in paragraphs (b) and (c).

(b) Upon approval pursuant to paragraph (a), and notwithstanding anything to the contrary in Minnesota Statutes, section 442A.14, vacancies on the board of managers shall not be filled until the number of current board members has been reduced to three. Once the board of managers has three members, vacancies on the board shall be filled as provided in Minnesota Statutes, section 442A.14, as necessary to maintain a three-member board of managers.

(c) Once the board of managers has three members as provided in paragraph (b), the related governing body shall assign newly elected board members to one of the groups under Minnesota Statutes, section 442A.14, subdivision 2, clauses (1) to (3), as necessary to ensure, to the extent practical, that no two board members have terms that expire in the same year. Thereafter, board members shall be elected successively for regular terms beginning upon expiration of the preceding terms and expiring on the first business day in January of the third calendar year thereafter. Each board member serves until a successor is elected and has qualified.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the Crane Lake Water and Sanitary District and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1058 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Mathews | Putnam |
| Anderson | Farnsworth | Johnson Stewart | Maye Quade | Rarick |
| Bahr | Fateh | Klein | McEwen | Rasmusson |
| Boldon | Frentz | Koran | Miller | Rest |
| Carlson | Green | Kreun | Mitchell | Seeberger |
| Champion | Gruenhagen | Kunesh | Mohamed | Utke |
| Clark | Gustafson | Kupec | Murphy | Weber |
| Coleman | Hauschild | Lang | Nelson | Wesenberg |
| Cwodzinski | Hawj | Latz | Oumou Verbeten | Westlin |
| Dahms | Hoffman | Lieske | Pappas | Westrom |
| Dibble | Housley | Limmer | Pha | Wiklund |
| Dornink | Howe | Mann | Port | Xiong |
| Draheim | Jasinski | Marty | Pratt | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Johnson Stewart, McEwen, and Port.

So the bill, as amended, was passed and its title was agreed to.

## MEMBERS EXCUSED

Senator Duckworth was excused from the Session of today. Senator Housley was excused from the Session of today from 12:00 noon to 12:10 p.m.

## ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 3, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 047. HF 1355

**Vote:** 2025-04-10 | **Workbook row:** 52
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 54 yeas, 10 nays

**Workbook subject:** Permit holders harvesting or destroying aquatic plants required to safely use scuba diving equipment, and commercial diving operation requirements established.

## Included complete bill documents

**1. 3rd Engrossment, posted 2025-04-04** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1355/versions/3/pdf/

**2. 1st Unofficial Engrossment, posted 2025-04-10** - 5 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2025/0/HF/1355/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 57-59. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250410020.pdf#page=59

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/1355/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 1355

02/24/2025 Authored by Baker, Koznick, Kotyza-Witthuhn, Her, Virnig and others
The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy
03/13/2025 Adoption of Report: Amended and re-referred to the Committee on Environment and Natural Resources Finance and Policy
03/24/2025 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/03/2025 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

A bill for an act

relating to occupational safety; requiring holders of permits to harvest or destroy aquatic plants to safely use scuba diving equipment; establishing requirements for commercial diving operations; amending Minnesota Statutes 2024, section 103G.615, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 182.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 103G.615, subdivision 1, is amended to read:

Subdivision 1. **Issuance; validity.** (a) The commissioner may issue a state general permit to a governmental subdivision or to the general public to conduct one or more projects described in this subdivision. The commissioner may issue permits, with or without a fee, to:

(1) gather or harvest aquatic plants, or plant parts, other than wild rice from public waters;

(2) transplant aquatic plants into public waters;

(3) destroy harmful or undesirable aquatic vegetation or organisms in public waters under prescribed conditions to protect the waters, desirable species of fish, vegetation, other forms of aquatic life, and the public.

(b) Application for a permit and a notification to request authorization to conduct a project under a general permit must be accompanied by a fee, if required.

(c) An aquatic plant management permit is valid for one growing season and expires on December 31 of the year it is issued unless the commissioner stipulates a different expiration date in rule or in the permit.

(d) A general permit may authorize a project for more than one growing season.

(e) To receive a commercial mechanical control permit under this section, the applicant must inform the commissioner whether scuba diving equipment will be used during any activity authorized by the permit. If the applicant indicates that scuba diving equipment will be used:

(1) the commissioner must provide the applicant with the information sheet required under section 182.679, subdivision 7; and

(2) the applicant must provide documentation to the commissioner verifying that a third-party on-site hazard survey was completed in the last year by a qualified safety professional who observed the applicant's work using scuba diving equipment. The documentation must include a written report of the findings and recommendations to reduce the risk of injury or illness to employees that are scuba diving. The written report must include an evaluation of specific safety practices, equipment, and training. A qualified safety professional includes:

(i) a Department of Labor and Industry workplace safety and health consultant;

(ii) a workers' compensation loss-control representative, with approval from an insurance underwriter; or

(iii) a private safety consultant.

**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 103G.615, subdivision 3, is amended to read:

Subd. 3. **Permit standards.** (a) The commissioner shall, by rule, prescribe standards to issue and deny permits under this section. The standards must ensure that aquatic plant control is consistent with shoreland conservation ordinances, lake management plans and programs, and wild and scenic river plans.

(b) The commissioner may not issue or renew a commercial mechanical control permit under this section to a person if scuba diving equipment will be used during any activity authorized by the permit, and the person:

(1) has received a citation for one or more willful violations of an occupational safety and health standard adopted under chapter 182 involving scuba diving during the previous two years; or

(2) has contested a citation for one or more willful violations of an occupational safety and health standard adopted under chapter 182 involving scuba diving during the pendency of a contested case.

(c) The commissioner may not issue or renew a commercial mechanical control permit under this section authorizing an activity where scuba diving equipment will be used to a successor person. "Successor person" means a person that shares three or more of the following with the person who received or contested a violation under paragraph (b):

(1) has one or more of the same owners, members, principals, officers, or managers;

(2) performs similar work within the state of Minnesota;

(3) has one or more of the same telephone or fax numbers;

(4) has one or more of the same email addresses or websites;

(5) employs or engages substantially the same individuals to provide or perform services;

(6) uses substantially the same vehicles, facilities, or equipment; or

(7) lists or advertises substantially the same project experience and portfolio of work.

(d) If a commercial mechanical control permit holder is found to have used scuba gear in violation of subdivision 1, the commissioner may revoke the permit.

(e) The commissioner of labor and industry must provide the commissioner of natural resources with timely information necessary to implement this subdivision, subject to section 182.66, subdivision 4.

**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 3. **[182.679] COMMERCIAL DIVING OPERATIONS.**

Subdivision 1. **Application.** (a) This section applies to persons who are conducting self-contained underwater breathing apparatus (scuba) diving at a place of employment while making improvements to land, including the removal of aquatic plants.

(b) Issuing a permit under section 103G.615 alone does not make the commissioner of natural resources an employer of the permit holder or the permit holder's employees.

Subd. 2. **Certification required for commercial diving operations.** No employer may permit an individual subject to this section to conduct scuba diving unless the individual has a valid open-water scuba diver certificate or more advanced certificate received from a nationally recognized and accredited certification program or agency.

Subd. 3. **Equipment requirements.** An employer must require the use of the following equipment when an individual subject to this section is scuba diving:

(1) a buoyancy-control device;

(2) an illuminated dive beacon; and

(3) a quick-release weight system and weights, except when heavy gear is worn.

Subd. 4. **Standby diver required.** An employer must ensure that a standby diver is available while a diver is in the water.

Subd. 5. **First aid and CPR training required.** An employer must require all individuals subject to this section conducting scuba diving or serving as a spotter under subdivision 4 to be trained in cardiopulmonary resuscitation (CPR) and first aid, the American Red Cross standard course or equivalent.

Subd. 6. **Penalties.** An employer may be cited by the commissioner for violations of subdivisions 2 to 5. Citations are punishable under section 182.666.

Subd. 7. **Information for employers.** The commissioner must develop an information sheet for employers who have or intend to have one or more employees use scuba diving equipment in the workplace. The information sheet must explain the requirements of this section and include any applicable federal requirements for employers. The commissioner must post the information sheet on the department's website. The commissioner must also deliver the information sheet to the commissioner of natural resources to provide to businesses according to section 103G.615, subdivision 1, paragraph (e).

Subd. 8. **Citation.** This section is the "Brady Aune and Joseph Anderson Safety Act."

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

A bill for an act

relating to occupational safety; requiring holders of permits to harvest or destroy aquatic plants to safely use scuba diving equipment; establishing requirements for commercial diving operations; amending Minnesota Statutes 2024, section 103G.615, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 182.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 103G.615, subdivision 1, is amended to read:

Subdivision 1. **Issuance; validity.** (a) The commissioner may issue a state general permit to a governmental subdivision or to the general public to conduct one or more projects described in this subdivision. The commissioner may issue permits, with or without a fee, to:

(1) gather or harvest aquatic plants, or plant parts, other than wild rice from public waters;

(2) transplant aquatic plants into public waters;

(3) destroy harmful or undesirable aquatic vegetation or organisms in public waters under prescribed conditions to protect the waters, desirable species of fish, vegetation, other forms of aquatic life, and the public.

(b) Application for a permit and a notification to request authorization to conduct a project under a general permit must be accompanied by a fee, if required.

(c) An aquatic plant management permit is valid for one growing season and expires on December 31 of the year it is issued unless the commissioner stipulates a different expiration date in rule or in the permit.

(d) A general permit may authorize a project for more than one growing season.

(e) To receive a commercial mechanical control permit under this section, the applicant must inform the commissioner whether scuba diving equipment will be used during any activity authorized by the permit. If the applicant indicates that scuba diving equipment will be used:

(1) the commissioner must provide the applicant with the information sheet required under section 182.679, subdivision 8; and

(2) the applicant must provide documentation to the commissioner verifying that a third-party on-site hazard survey was completed in the last year by a qualified safety professional who observed the applicant's work using scuba diving equipment. The documentation must include a written report of the findings and recommendations to reduce the risk of injury or illness to employees that are scuba diving. The written report must include an evaluation of specific safety practices, equipment, and training. A qualified safety professional includes:

(i) a Department of Labor and Industry workplace safety and health consultant;

(ii) a workers' compensation loss-control representative, with approval from an insurance underwriter; or

(iii) a private safety consultant.

**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 103G.615, subdivision 3, is amended to read:

Subd. 3. **Permit standards.** (a) The commissioner shall, by rule, prescribe standards to issue and deny permits under this section. The standards must ensure that aquatic plant control is consistent with shoreland conservation ordinances, lake management plans and programs, and wild and scenic river plans.

(b) The commissioner may not issue or renew a commercial mechanical control permit under this section to a person if scuba diving equipment will be used during any activity authorized by the permit, and the person:

(1) has received a citation for one or more willful violations of an occupational safety and health standard adopted under chapter 182 involving scuba diving during the previous two years; or

(2) has contested a citation for one or more willful violations of an occupational safety and health standard adopted under chapter 182 involving scuba diving during the pendency of a contested case.

(c) The commissioner may not issue or renew a commercial mechanical control permit under this section authorizing an activity where scuba diving equipment will be used to a successor person. "Successor person" means a person that shares three or more of the following with the person who received or contested a violation under paragraph (b):

(1) has one or more of the same owners, members, principals, officers, or managers;

(2) performs similar work within the state of Minnesota;

(3) has one or more of the same telephone or fax numbers;

(4) has one or more of the same email addresses or websites;

(5) employs or engages substantially the same individuals to provide or perform services;

(6) uses substantially the same vehicles, facilities, or equipment; or

(7) lists or advertises substantially the same project experience and portfolio of work.

(d) If a commercial mechanical control permit holder is found to have used scuba gear in violation of subdivision 1, the commissioner may revoke the permit.

(e) The commissioner of labor and industry must provide the commissioner of natural resources with timely information necessary to implement this subdivision, subject to section 182.66, subdivision 4.

**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 3. **[182.679] COMMERCIAL DIVING OPERATIONS.**

Subdivision 1. **Application.** (a) This section applies to persons who are conducting self-contained underwater breathing apparatus (scuba) diving at a place of employment while making improvements to land, including the removal of aquatic plants.

(b) Issuing a permit under section 103G.615 alone does not make the commissioner of natural resources an employer of the permit holder or the permit holder's employees.

Subd. 2. **Certification required for commercial diving operations.** No employer may permit an individual subject to this section to conduct scuba diving unless the individual has a valid open-water scuba diver certificate or more advanced certificate received from a nationally recognized and accredited certification program or agency.

Subd. 3. **Equipment requirements.** An employer must require the use of the following equipment when an individual subject to this section is scuba diving:

(1) a buoyancy-control device;

(2) a mask;

(3) a compressed-gas cylinder and valve;

(4) a primary regulator;

(5) a breathing-gas monitoring device;

(6) a quick-release weight system and weights;

(7) at least one audible emergency surface-signaling device; and

(8) an illuminated dive beacon.

Subd. 4. **Equipment requests.** An employer must provide the use of the following equipment when a diver requests it:

(1) a depth-monitoring device;

(2) fins and snorkel;

(3) alternate air source;

(4) adequate exposure protection appropriate for local dive conditions; and

(5) a dive computer or recreational dive planner (RDP).

Subd. 5. **Standby diver required.** An employer must ensure that a standby diver is available while a diver is in the water.

Subd. 6. **First aid and CPR training required.** An employer must require all individuals subject to this section conducting scuba diving or serving as a standby diver under subdivision 5 to be trained in cardiopulmonary resuscitation (CPR) and first aid, the American Red Cross standard course or equivalent.

Subd. 7. **Penalties.** An employer may be cited by the commissioner for violations of subdivisions 2 to 6. Citations are punishable under section 182.666.

Subd. 8. **Information for employers.** The commissioner must develop an information sheet for employers who have or intend to have one or more employees use scuba diving equipment in the workplace. The information sheet must explain the requirements of this section and include any applicable federal requirements for employers. The commissioner must post the information sheet on the department's website. The commissioner must also

deliver the information sheet to the commissioner of natural resources to provide to businesses according to section 103G.615, subdivision 1, paragraph (e).

Subd. 9. **Citation.** This section is the "Brady Aune and Joseph Anderson Safety Act."

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

amending Minnesota Statutes 2024, sections 241.80; 326.338, subdivision 4; 401.10, subdivision 4; 401.17, subdivisions 1, 5; repealing Minnesota Statutes 2024, sections 253.21; 253.23.

H.F. No. 1659 was read the second time.

Senator Murphy moved that H.F. No. 1659 be laid on the table. The motion prevailed.

Senator Murphy moved that H.F. No. 1662 be taken from the table and given a second reading. The motion prevailed.

**H.F. No. 1662:** A bill for an act relating to veterans; modifying human services data and veterans data provisions; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 197.065.

H.F. No. 1662 was read the second time.

Senator Murphy moved that H.F. No. 1662 be laid on the table. The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 1355 and 124.

## SPECIAL ORDER

**H.F. No. 1355:** A bill for an act relating to occupational safety; requiring holders of permits to harvest or destroy aquatic plants to safely use scuba diving equipment; establishing requirements for commercial diving operations; amending Minnesota Statutes 2024, section 103G.615, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 182.

Senator Boldon moved that the amendment made to H.F. No. 1355 by the Committee on Rules and Administration in the report adopted April 9, 2025, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Boldon moved to amend H.F. No. 1355 as follows (A-1):

Page 4, line 9, delete "spotter" and insert "standby diver"

The motion prevailed. So the amendment was adopted.

Senator Lieske moved to amend H.F. No. 1355 as follows (A-3):

Page 4, delete subdivision 3 and insert:

"Subd. 3. **Equipment requirements.** An employer must require the use of the following equipment when an individual subject to this section is scuba diving:

(1) a buoyancy-control device;

(2) a mask;

(3) a compressed gas cylinder and valve;

(4) a primary regulator;

(5) a breathing-gas monitoring device;

(6) a quick-release weight system and weights; and

(7) at least one audible emergency surface-signaling device.

Subd. 4. **Equipment requests.** An employer must provide the use of the following equipment when a diver requests it:

(1) an illuminated dive beacon;

(2) a depth-monitoring device;

(3) fins and snorkel;

(4) alternate air source;

(5) adequate exposure protection appropriate for local dive conditions; and

(6) a dive computer or recreational dive planner (RDP)."

Renumber the subdivisions in sequence and correct the internal references

Senator Lieske moved to amend the Lieske (A-3) amendment to H.F. No. 1355 as follows (A50):

Page 1, line 10, delete the second "and"

Page 1, line 11, delete the period and insert "; and"

Page 1, after line 11, insert:

"(8) an illuminated dive beacon."

Page 1, delete line 14

Renumber the clauses in sequence

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Lieske (A-3) amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Latz moved to amend H.F. No. 1355 as follows (A-2):

Page 4, delete subdivision 8

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1355 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 10, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson Stewart | Maye Quade | Putnam |
| Boldon | Farnsworth | Klein | McEwen | Rarick |
| Carlson | Fateh | Koran | Miller | Rasmusson |
| Champion | Frentz | Kreun | Mitchell | Seeberger |
| Clark | Gruenhagen | Kunesh | Mohamed | Weber |
| Coleman | Gustafson | Kupec | Murphy | Wesenberg |
| Cwodzinski | Hauschild | Lang | Nelson | Westlin |
| Dahms | Hawj | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hoffman | Limmer | Pappas | Wiklund |
| Dornink | Housley | Mann | Pha | Xiong |
| Draheim | Jasinski | Marty | Port | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Carlson.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Jasinski.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Howe | Latz | Mathews |
| Bahr | Green | Johnson | Lucero | Utke |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 124:** A bill for an act relating to public safety; allowing for the acceptance of certain gifts related to a line of duty death of a public safety officer; authorizing local government expenditure for public safety officer killed in the line of duty; amending Minnesota Statutes 2024, section 471.198; proposing coding for new law in Minnesota Statutes, chapter 299A.

H.F. No. 124 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Coleman | Duckworth | Hawj | Kreun |
| Anderson | Cwodzinski | Farnsworth | Hoffman | Kunesh |
| Bahr | Dahms | Fateh | Howe | Kupec |
| Boldon | Dibble | Green | Jasinski | Lang |
| Carlson | Dornink | Gruenhagen | Johnson Stewart | Latz |
| Champion | Draheim | Gustafson | Klein | Lieske |
| Clark | Drazkowski | Hauschild | Koran | Limmer |

# 048. HF 124

**Vote:** 2025-04-10 | **Workbook row:** 53
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 0 nays

**Workbook subject:** Acceptance of certain gifts related to a line of duty death of a public safety officer allowed, and local government expenditure authorized for public safety officer killed in line of duty.

## Included complete bill documents

**1. 1st Engrossment, posted 2025-02-24** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/124/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2025-03-27** - 3 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2025/0/HF/124/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 59-59. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250410020.pdf#page=59

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/124/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 124

02/10/2025 Authored by Berg, Witte, Moller, Curran, Engen and others
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
02/24/2025 Adoption of Report: Amended and re-referred to the Committee on Elections Finance and Government Operations
03/03/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/06/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to public safety; allowing for the acceptance of certain gifts related to a line of duty death of a public safety officer; authorizing local government expenditure for public safety officer killed in the line of duty; amending Minnesota Statutes 2024, section 471.198; proposing coding for new law in Minnesota Statutes, chapter 299A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[299A.473] CERTAIN GIFTS ALLOWED AFTER OFFICER KILLED IN THE LINE OF DUTY.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a plaque, or a service that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Killed in the line of duty" has the meaning given in section 299A.41, subdivision 3.

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

(e) "Political subdivision" means a county, home rule charter or statutory city, town, or any other political subdivision of the state.

(f) "Public safety officer" has the meaning given in section 299A.41, subdivision 4.

Subd. 2. **Gifts; conditions.** Notwithstanding sections 10A.071 and 471.895, a gift may be given by any person to one or more public safety officers if all of the following criteria are met:

(1) a public safety officer employed by the same state agency or political subdivision as the gift recipient was killed in the line of duty;

(2) the gift is given during the consecutive 24-month period beginning on the date of death of the public safety officer killed in the line of duty;

(3) the gift honors, commemorates, or provides team morale and cohesion services to the gift recipient; and

(4) the gift is in compliance with applicable gift policies, if the state agency or political subdivision has adopted such policies under subdivision 4.

Subd. 3. **State agency or political subdivision as recipient.** Notwithstanding any law or rule to the contrary, a state agency or political subdivision may receive a gift that meets the criteria of subdivision 2 on behalf of one or more public safety officers employed by the state agency or political subdivision. The gift must be distributed by the state agency or political subdivision to the intended public safety officer recipients:

(1) within one year of the receipt of the gift; and

(2) in compliance with applicable gift policies, if the state agency or political subdivision has adopted such policies under subdivision 4.

Subd. 4. **Gift policies.** A state agency or political subdivision may adopt policies with additional requirements and restrictions for gifts to public safety officers employed by the state agency or political subdivision.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to gifts given on or after that date.

Sec. 2. Minnesota Statutes 2024, section 471.198, is amended to read:

**471.198 EXPENDITURES; NATIONAL NIGHT OUT; LAW ENFORCEMENT COMMUNITY EVENTS; FALLEN OFFICERS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Local government" means a home rule charter or statutory city, town, or county.

(c) "Qualified individual" means an individual with one of the following relationships to a local government expending money under this section:

(1) an employee of the local government;

(2) an immediate family member of an employee of the local government; or

(3) an immediate family member of a fallen officer who was employed by the local government.

Subd. 2. **Authorized expenditures.** (a) ~~Any home rule charter or statutory city or any town, county, or school district~~ A local government may spend money for the following purposes:

(1) National Night Out events held in the jurisdiction of the local government spending the money~~.~~;

~~(b) Any home rule charter or statutory city or any town, county, or school district may spend money for~~ (2) any event or purpose that the governing body of the local government determines will foster positive relationships between law enforcement and the community~~.~~;

(3) funding a funeral or memorial for a public safety officer killed in the line of duty; and

(4) funding travel and participation for qualified individuals in national memorial events for fallen public safety officers occurring within 24 months of a line-of-duty death of an officer or employee of the local government.

(b) A school district is authorized to spend money for the purposes of paragraph (a), clauses (1) and (2).

Subd. 3. **Contributions solicitation.** ~~(c)~~ Notwithstanding any law or ordinance to the contrary, any ~~home rule charter or statutory city, or any town, county,~~ local government or school district may, by resolution, authorize officials and staff to solicit contributions for the purposes authorized in ~~paragraphs (a) and (b)~~ subdivision 2.

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

A bill for an act

relating to public safety; allowing for the acceptance of certain gifts related to a line of duty death of a public safety officer; authorizing local government expenditure for public safety officer killed in the line of duty; requiring a report; amending Minnesota Statutes 2024, section 471.198; proposing coding for new law in Minnesota Statutes, chapter 299A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[299A.473] CERTAIN GIFTS ALLOWED AFTER OFFICER KILLED IN THE LINE OF DUTY.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a plaque, or a service that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Killed in the line of duty" has the meaning given in section 299A.41, subdivision 3.

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

(e) "Political subdivision" means a county, home rule charter or statutory city, town, or any other political subdivision of the state.

(f) "Public safety officer" has the meaning given in section 299A.41, subdivision 4.

Subd. 2. **State agency or political subdivision as recipient.** (a) Notwithstanding any law or rule to the contrary, a state agency or political subdivision may receive a gift under the following circumstances:

(1) a public safety officer employed by the state agency or political subdivision was killed in the line of duty;

(2) the gift is given during the consecutive 24-month period beginning on the date of death of the public safety officer killed in the line of duty;

(3) the gift honors or commemorates the public safety officer who was killed in the line of duty or provides team morale or cohesion services to the agency or political subdivision; and

(4) the gift is in compliance with any applicable gift policies adopted by the state agency or political subdivision.

(b) The gift must be distributed and used by the state agency or political subdivision in compliance with the intentions of the donor:

(1) within one year of the receipt of the gift; and

(2) in compliance with any applicable gift policies adopted by the state agency or political subdivision.

Subd. 3. **Gift policies.** A state agency or political subdivision may adopt policies with additional requirements and restrictions for gifts received under this section.

Subd. 4. **Reporting.** A state agency or political subdivision shall report any gifts received under this section within three months of use or distribution to the commissioner of public safety. The report must specify the amount or description of the gift, its source, and the use to which it was put. The state agency or political subdivision shall also post this information on its website. The commissioner shall include the information received under this subdivision in the report required in section 299A.012, paragraph (b).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to gifts given on or after that date.

Sec. 2. Minnesota Statutes 2024, section 471.198, is amended to read:

**471.198 EXPENDITURES; NATIONAL NIGHT OUT; LAW ENFORCEMENT COMMUNITY EVENTS; FALLEN OFFICERS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Local government" means a home rule charter or statutory city, town, or county.

(c) "Qualified individual" means an individual with one of the following relationships to a local government expending money under this section:

(1) an employee of the local government;

(2) an immediate family member of an employee of the local government; or

(3) an immediate family member of a fallen officer who was employed by the local government.

Subd. 2. **Authorized expenditures.** (a) ~~Any home rule charter or statutory city or any town, county, or school district~~ A local government may spend money for the following purposes:

(1) National Night Out events held in the jurisdiction of the local government spending the money~~.~~;

~~(b) Any home rule charter or statutory city or any town, county, or school district may spend money for~~ (2) any event or purpose that the governing body of the local government determines will foster positive relationships between law enforcement and the community~~.~~;

(3) funding a funeral or memorial for a public safety officer killed in the line of duty; and

(4) funding travel and participation for qualified individuals in national memorial events for fallen public safety officers occurring within 24 months of a line-of-duty death of an officer or employee of the local government.

(b) A school district is authorized to spend money for the purposes of paragraph (a), clauses (1) and (2).

Subd. 3. **Contributions solicitation.** ~~(c)~~ Notwithstanding any law or ordinance to the contrary, any ~~home rule charter or statutory city, or any town, county,~~ local government or school district may, by resolution, authorize officials and staff to solicit contributions for the purposes authorized in ~~paragraphs (a) and (b)~~ subdivision 2.

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

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1355 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 10, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson Stewart | Maye Quade | Putnam |
| Boldon | Farnsworth | Klein | McEwen | Rarick |
| Carlson | Fateh | Koran | Miller | Rasmusson |
| Champion | Frentz | Kreun | Mitchell | Seeberger |
| Clark | Gruenhagen | Kunesh | Mohamed | Weber |
| Coleman | Gustafson | Kupec | Murphy | Wesenberg |
| Cwodzinski | Hauschild | Lang | Nelson | Westlin |
| Dahms | Hawj | Lieske | Oumou Verbeten | Westrom |
| Dibble | Hoffman | Limmer | Pappas | Wiklund |
| Dornink | Housley | Mann | Pha | Xiong |
| Draheim | Jasinski | Marty | Port | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Carlson.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Jasinski.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Howe | Latz | Mathews |
| Bahr | Green | Johnson | Lucero | Utke |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 124:** A bill for an act relating to public safety; allowing for the acceptance of certain gifts related to a line of duty death of a public safety officer; authorizing local government expenditure for public safety officer killed in the line of duty; amending Minnesota Statutes 2024, section 471.198; proposing coding for new law in Minnesota Statutes, chapter 299A.

H.F. No. 124 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Coleman | Duckworth | Hawj | Kreun |
| Anderson | Cwodzinski | Farnsworth | Hoffman | Kunesh |
| Bahr | Dahms | Fateh | Howe | Kupec |
| Boldon | Dibble | Green | Jasinski | Lang |
| Carlson | Dornink | Gruenhagen | Johnson Stewart | Latz |
| Champion | Draheim | Gustafson | Klein | Lieske |
| Clark | Drazkowski | Hauschild | Koran | Limmer |

# 049. HF 1792

**Vote:** 2025-04-22 | **Workbook row:** 54
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 0 nays

**Workbook subject:** Contracts for deed; definition of investor seller modified, and technical changes made.

## Included complete bill documents

**1. 1st Engrossment, posted 2025-03-27** - 8 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1792/versions/1/pdf/

## Original Senate journal context

PDF pages 1742-1742. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250422022.pdf#page=1742

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/1792/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 1792**

03/03/2025 Authored by Mahamoud, Dotseth and Frazier
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
03/27/2025 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/03/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/29/2025 Presented to Governor
04/30/2025 Governor Approval

A bill for an act

relating to contracts for deed; modifying definition of investor seller; making technical changes; amending Minnesota Statutes 2024, sections 272.12; 559.21, subdivision 4; 559A.01, subdivisions 3, 5, by adding a subdivision; 559A.03, subdivision 3; 559A.04, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 272.12, is amended to read:

**272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.**

When:

(a) a deed or other instrument conveying land,

(b) a plat of any townsite or addition thereto,

(c) a survey required pursuant to section 508.47,

(d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or

(e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein ~~within four months of the execution of the contract for deed,~~ or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments

conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents evidencing the termination of a contract for deed as described in section 559.213, deeds of distribution made by a personal representative in probate proceedings, transfer on death deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate to the extent provided in section 515B.1-116 (e).

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

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

Sec. 2. Minnesota Statutes 2024, section 559.21, subdivision 4, is amended to read:

Subd. 4. **Law prevails over contract; procedure; conditions.** (a) The notice required by this section must be given notwithstanding any provisions in the contract to the contrary, except that (1) earnest money contracts, purchase agreements, and exercised options that are subject to this section may, unless by their terms they provide for a longer termination period, be terminated on 30 days' notice, or may be canceled under section 559.217 and (2) contracts for deed executed by an investor seller shall be terminated on 90 days' notice. The notice must be served within the state in the same manner as a summons in the district court, and outside of the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice outside of the state may be proved by the affidavit of the person making the same, made before an authorized officer having a seal, and within the state by such an affidavit or by the return of the sheriff of any county therein.

(b) If a person to be served is a resident individual who has departed from the state, or cannot be found in the state; or is a nonresident individual or a foreign corporation, partnership, or association, service may be made by publication as provided in this paragraph. Three weeks' published notice has the same effect as personal service of the notice. The published notice must comply with subdivision 3 and state (1) that the person to be served is allowed 90 days after the first date of publication of the notice to comply with the conditions of the contract, and (2) that the contract will terminate 90 days after the first date of publication of the notice, unless before the termination date the purchaser complies with the notice. If the real estate described in the contract is actually occupied, then, in addition to publication, a person in possession must be personally served, in like manner as the service of a summons in a civil action in state district court, within 30 days after the first

date of publication of the notice. If an address of a person to be served is known, then within 30 days after the first date of publication of the notice a copy of the notice must be mailed to the person's last known address by first class mail, postage prepaid.

(c) The contract is reinstated if, within the time mentioned, the person served:

(1) complies with the conditions in default;

(2) if subdivision 1d or 2a applies, makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service as provided in subdivision 1b, 1c, 1d, or 2a;

(4) if subdivision 2a applies, pays two percent of the amount in default, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) pays attorneys' fees as provided in subdivision 1b, 1c, 1d, or 2a.

(d) The contract is terminated if the provisions of paragraph (c) are not met.

(e) In the event that the notice was not signed by an attorney for the seller and the seller is not present in the state, or cannot be found in the state, then compliance with the conditions specified in the notice may be made by paying to the court administrator of the district court in the county wherein the real estate or any part thereof is situated any money due and filing proof of compliance with other defaults specified, and the court administrator of the district court shall be deemed the agent of the seller for such purposes. A copy of the notice with proof of service thereof, and the affidavit of the seller, the seller's agent or attorney, showing that the purchaser has not complied with the terms of the notice, may be recorded with the county recorder or registrar of titles, and is prima facie evidence of the facts stated in it; but this section in no case applies to contracts for the sale or conveyance of lands situated in another state or in a foreign country. If the notice is served by publication, the affidavit must state that the affiant believes that the party to be served is not a resident of the state, or cannot be found in the state, and either that the affiant has mailed a copy of the notice by first class mail, postage prepaid, to the party's last known address, or that such address is not known to the affiant.

(f) No notice under this section may be given for a contract for deed executed by an investor seller unless, at least 30 days prior to the service of the notice, some part of the conditions of default has existed and the investor seller has notified the purchaser of such conditions of default by certified mail to the purchaser's last known address.

(g) For purposes of this subdivision, "investor seller" has the meaning given in section 559A.01, subdivision ~~6~~ 5.

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

Sec. 3. Minnesota Statutes 2024, section 559A.01, subdivision 3, is amended to read:

Subd. 3. **Churning.** "Churning" means the act of an investor seller executing a contract for deed on or after August 1, 2024, if previously the investor seller had frequently or repeatedly executed contracts for deed and subsequently terminated those contracts under section 559.21.

**EFFECTIVE DATE.** This section is effective August 1, 2025.

Sec. 4. Minnesota Statutes 2024, section 559A.01, is amended by adding a subdivision to read:

Subd. 4a. **Family member.** "Family member" means any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin.

**EFFECTIVE DATE.** This section is effective August 1, 2025.

Sec. 5. Minnesota Statutes 2024, section 559A.01, subdivision 5, is amended to read:

Subd. 5. **Investor seller.** (a) "Investor seller" means a person entering into a contract for deed to sell residential real property, or, in the event of a transfer or assignment of the seller's interest, the holder of the interest.

(b) An investor seller does not include a person entering into a contract for deed who is:

(1) a natural person who has owned and occupied the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed;

(2) ~~any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin~~ a family member of the natural person;

(3) a personal representative of the natural person;

(4) a devisee of the natural person;

(5) a grantee beneficiary under a transfer on death deed made by the natural person; ~~or~~

(6) a trust whose settlor is the natural person;

(7) a trust whose beneficiary is a natural person where the trust or the natural person, or a combination of the two, has owned, and the natural person has occupied, the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed, or ~~any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin~~ a family member of the natural person;

(8) a natural person selling on contract for deed to ~~any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin~~ a family member of the natural person;

(9) a bank, credit union, or residential mortgage originator that is under the supervision of or regulated by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or the Minnesota Department of Commerce;

(10) a natural person who has owned and leased the residential real property to the purchaser for at least the prior two years; ~~or~~

(11) the person who built the dwelling on the residential real estate and the dwelling has not previously been occupied;

(12) a state agency or political subdivision; or

(13) a legal entity whose sole owner is a natural person described in clause (1), (2), (8), or (10).

(c) If, substantially contemporaneous with the execution of the contract for deed, the seller's interest or the ownership of the seller's interest is assigned or transferred to a person who does not meet any of the qualifications of paragraph (b), the assignee or transferee shall be deemed to be an investor seller who has executed the contract for deed.

**EFFECTIVE DATE.** This section is effective August 1, 2025.

Sec. 6. Minnesota Statutes 2024, section 559A.03, subdivision 3, is amended to read:

Subd. 3. **Disclosure of price paid by investor seller to acquire property.** (a) The investor seller must disclose to the purchaser the purchase price and the date of earliest acquisition of the property by the investor seller, unless the acquisition occurs more than two years prior to the execution of the contract for deed.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

**"INVESTOR SELLER'S PRICE TO BUY HOUSE BEING SOLD TO BUYER**

**Date Investor Seller Acquired Property:**

(date seller acquired ownership)

**Price Paid by Investor Seller to Acquire the Property:**

$ (total purchase price paid by seller to acquire ownership)

**Contract for Deed Purchase Price:**

$ (total sale price to the purchaser under the contract)"

(c) For the purposes of this subdivision, unless the acquisition occurred more than ~~one year~~ two years prior to the execution of the contract for deed, the person who first acquires the property is deemed to be the same person as the investor seller where the person who first acquires the property:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a ~~spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin~~ family member of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a ~~spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin~~ family member of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

**EFFECTIVE DATE.** This section is effective August 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 559A.04, subdivision 4, is amended to read:

Subd. 4. **Churning prohibited.** (a) An investor seller is prohibited from churning. There is a rebuttable presumption that the investor seller has violated this subdivision if, on or after August 1, 2024, the investor seller executes a contract for deed and, within the previous 48 months, the investor seller either:

(1) had completed two or more termination proceedings under section 559.21 on the same residential real property being sold by the contract for deed; or

(2) had completed four or more termination proceedings under section 559.21 on contracts for deed for any residential real property, where terminated contracts comprise 20 percent or more of all contracts executed by the investor seller during that period.

(b) Nothing contained in this subdivision or in section 559A.01, subdivision 3, shall invalidate, impair, affect, or give rise to any cause of action with respect to any contract for deed or termination proceeding under section 559.21 used as a predicate to establish the presumption under paragraph (a).

(c) For the purposes of this subdivision, a person who sold residential real property on a contract for deed is deemed to be the same person as the investor seller where the person who sold on a contract for deed:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a ~~spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin~~ family member of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a ~~spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin~~ family member of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

**EFFECTIVE DATE.** This section is effective August 1, 2025.

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Draheim questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 2298 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 40 and nays 24, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson Stewart | McEwen | Pha |
| Boldon | Fateh | Klein | Miller | Port |
| Carlson | Frentz | Kunesh | Mitchell | Putnam |
| Champion | Gustafson | Kupec | Mohamed | Rest |
| Clark | Hauschild | Latz | Murphy | Seeberger |
| Coleman | Hawj | Mann | Nelson | Westlin |
| Cwodzinski | Hoffman | Marty | Oumou Verbeten | Wiklund |
| Dibble | Housley | Maye Quade | Pappas | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Jasinski | Limmer | Rasmusson |
| Bahr | Farnsworth | Johnson | Lucero | Utke |
| Dahms | Green | Koran | Mathews | Weber |
| Dornink | Gruenhagen | Kreun | Pratt | Wesenberg |
| Draheim | Howe | Lieske | Rarick | |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1792:** A bill for an act relating to contracts for deed; modifying definition of investor seller; making technical changes; amending Minnesota Statutes 2024, sections 272.12; 559.21, subdivision 4; 559A.01, subdivisions 3, 5, by adding a subdivision; 559A.03, subdivision 3; 559A.04, subdivision 4.

H.F. No. 1792 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

# 050. SF 2847

**Vote:** 2025-04-22 | **Workbook row:** 55
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 0 nays

**Workbook subject:** Statutory forms pertaining to garnishment modification

## Included complete bill documents

**1. 1st Engrossment, posted 2025-04-01** - 101 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/2847/versions/1/pdf/

## Original Senate journal context

PDF pages 1743-1744. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250422022.pdf#page=1744

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/2847/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2847

**(SENATE AUTHORS: BOLDON)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/20/2025 | 936 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 04/01/2025 | 1160a | Comm report: To pass as amended |
| | 1243 | Second reading |
| 04/22/2025 | | Special Order: Amended |
| | | Third reading Passed as amended |

A bill for an act

relating to commerce; modifying various statutory forms pertaining to garnishment; amending Minnesota Statutes 2024, sections 550.136, subdivisions 6, 9; 550.143, subdivisions 2, 3a, 3b, 3c; 551.05, subdivisions 1b, 1c, 1d; 551.06, subdivisions 6, 9; 571.72, subdivisions 8, 10; 571.74; 571.75, subdivision 2; 571.912; 571.914, subdivision 2; 571.925; 571.931, subdivision 6; 571.932, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 550.136, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings under this chapter, the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on

earnings being retained by an employer pursuant to a garnishment previously served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~..... JUDICIAL DISTRICT~~

~~..... (Judgment Creditor)~~

~~against~~ ~~EXECUTION EXEMPTION~~

~~..... (Judgment Debtor)~~ ~~NOTICE AND NOTICE OF INTENT TO~~

~~and~~ ~~LEVY ON EARNINGS~~

~~..... (Third Party)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

against **Execution Exemption**

Debtor's full name **Notice and Notice of**

**Intent to Levy on Earnings**

.....

and

Third Party (bank, employer, or other)

.....

~~PLEASE TAKE NOTICE that a levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

**Notice:** A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

**Your earnings cannot be taken if:**

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

**These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer.** If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~PENALTIES~~

**Warnings and Fines**

(1) ~~Be advised that~~ Even if you claim an exemption, ~~an execution~~ a levy may still be served on your employer. If ~~your earnings are levied on~~ they take money from you after you claim an exemption, you may ~~petition~~ ask the court ~~for a determination of~~ to review your exemption. If the court finds that the ~~judgment~~ creditor ~~disregarded~~ ignored your claim of exemption in bad faith, you ~~will be~~ are entitled to costs, reasonable ~~attorney~~ lawyer fees, actual damages, and ~~an amount not~~ a fine up to ~~exceed~~ $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED~~ BUT if you claim an exemption, the ~~judgment~~ creditor can also ~~petition~~ ask the court ~~for a determination of~~ to review your exemption~~, and~~. If the court finds that you claimed an exemption in bad faith, you ~~will be assessed~~ are charged costs and reasonable ~~attorney's~~ lawyer fees ~~plus an amount not~~ and a fine up to ~~exceed~~ $100.

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer fees, and a fine up to $100.

~~DATED: .....~~

~~.....~~

~~(Attorney for Judgment Creditor)~~

~~.....~~

~~Address~~

~~.....~~

~~Telephone~~

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

~~JUDGMENT~~ **Debtor's Exemption Claim Notice**

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ... I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

| ~~.....~~ | ~~.....~~ | ~~.....~~ |
|---|---|---|
| ~~Program~~ | ~~Case Number (if known)~~ | ~~County~~ |

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

~~(2)~~ ... I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county you got it from ~~which relief has been received~~.)

| ~~.....~~ | ~~.....~~ | ~~.....~~ |
|---|---|---|
| ~~Program~~ | ~~Case Number (if known)~~ | ~~County~~ |

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

~~(3)~~ ... I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months. (~~Specify~~ State the correctional institution and location.)

~~.....~~ ~~.....~~

Correctional Institution ..... Location .....

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the judgment creditor or judgment creditor's attorney.~~

~~..... .....~~

~~Debtor~~

~~.....~~

~~Address~~

~~.....~~

~~Debtor Telephone Number~~

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Sec. 2. Minnesota Statutes 2024, section 550.136, subdivision 9, is amended to read:

Subd. 9. **Execution earnings disclosure form and worksheet.** The judgment creditor shall provide to the sheriff for service upon the judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~..... JUDICIAL DISTRICT~~

~~FILE NO. .....~~

~~..... (Judgment Creditor)~~

~~against~~ ~~EARNINGS~~

~~..... (Judgment Debtor)~~ ~~EXECUTION~~

~~and~~ ~~DISCLOSURE~~

~~..... (Third Party)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

and

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

**Earnings Execution Disclosure**

**For Non-Child Support Judgments**

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is also called the "third party garnishee" or "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

## DEFINITIONS

**"Earnings":** what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation

can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

**"Disposable Earnings":** the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

**"Payday":** ~~For the purpose of execution, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the ~~judgment~~ debtor has no regular payday, ~~payday(s)~~ then "payday" means the 15th and the last day of each month.

**The Third Party/Employer Must Answer The Following Questions:**

(1) Right now, do you ~~now~~ owe~~, or within 90 days from the date the execution levy was served on you, will you or may you owe~~ money to the ~~judgment~~ debtor for earnings?

Yes ..... No .....

~~(2) Does the judgment debtor earn more than $... per week? (this amount is the greater of $9.50 per hour or the federal minimum wage per week)~~

(2) Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

(3) Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

**A.** If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

**B.** If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

**Earnings Disclosure Affirmation**

I, ..... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: .....

Third Party's Name: .....

Third Party's Signature: .....

Phone: ..... Fax: .....

Email: .....

**Instructions for Completing the Earnings Disclosure Worksheet**

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

For each payday that falls within 90 days from the date the ~~execution~~ levy was served on you, you **must** calculate the amount of earnings to be ~~retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must**:

(1) Withhold the amount of earnings listed in Column I on the Earnings Disclosure Worksheet each payday.

(2) After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

(3) Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 90-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.~~

~~For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.~~

| | | |
|---|---|---|
| ~~(3)~~ | ~~COLUMN A.~~ | ~~Enter the date of judgment debtor's payday.~~ |
| ~~(4)~~ | ~~COLUMN B.~~ | ~~Enter judgment debtor's gross earnings for each payday.~~ |
| ~~(5)~~ | ~~COLUMN C.~~ | ~~Enter judgment debtor's disposable earnings for each payday.~~ |
| ~~(6)~~ | ~~COLUMN D.~~ | ~~Enter 25 percent of disposable earnings. (Multiply column C by .25.)~~ |
| ~~(7)~~ | ~~COLUMN E.~~ | ~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a payday includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~ |
| ~~(8)~~ | ~~COLUMN F.~~ | ~~Subtract the amount in column E from the amount in column C, and enter here.~~ |
| ~~(9)~~ | ~~COLUMN G.~~ | ~~Enter here the lesser of the amount in column D and the amount in column F.~~ |
| ~~(10)~~ | ~~COLUMN H.~~ | ~~Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)~~ |

~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~

~~Enter zero in column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.~~

~~(11) COLUMN I.~~ ~~Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.~~

~~AFFIRMATION~~

~~I, ..... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.~~

~~DATED: .....~~ ~~.....~~

~~Signature~~

~~.....~~

~~Title~~

~~.....~~

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~ ~~.....~~

~~Debtor's Name~~

**Calculating Percentage of Disposable Earnings**

**Note to Creditor:** You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

| if the weekly gross earnings are: | then this percentage of the disposable earnings are withheld: |
|---|---|
| Less than [40 X MW] | 0% |
| [40 X MW + .01] to [60 X MW] | 10% |
| [60 X MW + .01] to [80 X MW] | 15% |
| [80 x MW + .01] or more | 25% |

**Employer:** Use this creditor's calculation chart to know what percentage of earnings should be withheld.

**Earnings Disclosure Worksheet**

.....

Debtor's name

| A - Payday Date | B - Gross Earnings | C - Disposable Earnings |
|---|---|---|
| 1. ..... | $ ..... | $ ..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |
| 5. ..... | ..... | ..... |
| 6. ..... | ..... | ..... |
| 7. ..... | ..... | ..... |
| ~~8.~~ ..... | ..... | ..... |
| ~~9.~~ ..... | ..... | ..... |
| ~~10.~~ ..... | ..... | ..... |

**Column A.** Enter the debtor's payday.

**Column B.** Enter the debtor's gross earnings for each payday.

**Column C.** Enter the debtor's disposable earnings for each payday.

| D ~~25~~ - % of withholding of Column C (Use the creditor's calculation) | E - Greater of ~~40 X $9.50 or~~ 40 X MN or Fed. Min. Wage | F - Column C minus Column E |
|---|---|---|
| 1. ..... | ..... | ..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |
| 5. ..... | ..... | ..... |
| 6. ..... | ..... | ..... |
| 7. ..... | ..... | ..... |
| ~~8.~~ ..... | ..... | ..... |
| ~~9.~~ ..... | ..... | ..... |
| ~~10.~~ ..... | ..... | ..... |

**Column D.** Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

**Column E.** Calculate 40 times the current MN minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count

those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

**Column F.** Subtract the amount in Column E from the amount in Column C and enter here.

| | G - Lesser of Column D and Column F | H - Setoff, Lien, Adverse Interest, or Other Claims | I - Column G minus Column H |
|---|---|---|---|
| 1. | ..... | ..... | ..... |
| 2. | ..... | ..... | ..... |
| 3. | ..... | ..... | ..... |
| 4. | ..... | ..... | ..... |
| 5. | ..... | ..... | ..... |
| 6. | ..... | ..... | ..... |
| 7. | ..... | ..... | ..... |
| ~~8.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| ~~9.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| ~~10.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| | | TOTAL OF COLUMN I $ | ..... |

**Column G.** Look at Column D and Column F. Enter the smaller amount of the two here in Column G.

**Column H.** Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

**Note:** You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in Column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

**Note:** Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

**Column I.** Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that go to the creditor.

***If you entered any amount in Column H** for any ~~payday(s)~~ payday, ~~you must~~ describe those claims below ~~either your claims, or the claims of others~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others, ~~you must both state~~ list the names and addresses of ~~such persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

.....

.....

.....

.....

**Earnings Worksheet Affirmation**

I, ..... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~.....~~

~~Signature~~

~~Dated: ..... ..... (...) .....~~

~~Title~~ ~~Phone Number~~

Date: .....

Third Party's Name: .....

Third Party's Signature: .....

Phone: ..... Fax: .....

Email: .....

Sec. 3. Minnesota Statutes 2024, section 550.143, subdivision 2, is amended to read:

Subd. 2. **Disclosure form.** Along with the writ of execution, the notice, instructions, and the exemption notice described in subdivision 3, the sheriff shall serve upon the financial institution an execution disclosure form which must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~.....(Judgment Creditor)~~

~~against~~ ~~FINANCIAL INSTITUTIONS~~

~~.....(Judgment Debtor)~~ ~~EXECUTION~~

~~and~~ ~~DISCLOSURE~~

~~.....(Third Party)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

against

Debtor's full name

.....

and

Third Party (bank, employer, or other)

.....

**Execution Disclosure**

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee." The "debtor" is the person who owes money. The debtor is also called the "judgment debtor." The creditor is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $..... to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

~~On the ..... day of ....., ....., the time of service of execution herein, there was due and owing the judgment debtor from the third party the following:~~

Fill in the date you got this disclosure:

..... (month) ..... (day), ..... (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.~~ Write down the amount of money you owe the debtor (except earnings).

.....

(2) Property. Write a short description of any personal property, instruments, or papers belonging to the debtor that you have in your possession. List the monetary value of each thing.

.....

~~(2)~~ (3) Setoff. ~~Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which such setoff, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt is void as to the judgment creditor.)~~ If you claim a setoff, defense, lien, or claim against the amount on lines (1) and (2) above, enter that amount on the line below. State the facts about your claim. **Note:** Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

.....

~~(3)~~ (4) Exemption. Enter any amounts or property that the debtor claims is exempt on the line below ~~any amounts or property claimed by the judgment debtor to be exempt from execution~~.

.....

~~(4)~~ (5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the judgment~~ of the debtor's property that other people claim they own or have interest in.

.....

~~(5)~~ (6) Enter ~~on the line below~~ the total of lines ~~(2), (3), and (4)~~ (3), (4), and (5) on the line below.

.....

~~(6)~~ (7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line ~~(5)~~ (6) is subtracted from the ~~amount on line~~ sum of lines (1) and (2) on the line below.

.....

~~(7) Enter on the line below~~ (8) Figure out 110 percent of the amount of the ~~judgment~~ creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

.....

~~(8) Enter on the line below the lesser of line (6) and line (7). You are hereby instructed to remit this amount only if it is $10 or more.~~

(9) Look at (7) and (8). Put the smaller number on the line below. Hold this amount only if it is $10 or more.

.....

**AFFIRMATION**

I, ..... (person signing Affirmation), am the ~~third party~~ garnishee or I am authorized by the ~~third party~~ garnishee to complete this ~~nonearnings~~ non-earnings garnishment disclosure, and have done so truthfully and to the best of my knowledge.

~~Dated: .....~~ ~~.....~~

~~Signature~~

~~.....~~

~~Title~~

~~.....~~

~~Telephone Number~~

Date: .....

Name: .....

Signature: .....

Title: .....

Phone: ..... Email: .....

Sec. 4. Minnesota Statutes 2024, section 550.143, subdivision 3a, is amended to read:

Subd. 3a. **Form of notice.** The notice required by subdivision 3 must be provided as a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~.....(Creditor)~~

~~.....(Debtor)~~

~~.....(Financial institution)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

**Notice of Levied Funds**

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

**IMPORTANT NOTICE**

~~**YOUR FUNDS HAVE BEEN LEVIED**~~

**Money in Your Account Has Been Frozen**

The creditor has frozen money in your account at your ~~financial institution~~ bank.

**Your account balance is $.....**

**The amount being held is $.....**

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

**Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.**

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources~~ a benefit on this list, ~~place~~ put a check ~~on the line on the form next to the sources of your money~~ in the box next to it. ~~If it is from one of these sources,~~ The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the Sheriff~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

See the attached *Exemption Form Instructions* and *Exemption Form* for your next steps.

Sec. 5. Minnesota Statutes 2024, section 550.143, subdivision 3b, is amended to read:

Subd. 3b. **Form of instructions.** The instructions required by this section must be in a separate form and must be substantially in the following form:

**Exemption Form Instructions**

**Note:** The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

**To avoid a hearing:**

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

**Notice:** You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the ~~levy~~ garnishment. Send them to the creditor's lawyer (or to the creditor, if there isn't a lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the creditor's ~~attorney~~ lawyer (or to the creditor~~, if no attorney~~) ~~bank statements~~ along with your exemption claim, the financial institution may ~~release~~ give your money to the ~~Sheriff~~ creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

**Both Copies Must Be Mailed or Delivered the Same Day.**

One copy of the form and the copies of your bank statements go to:

.....

~~(Insert name of creditor or creditor's attorney)~~

.....

~~(Insert address of creditor or creditor's attorney)~~

~~One copy goes to:~~

~~.....~~

~~(Insert name of bank)~~

~~.....~~

~~(Insert address of bank)~~

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

One copy goes to:

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

**How The Process Works**

**If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:**

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~or to the sheriff~~. This happens once they get an order from the court telling the bank to do this.

**If You Do Send in the Exemption Form and Bank Statements:**

Any money that is NOT protected can be turned over to the ~~sheriff~~ creditor once they get an order from the court.

**If the Creditor Does Not Object to Your Claimed Exemptions:**

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

**If the Creditor Objects to Your Claimed Exemptions:**

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

**Warnings and Fines**

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that~~ and you ~~do not receive~~ don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 6. Minnesota Statutes 2024, section 550.143, subdivision 3c, is amended to read:

Subd. 3c. **Form of exemption form.** The exemption form required by this subdivision must be sent as a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~.....(Creditor)~~

~~.....(Debtor)~~

~~.....(Financial institution)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

**Exemption Form**

against

Debtor's full name

.....

Bank's name

.....

**~~EXEMPTION FORM~~**

**A. How Much Money is Protected (Exempt)**

..... I claim ALL of the money being frozen by the bank is protected.

..... I claim SOME of the money is protected. The amount I claim is protected is $.....

**B. Why The Money is Protected**

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

**Earnings (Wages)**

ALL or SOME of my wages may be protected.

..... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% or more of your wages (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

**All** of my wages are protected because:

..... I get government benefits (a list of government benefits is on the next page)

..... I am getting other assistance based on need

..... I have gotten government benefits in the last 6 months

..... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money**.

~~.....~~ **Government benefits**

Government benefits ~~include, but are not limited to, the following~~ can include many things. For example:

~~**MFIP** - Minnesota Family Investment Program,~~

~~MFIP Diversionary Work Program,~~

~~**Work participation cash benefit,**~~

~~**GA** - General Assistance,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

~~**EGA** - emergency general assistance,~~

~~**MSA** - Minnesota Supplemental Aid,~~

~~**MSA-EA** - MSA Emergency Assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

~~**MinnesotaCare,**~~

~~**Medicare Part B premium payments,**~~

~~**Medicare Part D extra help,**~~

~~**Energy or fuel assistance.**~~

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~.....~~

List the case number and county for every box you checked:

Case Number: ..... County: .....

Case Number: ..... County: .....

Case Number: ..... County: .....

~~County: .....~~

Government benefits also include:

..... Social Security benefits

..... Unemployment benefits

..... Workers' compensation

..... ~~**Veterans**~~ Veterans' benefits

If you ~~receive~~ get any of these government benefits, include copies of any documents ~~you have~~ that show you ~~receive Social Security, unemployment, workers' compensation, or veterans benefits~~ get them.

~~..... **Other assistance based on need**~~

..... I get other assistance based on need that is not on the list. It comes from: .....

.....

Make sure you include copies of any documents that show this.

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:.....~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~..... **All of your earnings (wages) are protected if:**~~

~~..... You get government benefits (see list of government benefits)~~

~~..... You currently receive other assistance based on need~~

~~..... You have received government benefits in the last six months~~

~~..... You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money.**~~

~~..... **Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

**C. Other ~~Exempt~~ Protected Funds**

The money from ~~the following~~ these things are also completely protected after they are deposited in ~~your~~ my account.

..... Child support

..... ~~**An accident, disability, or retirement**~~ A retirement, disability, or accident pension or annuity

..... Earnings of my child who is under 18 years of age

..... Payments to ~~**you**~~ me from a life insurance policy

~~..... **Earnings of your child who is under 18 years of age**~~

~~..... **Child support**~~

..... Money paid to ~~you~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~your~~ my job, business

equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

..... Death benefits paid to ~~you~~ me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named~~ creditor~~, or its attorney~~ named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not~~ assistance, or ~~whether~~ if I have gotten ~~them~~ assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

**You must sign ~~and send~~ this form and send it back to the creditor's ~~Attorney~~ lawyer (or to the creditor, if there is no ~~attorney~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.**

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor's lawyer (or to the creditor, if there is no lawyer) at the address listed below.

.....

~~(Insert name of creditor or creditor's attorney)~~

.....

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: .....~~ .....

~~DEBTOR~~

~~.....~~

~~DEBTOR ADDRESS~~

~~.....~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Sec. 7. Minnesota Statutes 2024, section 551.05, subdivision 1b, is amended to read:

Subd. 1b. **Form of notice.** The notice must be a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~..... (Creditor)~~

~~..... (Debtor)~~

~~..... (Financial institution)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name:

.....

Debtor's full name:

.....

Third Party (bank, employer, or other):

.....

**IMPORTANT NOTICE**

~~**YOUR FUNDS HAVE BEEN LEVIED**~~

**Money in Your Account Has Been Frozen**

The creditor has frozen money in your account at your ~~financial institution~~ bank.

**Your account balance is $.....**

**The amount being held is $.....**

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

**Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.**

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is from one or more of these sources, place a check on the line on the form next to the sources of your money. If it is from one of these sources, the Creditor cannot take it~~ comes from a benefit on this list, put a check on the line next to it. The creditor can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~**.** Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

Sec. 8. Minnesota Statutes 2024, section 551.05, subdivision 1c, is amended to read:

Subd. 1c. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

**INSTRUCTIONS**

**Note:** The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

~~**If you check one of the lines, you should also give proof that shows that some or all of the money in your account is from one or more of the protected sources. Creditors may ask for a hearing if they question your exemptions. To avoid a hearing:**~~

~~**Case numbers should be added to the form. Copies of documents should be sent with the form.**~~

If you check one of the lines, you should also give proof. Use proof that shows that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

**To avoid a hearing:**

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

~~**Notice: YOU MUST SEND TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) COPIES OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS BEFORE THE LEVY. Keep a copy of your bank statements in case there are questions about your claim. If you do not send to the creditor's attorney (or to the creditor, if no attorney) bank statements with your exemption claim, the financial institution may release your money to the creditor.**~~

**Notice:** You must send copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you don't send bank statements to the creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may give your money to the creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make one copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

**Both Copies Must Be Mailed or Delivered the Same Day.**

One copy of the form and the copies of your bank statements go to:

Creditor's Name: .....

~~(Insert name of creditor or creditor's attorney)~~ (or creditor's lawyer's name)

Street Address: .....

~~(Insert address of creditor or creditor's attorney)~~ City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

One copy goes to:

Bank's Name: .....

~~(Insert name of bank)~~ Street Address: .....

City/State/Zip: .....

~~(Insert address of bank)~~ Phone: ..... Fax: .....

Email: .....

**How The Process Works**

**If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:**

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~pursuant to Minnesota statute~~. This happens once they get an order from the court telling the bank to do this.

**If You Do Send in the Exemption Form and Bank Statements:**

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

**If the Creditor Does Not Object to Your Claimed Exemptions:**

~~The financial institution will unfreeze your money six business days after the institution gets your completed form.~~ The bank should unfreeze your money 6 business days after they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

**If the Creditor Objects to Your Claimed Exemptions:**

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

**~~PENALTIES~~ Warnings and Fines:**

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 9. Minnesota Statutes 2024, section 551.05, subdivision 1d, is amended to read:

Subd. 1d. **Form of exemption form.** The exemption form required by this subdivision must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~..... (Creditor)~~

~~..... (Debtor)~~

~~..... (Financial institution)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name:

..... **Exemption Form**

against

Debtor's full name:

.....

Bank's name:

.....

~~**EXEMPTION FORM**~~

A. **How Much Money Is Protected (exempt)**

~~.....~~ ... I claim ALL of the money being frozen by the bank is protected.

~~.....~~ ... I claim SOME of the money is protected. The amount I claim is protected is $.....

B. **Why The Money Is Protected**

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

**Earnings (Wages)**

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

**All** of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements that show what was in your account for the 60 days right before the bank froze your money.**

~~.....~~ **Government benefits**

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

~~**MFIP** - Minnesota family investment program,~~

~~**MFIP Diversionary Work Program,**~~

~~**Work participation cash benefit,**~~

~~**GA** - general assistance,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

~~**EGA** - emergency general assistance,~~

~~**MSA** - Minnesota supplemental aid,~~

~~**MSA-EA** - MSA emergency assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

~~**MinnesotaCare,**~~

~~**Medicare Part B premium payments,**~~

~~**Medicare Part D extra help,**~~

~~**Energy or fuel assistance.**~~

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~.....~~

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number: .....~~

~~County: .....~~

~~**Government benefits also include:**~~

~~..... **Social Security benefits**~~

~~..... **Unemployment benefits**~~

~~..... **Workers' compensation**~~

~~..... **Veterans benefits**~~

~~**If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.**~~

~~..... **Other assistance based on need**~~

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:.....~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~..... **All of your earnings (wages) are protected if:**~~

~~..... You get government benefits (see list of government benefits)~~

~~..... You currently receive other assistance based on need~~

~~..... You have received government benefits in the last six months~~

~~..... You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money**.~~

~~..... **Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

~~**OTHER EXEMPT FUNDS**~~

~~The money from the following are also completely protected after they are deposited in your account.~~

~~..... **An accident, disability, or retirement pension or annuity**~~

~~..... **Payments to you from a life insurance policy**~~

~~..... **Earnings of your child who is under 18 years of age**~~

~~..... **Child support**~~

~~..... **Money paid to you from a claim for damage or destruction of property** Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.~~

~~..... **Death benefits paid to you**~~

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number: ..... County: .....

Case Number: ..... County: .....

Case Number: ..... County: .....

Government benefits also include:

... Social Security benefits

... Unemployment benefits

... Workers' compensation

... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from:

.....

Make sure you include copies of any documents that show this.

C. **Other Protected Funds**

The money from these things are also completely protected after they are deposited in my account.

... Child Support

... A retirement, disability, or accident pension or annuity

... Earnings of my child who is under 18 years of age

... Payments to me from a life insurance policy

... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

... Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named creditor, or its attorney~~ creditor named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether I get benefits or not, or whether I have gotten them in the past six months~~ be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last ~~six~~ 6 months, I give my permission to the correctional institution to tell the ~~above-named~~ creditor named above or the creditor's lawyer that I was an inmate there.

~~**YOU MUST SIGN AND SEND THIS FORM BACK TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) AND THE BANK. REMEMBER TO INCLUDE A COPY OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS. FILL IN THE BLANKS BELOW AND GO BACK TO THE INSTRUCTIONS TO MAKE SURE YOU DO IT CORRECTLY.**~~

**You must sign this form and send it back to the creditor's lawyer (or to the creditor, if there is no lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you did it correctly.**

I have mailed or delivered a copy of this form to~~:~~ the creditor (or creditor's lawyer) at the address listed below.

Creditor's Signature: .....

(~~Insert name of creditor~~ or creditor's ~~attorney~~ lawyer's signature)

Creditor's Name: .....

(~~Insert address of creditor~~ or creditor's ~~attorney~~ lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: ..... .....~~

~~DEBTOR~~

~~.....~~

~~DEBTOR ADDRESS~~

~~.....~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Sec. 10. Minnesota Statutes 2024, section 551.06, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings, the attorney for the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor's attorney a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions

contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the judgment debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being held by an employer pursuant to a garnishment summons served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~..... (Judgment Creditor)~~

~~against~~

~~EXECUTION EXEMPTION~~

~~NOTICE AND NOTICE OF~~

~~..... (Judgment Debtor)~~ ~~INTENT TO LEVY ON EARNINGS~~

~~and~~ ~~WITHIN TEN DAYS~~

~~..... (Third Party)~~

~~PLEASE TAKE NOTICE that A levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes the Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

| | |
|---|---|
| **State of Minnesota** | **District Court** |
| County of: ..... | Judicial District: ..... |
| | Court File Number: ..... |
| | Case Type: ..... |
| Creditor's full name: | |
| ..... | **Execution Exemption Notice and Notice of** |
| against | **Intent to Levy on Earnings** |
| Debtor's full name: | |
| ..... | |
| and | |
| Third Party (bank, employer, or other): | |
| ..... | |

**Notice**: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

**Your earnings cannot be taken if:**

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

**These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer.** If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~PENALTIES~~ **Warnings and Fines**

(1) ~~Be advised that even if you claim an exemption, an execution levy may still be served on your employer. If your earnings are levied on after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the judgment creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~ Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED if you claim an exemption, the judgment creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~ BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) ~~If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~ If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

~~DATED: .....~~ ~~.....~~

~~(Attorney for Judgment Creditor)~~

~~.....~~

~~Address~~

~~.....~~

~~Telephone~~

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

~~JUDGMENT DEBTOR'S EXEMPTION CLAIM NOTICE~~

**Debtor's Exemption Claim Notice**

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ... I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

~~.....~~ ~~.....~~ ~~.....~~

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

~~(2)~~ ... I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief has been received~~ you got it from.)

~~.....~~ ~~.....~~ ~~.....~~

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

~~(3)~~ ... I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months.

(~~Specify~~ State the correctional institution and location.)

~~.....~~ ~~.....~~

Correctional Institution..... Location.....

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.~~

~~DATE: .....~~ ~~.....~~

~~Judgment Debtor~~

~~.....~~

~~Address~~

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Sec. 11. Minnesota Statutes 2024, section 551.06, subdivision 9, is amended to read:

Subd. 9. **Notice of levy on earnings, disclosure, and worksheet.** The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~FILE NO. .....~~

~~.....~~ ~~(Judgment Creditor)~~

~~against~~ ~~NOTICE OF LEVY ON EARNINGS AND DISCLOSURE~~

~~.....~~ ~~(Judgment Debtor)~~

~~and~~

~~.....~~ ~~(Third Party)~~

~~PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to $10,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is $.....~~

~~This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 90 days after the service of this levy.~~

~~In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.~~

~~.....~~

~~Attorney for the Judgment Creditor~~

~~.....~~

~~.....~~

~~.....~~

~~Address~~

~~(...) .....~~

~~Phone Number~~

~~DISCLOSURE~~

~~DEFINITIONS~~

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether~~

~~denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

~~"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.~~

**State of Minnesota**

County of: .....

**District Court**

Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name:

.....

**Notice of Levy on Earnings for Non-Child Support Judgements**

against

Debtor's full name:

.....

and

Third Party (Debtor's Employer):

.....

**To the employer:**

An employee of yours owes a judgment (money) to a creditor. The creditor's lawyer is starting a levy on the earnings you owe the employee. A levy means that you might have to hold part of the employee's earnings and send it to the creditor. By law, you have to do this. The limit on the levy is $10,000. A copy of the writ of execution from the court is enclosed. The amount of the judgment is $.....

The levy applies to "nonexempt disposable earnings" that you owe the employee. There are definitions and instructions below on how to calculate the amount, if any, you have to hold. The levy starts with the pay period when you got this levy. It continues for all pay periods in the 90 days after you got this levy.

You must complete the attached disclosure form and worksheet. Then mail it to the lawyer listed below. If any money is owed under the levy, you must also send a check payable to the creditor listed above. Follow the steps and the deadlines explained below.

Creditor's Name: .....

Creditor's Lawyer's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

**State of Minnesota**

County of: .....

**District Court**

Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name:

.....

against

Debtor's full name:

.....

and

Third Party (Debtor's Employer):

.....

**Earnings Disclosure and Worksheet For Non-Child Support Judgements**

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is the "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

**Definitions**

**"Earnings":** what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or

things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

**"Disposable Earnings":** the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

**"Payday":** the date when the employer pays earnings to the debtor for doing their job. If the debtor has no regular payday, then "payday" means the 15th and the last day of each month.

**THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTIONS:**

1. ~~Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?~~ Right now, do you owe money to the debtor for earnings?

Yes ..... No .....

2. ~~Does the judgment debtor earn more than $... per week? (This amount is the greater of $9.50 per hour of the federal minimum wage per week.)~~ Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

3. Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE~~

~~EARNINGS DISCLOSURE~~

**A.** ~~If your answer to either question 1 or 2 is "No," then you must sign the affirmation on page 2 and return this disclosure to the judgment creditor's attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.~~ If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

**B.** ~~If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~ If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

~~For each payday that falls within 90 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.~~

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the judgment creditor's attorney and deliver a copy to the judgment debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.~~

~~For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.~~

| | | |
|---|---|---|
| ~~3.~~ | ~~COLUMN A.~~ | ~~Enter the date of judgment debtor's payday.~~ |
| ~~4.~~ | ~~COLUMN B.~~ | ~~Enter judgment debtor's gross earnings for each payday.~~ |
| ~~5.~~ | ~~COLUMN C.~~ | ~~Enter judgment debtor's disposable earnings for each payday.~~ |
| ~~6.~~ | ~~COLUMN D.~~ | ~~Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~ |
| ~~7.~~ | ~~COLUMN E.~~ | ~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~ |
| ~~8.~~ | ~~COLUMN F.~~ | ~~Subtract the amount in Column E from the amount in Column C, and enter here.~~ |
| ~~9.~~ | ~~COLUMN G.~~ | ~~Enter here the lesser of the amount in Column D and the amount in Column F.~~ |

~~10. COLUMN H. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)~~

~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~

~~Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.~~

~~11. COLUMN I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made. The total of all amounts entered in Column I is the amount to be remitted to the attorney for the judgment creditor.~~

**Earnings Disclosure Affirmation**

I, ..... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure~~,~~ and have done so truthfully and to the best of my knowledge.

~~Dated: .....~~ .....

~~Signature~~

.....

~~Title~~

.....

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

~~.....~~

~~Judgment Debtor's Name~~

Date: .....

Third Party's Name: .....

Third Party's Signature: .....

Phone: ..... Fax: .....

Email: .....

**Instructions for Completing the Earnings Disclosure Worksheet**

For each payday that falls within 90 days from the date the levy was served on you, you **must** calculate the amount of earnings to be withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must:**

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

**Calculating Percentage of Disposable Earnings**

**Note to Creditor:** You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

| if the weekly gross earnings are: | then this percentage of the disposable earnings are withheld: |
|---|---|
| Less than [40 X MW] | 0% |
| [40 X MW + .01] to [60 X MW] | 10% |
| [60 X MW + .01] to [80 X MW] | 15% |
| [80 X MW + .01] or more | 25% |

**Employer:** Use this creditor's calculation chart to know what percentage of earnings should be withheld.

**Earnings Disclosure Worksheet**

.....

Debtor's Name

| A | B | C |
|---|---|---|
| Payday Date | Gross Earnings | Disposable Earnings |

| | | |
|---|---|---|
| 1. ..... | ~~$~~..... | ~~$~~..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |
| 5. ..... | ..... | ..... |
| 6. ..... | ..... | ..... |
| 7. ..... | ..... | ..... |
| ~~8.~~ ..... | ..... | ..... |
| ~~9.~~ ..... | ..... | ..... |
| ~~10.~~ ..... | ..... | ..... |

**Column A.** Enter the debtor's payday.

**Column B.** Enter the debtor's gross earnings for each payday.

**Column C.** Enter the debtor's disposable earnings for each payday.

| D | E | F |
|---|---|---|
| ~~25~~% of withholding of Column C (Use the creditor's calculation chart) | Greater of 40 X ~~$9.50 or 40 X~~ MN or Fed. Min. Wage | Column C minus Column E |
| 1. ..... | ..... | ..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |
| 5. ..... | ..... | ..... |
| 6. ..... | ..... | ..... |
| 7. ..... | ..... | ..... |
| ~~8.~~ ..... | ..... | ..... |
| ~~9.~~ ..... | ..... | ..... |
| ~~10.~~ ..... | ..... | ..... |

**Column D.** Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

**Column E.** Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

**Column F.** Subtract the amount in Column E from the amount in Column C and enter here.

| | G | H | I |
|---|---|---|---|
| | Lesser of Column D and Column F | Setoff, Lien, Adverse Interest, or Other Claims | Column G minus Column H |
| 1. | ..... | ..... | ..... |
| 2. | ..... | ..... | ..... |
| 3. | ..... | ..... | ..... |
| 4. | ..... | ..... | ..... |
| 5. | ..... | ..... | ..... |
| 6. | ..... | ..... | ..... |
| 7. | ..... | ..... | ..... |
| ~~8.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| ~~9.~~ | ..... | ~~.....~~ | ~~.....~~ |
| ~~10.~~ | ~~.....~~ | ~~.....~~ | ..... |

TOTAL OF COLUMN I ~~$~~ .....

**Column G.** Look at column D and column F. Enter the smaller amount of the two here in column G.

**Column H.** Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

**Note:** You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

**Note:** Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment

made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

**Column I.** Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

***If you entered any amount in Column H** for any ~~payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of these persons, and the nature of their claim, if known.~~ payday, describe those claims below. It doesn't matter if they are your claims, or the claims of others. For claims by others, list the names and addresses of each, and describe their claims, if you know.

.....

.....

.....

.....

**Earnings Worksheet Affirmation**

I, ..... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~.....~~

~~Title~~

~~Dated: .....~~ ~~.....~~ ~~(...) .....~~

~~Signature~~ ~~Phone Number~~

Date: .....

Third Party's Name: .....

Third Party's Signature: .....

Phone: ..... Fax: .....

Email: .....

Sec. 12. Minnesota Statutes 2024, section 571.72, subdivision 8, is amended to read:

Subd. 8. **Exemption notice.** In every garnishment where the debtor is a natural person, the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing earnings, the earnings exemption notice provided in section 571.924 must be served ten or more days before the service of the first garnishment summons. If the creditor is garnishing

funds in a financial institution, the exemption notice provided in section 571.912 must be served with the garnishment summons. In all other cases, the exemption notice must be in the following form and served on the debtor with a copy of the garnishment summons.

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~.....(Creditor)~~

~~against~~

~~.....(Debtor)~~ ~~EXEMPTION NOTICE~~

~~and~~

~~.....(Garnishee)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Exemption Notice**

against

Debtor's full name

.....

and

Third Party (bank, employer, or other)

.....

A Garnishment Summons is being served ~~upon~~ on you. This means a creditor with a court judgment against you wants to take some of your money or property to pay the judgment. Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37 of the Minnesota Statutes ~~and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of garnishment~~. If you have questions about an exemption, ~~you should obtain~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850;~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interest;~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP) and Work First Program~~;

(ii) **DWP** - MFIP Diversionary Work Program;

~~(ii) Medical Assistance (MA);~~

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

~~(iii)~~ (iv) **GA** - General Assistance ~~(GA)~~;

~~(iv)~~ (v) **EGA** - Emergency General Assistance ~~(EGA)~~;

~~(v)~~ (vi) **MSA** - Minnesota Supplemental Aid ~~(MSA)~~;

~~(vi) MSA-Emergency~~ (vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA)~~;

~~(vii) Supplemental Security Income (SSI);~~

~~(viii) Energy Assistance; and~~

~~(ix)~~ (viii) **EA** - Emergency Assistance ~~(EA)~~;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits;

~~(8)~~ (10) unemployment benefits, workers' compensation, or ~~veteran's~~ veterans' benefits;

~~(9) an accident, disability, or retirement~~ (11) a retirement, disability, or accident pension or annuity;

~~(10)~~ (12) life insurance proceeds that are not more than $54,000;

~~(11)~~ (13) earnings of your minor child; ~~and~~

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 13. Minnesota Statutes 2024, section 571.72, subdivision 10, is amended to read:

Subd. 10. **Exemption notice for prejudgment garnishment.**

**Exemption Notice**

**Important Notice:** A garnishment summons may be served on your employer, bank, or other third parties. This can happen without any further court proceeding or notice to you. See the attached Notice of Intent to Garnish for more information.

~~**The following money and wages**~~ **Some of your money in your account may be protected (the legal word is exempt) from garnishment~~:~~.**

~~**1. Financial institutions/bank**~~

~~Some of the money in your account may be protected because you receive government benefits from one or more of the following places:~~

**Earnings (Wages)**

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75 percent of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

**All** of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these four boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money.**

**Government Benefits**

Government benefits can include many things. For example:

... **MFIP** - Minnesota Family Investment Program~~,~~

... **DWP** - MFIP Diversionary Work Program~~,~~

~~**Work participation cash benefit,**~~

... **SNAP** - Supplemental Nutrition Assistance Program

... **GA** - General Assistance~~,~~

... **EGA** - Emergency General Assistance

... **MSA** - Minnesota Supplemental Aid

... **MSA-EA** - MSA Emergency Assistance

... **EA** - Emergency Assistance~~,~~

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

... **MA** - Medical Assistance~~,~~

~~**EGA** - emergency general assistance or county crisis funds,~~

~~**MSA** - Minnesota supplemental aid,~~

~~**MSA-EA** - MSA emergency assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

... **MinnesotaCare~~,~~**

... **Medicare Part B** - Premium Payments~~,~~ help

... **Medicare Part D** - Extra ~~help,~~

... **SSI** - Supplemental Security Income

~~**Energy or fuel assistance,**~~

... **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

... **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number: ..... County: .....

Case Number: ..... County: .....

Case Number: ..... County: .....

Government benefits also include:

... **Social Security benefits**~~,~~

... **Unemployment benefits**~~,~~

... **Workers' compensation**~~,~~

~~**Veterans**~~ ... **Veterans' benefits**~~.~~

~~**Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK STATEMENTS that show what was in your account for the past 60 days may give the creditor enough information about your exemption claim to avoid a garnishment.**~~

~~**2. Earnings**~~

~~All or some of your earnings may be completely protected from garnishment if:~~

~~**All of your earnings (wages) may be protected if:**~~

~~You get government benefits (see list of government benefits)~~

~~You currently receive other assistance based on need~~

~~You have received government benefits in the last six months~~

~~You were in jail or prison in the last six months~~

~~Your wages are only protected for 60 days after they are deposited in your account so it would be helpful if you immediately send the undersigned creditor a copy of BANK STATEMENTS~~ that show what was in your account ~~**for the past 60 days**~~.

~~**Some of your earnings (wages) may be protected if:**~~

~~If all of your earnings are not exempt, some of your earnings may still be protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from:.....

.....

Make sure you include copies of any documents that show this.

**Other Protected Funds**

The money from ~~the following~~ these things are also ~~exempt for 20 days~~ completely protected after they are deposited in ~~your~~ my account.

... Child Support

~~**An accident, disability, or retirement**~~ ... A retirement, disability, or accident pension or annuity

~~Payments to **you** from a life insurance policy~~

... Earnings of ~~**your**~~ my child who is under 18 years of age

... Payments to me from a life insurance policy

~~**Child support**~~

... Money paid to ~~**you**~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~**your**~~ my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances~~.~~

... Death benefits paid to ~~**you**.~~ me

**You ~~WILL BE ABLE TO~~ can claim these exemptions when you ~~RECEIVE~~ get a notice.** You will get the notice at least ~~ten~~ 10 days BEFORE a wage garnishment. BUT if the creditor garnishes your bank account, you ~~will not~~ won't get the notice until AFTER the account has been frozen. If you believe the money in your bank account or your wages are exempt, ~~YOU SHOULD IMMEDIATELY~~ contact the person below right away. ~~YOU~~

~~SHOULD~~ Tell them why you think your account or wages are exempt to see if you can avoid garnishment.

~~Creditor .....~~

~~Creditor Address .....~~

~~Creditor telephone number .....~~

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Sec. 14. Minnesota Statutes 2024, section 571.74, is amended to read:

**571.74 GARNISHMENT SUMMONS AND NOTICE TO DEBTOR.**

The garnishment summons and notice to debtor must be substantially in the following form. The notice to debtor must be in no smaller than 14-point type.

~~GARNISHMENT SUMMONS~~

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~..... JUDICIAL DISTRICT~~

~~..... (Creditor)~~

~~..... (Debtor)~~ ~~UNPAID BALANCE .....~~

~~..... (Debtor's Address)~~ ~~Date of Entry~~

~~..... (Garnishee)~~ ~~of Judgment (or) Subject to Minnesota Statutes, section 571.71, clause (2)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Garnishment Summons**

and

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

**Unpaid Balance:** .....

~~GARNISHMENT SUMMONS~~

~~The State of Minnesota~~

To the ~~Garnishee~~ Third Party (garnishee) named above:

~~You are hereby summoned and required to serve upon the creditor's attorney (or the creditor if not represented by an attorney) and on the debtor within 20 days after service of this garnishment summons upon you, a written disclosure, of the nonexempt indebtedness, money, or other property due or belonging to the debtor and owing by you or in your possession or under your control and answers to all written interrogatories that are served with the garnishment summons. However, if the garnishment is on earnings and the debtor has garnishable earnings, you shall serve the completed disclosure form on the creditor's attorney, or the creditor if not represented by an attorney, within ten days of the last payday to occur within the 90 days after the date of the service of this garnishment summons. "Payday" means the day which you pay earnings in the ordinary course of business. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.~~

~~Your disclosure need not exceed 110 percent of the amount of the creditor's claim that remains unpaid.~~

~~You shall retain garnishable earnings, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim until such time as the creditor causes a writ of execution to be served upon you, until the debtor authorizes you in writing to release the property to the creditor, or until the expiration of ..... days from the date of service of this garnishment summons upon you, at which time you shall return the disposable earnings, other indebtedness, money, or other property to the debtor.~~

A court has ordered that you must serve a written statement to the creditor (or to the creditor's lawyer). You must do this within 20 days after you get this notice. Your written statement should include any money, or other property of the debtor that you have or owe to them. It should also include answers to any questions that are in this summons.

But, if the garnishment is on earnings and the debtor has earnings that can be garnished, fill out the completed disclosure form. Then serve it on the creditor (or the creditor's lawyer). It must be served within 10 days of the last payday within the 90 days after the date you got this summons. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.

You don't have to disclose more than 110% of the unpaid amount that is owed to the creditor. Keep earnings that can be garnished, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim. Keep this until:

(i) the creditor has a writ of execution served on you;

(ii) the debtor gives you permission in writing to release the property to the creditor; or

(iii) it's been ... days from the day you got this garnishment summons.

Then you give the debtor back the disposable earnings, other indebtedness, money, or other property.

**Earnings**

~~In the event~~ If you are summoned as a garnishee because you owe "earnings" ~~(as defined on the Earnings Garnishment Disclosure form attached to this Garnishment Summons, if applicable)~~ to the debtor, then you ~~are required to~~ must serve ~~upon the creditor's attorney, or the creditor if not represented by an attorney, a written~~ an Earnings Disclosure Form ~~within~~ on the creditor (or the creditor's lawyer). The Earnings Disclosure Form must be in writing and must be served in the time limit set ~~forth~~ above. "Earnings" are defined on the Earnings Garnishment Disclosure Form attached to this Garnishment Summons.

In the case of earnings, you ~~are further required to retain in your possession~~ must keep all unpaid, nonexempt disposable earnings ~~owed or to be owed by you and earned or to be earned~~ that you owe or will owe to the debtor ~~within~~ during the pay period ~~in which~~ when this garnishment ~~summons~~ notice is ~~served and within all subsequent pay periods whose paydays (defined above) occur within the 90 days after the date of service of this garnishment summons~~ delivered and for all pay periods within 90 days after this notice is served.

~~Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.~~

Any transfer of earnings made by the debtor to someone else within 10 days before the first garnishment notice is invalid. Any debt the debtor owes you from within those 10 days can't be used to lower the amount that can be garnished.

~~You are prohibited~~ By law ~~from discharging or disciplining~~ you can't fire or discipline the debtor because ~~the debtor's~~ their earnings have been subject to garnishment.

This Garnishment Summons includes:

(check ~~applicable box~~ the boxes that apply)

... Earnings garnishment (see attached Earnings Disclosure Form)

... Nonearnings garnishment (see attached Nonearnings Disclosure Form)

... Both Earnings and Nonearnings garnishment (see both attached Earnings and Nonearnings Disclosure Form)

**Notice to Debtor**

You are being served copies of a Garnishment Summons, Earnings Garnishment Disclosure Form, Nonwage Garnishment Disclosure Form, Garnishment Exemption Notices and/or written Interrogatories (strike out if not applicable)~~,~~. Copies of ~~which are hereby served on you, were served upon the Garnishee by delivering copies~~ these same documents were also delivered to the Garnishee. The Garnishee was paid $15.

~~Dated: .....~~ .....

~~Attorney for Creditor (or creditor)~~

.....

.....

.....

~~Address~~

.....

~~Telephone~~

.....

~~Attorney I.D. No~~

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Sec. 15. Minnesota Statutes 2024, section 571.75, subdivision 2, is amended to read:

Subd. 2. **Contents of disclosure.** The disclosure must state:

(a) If an earnings garnishment disclosure, the amount of disposable earnings earned by the debtor within the debtor's pay periods as specified in section 571.921.

(b) If a nonearnings garnishment disclosure, a description of any personal property or any instrument or papers relating to this property belonging to the judgment debtor or in which the debtor is interested or other indebtedness of the garnishee to the debtor.

(c) If the garnishee asserts any setoff, defense, claim, or lien on disposable earnings, other indebtedness, money, or property, the garnishee shall disclose the amount and the facts concerning the same.

(d) Whether the debtor asserts any exemption, or any other objection, known to the garnishee against the right of the creditor to garnish the disposable earnings, other indebtedness, money, or property disclosed.

(e) If other persons assert claims to any disposable earnings, other indebtedness, money, or property disclosed, the garnishee shall disclose the names and addresses of these claimants and, so far as known by the garnishee, the nature of their claims.

(f) The garnishment disclosure forms and earnings disclosure worksheet must be the same or substantially similar to the following forms. If the garnishment affects earnings of the debtor, the creditor shall use the earnings garnishment disclosure form. If the garnishment affects any indebtedness, money, or property of the debtor, other than earnings, the creditor shall use the nonearnings garnishment disclosure form. Nothing contained in this paragraph limits the simultaneous use of the earnings and nonearnings garnishment disclosure forms.

EARNINGS DISCLOSURE FORM AND WORKSHEET

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~..... JUDICIAL DISTRICT~~

~~..... (Creditor)~~

~~..... (Debtor)~~ ~~GARNISHMENT~~

~~..... (Garnishee)~~ ~~EARNINGS DISCLOSURE~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Garnishment Earnings Disclosure**

and **For Non-Child Support Judgments**

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

This form is called a "Garnishment Earnings Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information. The debtor is also called a "judgment debtor."

The "creditor" is the party owed the money. The creditor is also called a "judgment creditor."

The "employer" is the "third party" or "garnishee." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

**Definitions**

"**Earnings**": ~~For the purpose of garnishment, "earnings" means compensation~~ what is paid or payable to an employee, independent contractor or self-employed person for personal services ~~or~~ (a job). Also called compensation. Compensation can be wages, salary, commission, bonus, payments, profit-sharing distributions, severance payment, fees or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to ~~the~~ a producer for the sale of agricultural products~~;~~. This can be things like milk or milk products~~;~~, or fruit or other horticultural products. Or things produced ~~when the producer is operating~~ in the operation of a family farm, a family farm corporation, or an authorized farm corporation~~, as~~. This is defined in section 500.24, subdivision 2~~, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement~~.

"**Disposable Earnings**": ~~Means that~~ the part of ~~the~~ a person's earnings ~~of an individual remaining after the deduction from those earnings of~~ that are left after subtracting the amounts required by law to be withheld. ~~(Amounts~~ **Note:** Amounts required by law to be withheld do not include ~~items such as~~ things like health insurance, charitable contributions, or other voluntary wage deductions.~~)~~

"**Payday**": ~~For the purpose of garnishment, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the debtor has no regular payday, ~~payday(s)~~ then "payday" means the ~~fifteenth~~ 15th and the last day of each month.

**The Employer/Garnishee Must Answer The Following Questions:**

1. ~~Do you~~ Right now ~~owe, or within 90 days from the date the garnishment summons was served on you, will you or~~, do you ~~expect to~~ owe money to the debtor for earnings?

~~Yes .....~~ ~~No .....~~

Yes ..... No .....

2. Within 90 days from the date you were served with the garnishment, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

~~2~~ 3. Does the debtor earn more than ~~$..... per week? (This amount is the greater of $9.50 per hour or~~ the current Minnesota or federal minimum wage per week~~.)~~? (use the number that is more)

~~Yes .....~~ ~~No .....~~

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE~~

~~EARNINGS DISCLOSURE~~

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation on Page 2 and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the creditor's attorney (or the creditor if not represented by an attorney). You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

**Earnings Disclosure Affirmation**

I, ..... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: .....

Signature of Third Party/Employer:

.....

Title: .....

Phone: .....

**Instructions for Completing the Earnings Disclosure Worksheet**

For each payday that falls within 90 days from the date the garnishment ~~summons~~ was served on you, you **must** calculate the amount of earnings to be ~~retained by completing Steps 3 through 11, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

~~Each payday, you must retain the amount of earnings listed in Column I on the Earnings Disclosure Worksheet.~~

~~You must return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.~~

~~For Steps 3 through 11, "Columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~3. COLUMN A. Enter the date of debtor's payday.~~

~~4. COLUMN B. Enter debtor's gross earnings for each payday.~~

~~5. COLUMN C. Enter debtor's disposable earnings for each payday.~~

~~6. COLUMN D. Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~

~~7. COLUMN E. Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a~~

~~fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~

~~8. COLUMN F. Subtract the amount in Column E from the amount in Column C, and enter here.~~

~~9. COLUMN G. Enter here the lesser of the amount in Column D and the amount in Column F.~~

~~10. COLUMN H. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment. Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void.)~~

~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~

~~Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the debtor.~~

~~11. COLUMN I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made.~~

~~AFFIRMATION~~

~~I, ..... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.~~

~~Dated: .....~~ ~~.....~~

~~Signature~~

~~.....~~

~~Title~~

~~.....~~

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

~~.....~~

~~Debtor's Name~~

You **must**:

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney). Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

**Calculating Percentage of Disposable Earnings**

**Note to Creditor:** You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

| if the weekly gross earnings are: | then this percentage of the disposable earnings are withheld: |
|---|---|
| Less than [40 X MW] | 0% |
| [40 X MW + .01] to [60 X MW] | 10% |
| [60 X MW + .01] to [80 X MW] | 15% |
| [80 X MW + .01] or more | 25% |

**Employer:** Use this creditor's calculation chart to know what percentage of earnings should be withheld.

**Earnings Disclosure Worksheet**

.....

Debtor's Name

| A | B | C |
|---|---|---|
| Payday Date | Gross Earnings | Disposable Earnings |
| 1. ..... | $..... | $..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |

| | | | |
|---|---|---|---|
| 5. | ..... | ..... | ..... |
| 6. | ..... | ..... | ..... |
| 7. | ..... | ..... | ..... |
| ~~8.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| ~~9.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| ~~10.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |

**Column A.** Enter the debtor's payday.

**Column B.** Enter the debtor's gross earnings for each payday.

**Column C.** Enter the debtor's disposable earnings for each payday.

| | D | E | F |
|---|---|---|---|
| | ~~25~~% of withholding of Column C (Use the creditor's calculation chart) | Greater of 40 X ~~$9.50 or 40 X~~ MN or Fed. Min. Wage | Column C minus Column E |
| 1. | ..... | ..... | ..... |
| 2. | ..... | ..... | ..... |
| 3. | ..... | ..... | ..... |
| 4. | ..... | ..... | ..... |
| 5. | ..... | ..... | ..... |
| 6. | ..... | ..... | ..... |
| 7. | ..... | ..... | ..... |
| ~~8.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| ~~9.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |
| ~~10.~~ | ~~.....~~ | ~~.....~~ | ~~.....~~ |

**Column D.** Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

**Column E.** Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

**Column F.** Subtract the amount in column E from the amount in column C and enter here.

| G | H | I |
|---|---|---|
| Lesser of Column D and Column F | Setoff, Lien, Adverse Interest, or Other Claims | Column G minus Column H |
| 1. ..... | ..... | ..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |
| 5. ..... | ..... | ..... |
| 6. ..... | ..... | ..... |
| 7. ..... | ..... | ..... |
| ~~8.~~ ..... | ..... | ..... |
| ~~9.~~ ..... | ..... | ..... |
| ~~10.~~ ..... | ..... | ..... |

Total of Column I= $ .....

**Column G.** Look at column D and column F. Enter the smaller amount of the two here in column G.

**Column H.** Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

**Note:** You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

**Note:** Any debt that happened within 10 days before you got the first garnishment on a debt may not be set off against the earnings that are affected by this garnishment. Any wage assignment made by the debtor within 10 days before you got the first garnishment on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

**Column I.** Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

***If you entered any amount in Column H** for any ~~payday(s), you must~~ payday, describe those claims below ~~either~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others ~~you must both state~~, list the names and addresses of ~~these persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

.....

.....

.....

~~AFFIRMATION~~

**Earnings Worksheet Affirmation**

I, ..... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~Dated: .....~~

~~Signature .....~~

~~Title .....~~

~~Telephone Number (....) .....~~

Date: .....

Third Party's Name: .....

Third Party's Signature: .....

Phone: ..... Fax: .....

Email: .....

EARNINGS DISCLOSURE FORM AND WORKSHEET

FOR CHILD SUPPORT DEBTOR

STATE OF MINNESOTA DISTRICT COURT

COUNTY OF ..... ..... JUDICIAL DISTRICT

..... (Creditor)

..... (Debtor) GARNISHMENT

..... (Garnishee) EARNINGS DISCLOSURE

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment benefits.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

INSTRUCTIONS FOR COMPLETING THE

EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 90 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period. If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of debtor's payday.

(3) COLUMN B. Enter debtor's gross earnings for each payday.

(4) COLUMN C. Enter debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment

on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(7) COLUMN F. Subtract the amount in column E from the amount in column D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, ..... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: ..... .....

Signature

.....

Title

.....

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

.....

Debtor's Name

| A | B | C |
|---|---|---|
| Payday Date | Gross Earnings | Disposable Earnings |
| 1. ..... | $..... | $..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |
| 5. ..... | ..... | ..... |
| 6. ..... | ..... | ..... |
| 7. ..... | ..... | ..... |
| 8. ..... | ..... | ..... |

| | | |
|---|---|---|
| 9. ..... | ..... | ..... |
| 10. ..... | ..... | ..... |

| D | E | F |
|---|---|---|
| Either 50, 55, 60, or 65% of Column C | Setoff, Lien, Adverse Interest, or Other Claims | Column D minus Column E |
| 1. ..... | ..... | ..... |
| 2. ..... | ..... | ..... |
| 3. ..... | ..... | ..... |
| 4. ..... | ..... | ..... |
| 5. ..... | ..... | ..... |
| 6. ..... | ..... | ..... |
| 7. ..... | ..... | ..... |
| 8. ..... | ..... | ..... |
| 9. ..... | ..... | ..... |
| 10. ..... | ..... | ..... |
| | TOTAL OF COLUMN F $..... | |

*If you entered any amount in column E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....

.....

.....

AFFIRMATION

I, ..... (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....

Signature

Dated: ..... ..... (....) .....

Title Phone Number

NONEARNINGS DISCLOSURE FORM

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~..... JUDICIAL DISTRICT~~

~~..... (Creditor)~~

~~against~~

~~..... (Debtor)~~ ~~NONEARNINGS DISCLOSURE~~

~~and~~

~~..... (Garnishee)~~

~~On the ..... day of ....., ....., the time of service of garnishment summons herein, there was due and owing the debtor from the garnishee the following:~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

against

Debtor's full name

.....

and

Third Party (bank, employer, or other)

.....

**Non-Earnings Disclosure**

**For Non-Child Support Judgments**

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee." The "debtor" is the person who owes money. The debtor is also called the "judgment debtor." The "creditor" is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $..... to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

Fill in the date you got this disclosure:

..... (month) ..... (day), ..... (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the debtor, except earnings, from the garnishee~~ Write down the amount of money you owe the debtor (except earnings).

.....

(2) Property. ~~Describe on the line below~~ Write a short description of any personal property, instruments, or papers belonging to the debtor ~~and in the possession of the garnishee~~ that you have in your possession. List the monetary value of each thing.

.....

(3) Setoff. ~~Enter on the line below the amount of any~~ If you claim a setoff, defense, lien, or claim ~~which the garnishee claims~~ against the amount ~~set forth~~ on lines (1) and (2) above enter that amount on the line below. State the facts ~~by which the setoff, defense, lien, or~~ about your claim ~~is claimed~~. ~~(Any indebtedness to a garnishee incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)~~ **Note**: Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

.....

(4) Exemption. Enter ~~on the line below~~ any amounts or property ~~claimed by the debtor to be exempt from execution~~ that the debtor claims is exempt on the line below.

.....

(5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the debtor's property~~ of the debtor's property that other people claim they own or have interest in.

.....

(6) Enter ~~on~~ the ~~line below the~~ total of lines (3), (4), and (5) on the line below.

.....

(7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2) on the line below.

.....

(8) ~~Enter on the line below~~ Figure out 110 percent of the amount of the creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

.....

(9) ~~Enter on the line below the lesser of line~~ Look at (7) and ~~line~~ (8). ~~Retain~~ Put the smaller number on the line below. Hold this amount only if it is $10 or more.

.....

**AFFIRMATION**

I, ..... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this nonearnings garnishment disclosure~~, and~~. I have done so truthfully and to the best of my knowledge.

~~Dated: .....~~ .....

~~Signature~~

.....

~~Title~~

.....

~~Telephone Number~~

Date: .....

Name: .....

Signature: .....

Title: .....

Phone: ..... Email: .....

Sec. 16. Minnesota Statutes 2024, section 571.912, is amended to read:

**571.912 FORM OF NOTICE, INSTRUCTIONS, AND EXEMPTION NOTICE.**

Subdivision 1. **Form of notice.** The notice, instructions, and exemption notice informing a debtor that a garnishment summons has been used to attach funds of the debtor to satisfy a claim must be a separate notice and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ .....~~JUDICIAL DISTRICT~~

.....~~(Creditor)~~

.....~~(Debtor)~~

.....~~(Financial institution)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

**Important Notice**

~~**YOUR FUNDS HAVE BEEN GARNISHED**~~

**Money in Your Account Has Been Frozen**

The Creditor has frozen money in your account at your ~~financial institution~~ bank.

**Your account balance is $.....**

**The amount being held is $.....**

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

**Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.**

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources, place~~ a benefit on the list, put a check on the line ~~on the form next to the sources of your money. If it is from one of these sources,~~ next to it. The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions ~~or your Creditor gets an order from the court or writ of execution,~~ your ~~financial institution will give~~ bank gives the money to your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~,~~. But ~~that is not as easy to do as~~ filling ~~in~~ out the form now is easiest.

See next pages for instructions and the exemption form.

Subd. 2. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

**Instructions**

**Note:** The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

**To avoid a hearing:**

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

**Notice:** You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the ~~creditor's attorney (or to the creditor, if no attorney) bank statements~~ creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may ~~release~~ give your money to the creditor. They would do this once the creditor gives ~~the financial institution~~ them a court order ~~directing it~~ saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

**Both Copies Must Be Mailed or Delivered the Same Day.**

One copy of the form and the copies of your bank statements go to:

~~.....~~

~~(Insert name of creditor or creditor's attorney)~~

~~.....~~

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

One copy goes to:

~~.....~~

~~(Insert name of bank)~~

~~.....~~

~~(Insert address of bank)~~

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

**How The Process Works**

**If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:**

14 days after the date of this letter some or all of your money may be turned over to the creditor. This happens once they get an order from the court telling the ~~financial institution~~ bank to do this.

**If You Do Send in the Exemption Form and Bank Statements:**

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

**If the Creditor Does Not Object to Your Claimed Exemptions:**

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

**If the Creditor Objects to Your Claimed Exemptions:**

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

**Warnings and Fines**

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Subd. 3. **Exemption notice.** The exemption notice must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~.....(Creditor)~~

~~.....(Debtor)~~

~~.....(Financial institution)~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Exemption Form**

vs.

Debtor's full name

.....

Bank's name

.....

~~**EXEMPTION FORM**~~

A. **How Much Money is Protected (exempt)**

~~.....~~ ... I claim ALL of the money being frozen by the bank is protected.

~~.....~~ ... I claim SOME of the money is protected. The amount I claim is protected is $.....

B. **Why The Money is Protected**

My money is protected because I get it from one or more of the following places: **(Check all that apply)**

**Earnings (Wages)**

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

**All** of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money.**

~~.....~~ **Government Benefits**

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

... **MFIP** - Minnesota Family Investment Program~~,~~

... **DWP** - MFIP Diversionary Work Program~~,~~

... **SNAP** - Supplemental Nutrition Assistance Program

~~**Work participation cash benefit,**~~

... **GA** - General Assistance~~,~~

~~**EA - emergency assistance,**~~

~~**MA - medical assistance,**~~

... **EGA** - Emergency General Assistance~~,~~

... **MSA** - Minnesota Supplemental Aid~~,~~

... **MSA-EA** - MSA Emergency Assistance~~,~~

... **EA** - Emergency Assistance

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

... **MA** - Medical Assistance

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

... **MinnesotaCare~~,~~**

... **Medicare Part B** - Premium Payments~~,~~ help

... **Medicare Part D** - Extra ~~help,~~

~~**Energy or fuel assistance.**~~

... **SSI** - Supplemental Security Income

... **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

... **Renter's Refund** (also called Renter's Property Tax Credit)

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~.....~~

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number: .....~~

~~County: .....~~

~~**Government benefits also include:**~~

~~.....~~ ~~**Social Security benefits**~~

~~.....~~ ~~**Unemployment benefits**~~

~~.....~~ ~~**Workers' compensation**~~

~~.....~~ ~~**Veterans benefits**~~

~~**If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.**~~

~~.....~~ ~~**Other assistance based on need**~~

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:.....~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~.....~~ ~~**All of your earnings (wages) are protected if:**~~

~~.....~~ ~~You get government benefits (see list of government benefits)~~

~~.....~~ ~~You currently receive other assistance based on need~~

~~.....~~ ~~You have received government benefits in the last six months~~

~~.....~~ ~~You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money**.~~

~~.....~~ ~~**Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

~~**OTHER EXEMPT FUNDS**~~

~~The money from the following are also completely protected after they are deposited in your account.~~

~~.....~~ ~~**An accident, disability, or retirement pension or annuity**~~

~~.....~~ ~~**Payments to you from a life insurance policy**~~

~~.....~~ ~~**Earnings of your child who is under 18 years of age**~~

~~.....~~ ~~**Child support**~~

~~.....~~ ~~**Money paid to you from a claim for damage or destruction of property** Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.~~

~~.....~~ ~~**Death benefits paid to you**~~

List the case number and county for every box you checked:

Case Number: ..... County: .....

Case Number: ..... County: .....

Case Number: ..... County: .....

Government benefits also include:

... Social Security benefits

... Unemployment benefits

... Workers' compensation

... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from: .....

.....

Make sure you include copies of any documents that show this.

**C. Other Protected Funds**

The money from these things are also completely protected after they are deposited in my account.

... Child Support

... A retirement, disability, or accident pension or annuity

... Earnings of my child who is under 18 years of age

... Payments to me from a life insurance policy

... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances

... Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named~~ creditor~~,~~ named above or ~~its attorney~~ to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not, or whether I have gotten them~~ assistance, or if I have gotten assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

**You must sign this form and send ~~THIS FORM~~ it back to the creditor's ~~ATTORNEY~~ lawyer (or to the creditor, if there is no ~~ATTORNEY~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.**

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor (or to the creditor's lawyer) at the address listed below.

~~.....~~

~~(Insert name of creditor or creditor's attorney)~~

~~.....~~

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: ..... .....~~

~~DEBTOR~~

~~.....~~

~~DEBTOR ADDRESS~~

~~.....~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Sec. 17. Minnesota Statutes 2024, section 571.914, subdivision 2, is amended to read:

Subd. 2. **Form of Notice of Objection and Notice of Hearing.** The Written Objection and Notice of Hearing must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~.....(Creditor)~~

~~.....(Debtor)~~ ~~CREDITOR'S NOTICE OF OBJECTION~~

~~AND NOTICE OF HEARING ON~~

~~.....(Garnishee)~~ ~~EXEMPTION CLAIM~~

~~.....~~

~~.....~~

~~.....~~

~~(CREDITOR OR CREDITOR'S ATTORNEY)~~

~~**NOTICE OF HEARING**~~

~~The creditor objects to your exemption claim. This hearing is to resolve your exemption claim.~~

~~Hearing Date:~~ .....

~~Time:~~ .....

~~Hearing Place:~~ .....

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

and

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

**Creditor's Notice of Objection and Notice of Hearing on Exemption Claim**

## Hearing Notice

The creditor objects to your exemption claim. This hearing is to decide if your exemption claim is valid.

The hearing will be at:

Place: ..... Date: ..... Time: .....

The creditor objects to your claim of exemption from garnishment for the following reason(s):

.....

.....

.....

**~~(Note: Bring with you to the hearing all documents and materials supporting your exemption claim.~~** ~~Failure to do so could delay the court's decision.)~~

~~If the creditor receives all documents and materials supporting your exemption claim before the hearing date, the creditor may agree with your claim and you can avoid a hearing.~~

~~Because a court hearing will be held on your claim that your funds are protected, your financial institution will retain the funds until it receives an order from the court.~~

**Note: Bring all your documents and materials that support your exemption claim to the hearing.** If you don't, the court's decision could be held up.

You can send your documents and materials to the creditor before the hearing. If they review them and agree with your claim, you can avoid a hearing.

Because there is a court hearing scheduled about your exemption claim, your bank will keep your funds until it gets an order from the court.

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Sec. 18. Minnesota Statutes 2024, section 571.925, is amended to read:

**571.925 FORM OF NOTICE.**

The ten-day notice informing a debtor that a garnishment summons may be used to garnish the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~

~~.....(Creditor)~~

~~against~~

~~GARNISHMENT EXEMPTION~~

~~.....(Debtor)~~ ~~NOTICE AND NOTICE OF~~

~~and~~ ~~INTENT TO GARNISH EARNINGS~~

~~.....(Garnishee)~~

~~PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Some or all of your earnings are exempt from garnishment. If your earnings are garnished, your employer must show you how the amount that is garnished from your earnings was calculated. You have the right to request a hearing if you claim the garnishment is incorrect.~~

~~Your earnings are completely exempt from garnishment if you are now a recipient of assistance based on need, if you have been a recipient of assistance based on need within~~

~~the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Assistance based on need includes, but is not limited to:~~

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

and

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

**Garnishment Exemption Notice and Notice of Intent to Garnish Earnings**

**Notice**: A garnishment may be served on your employer or other third parties. **Garnishment means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

**Your earnings cannot be taken if:**

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

**These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer.** If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program~~,~~

(ii) **DWP** - MFIP Diversionary Work Program~~,~~

(iii) **SNAP** - Supplemental Nutrition Assistance Program

~~**Work participation cash benefit,**~~

(iv) **GA** - General Assistance~~,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

(v) **EGA** - Emergency General Assistance~~,~~

(vi) **MSA** - Minnesota Supplemental Aid~~,~~

(vii) **MSA-EA** - MSA Emergency Assistance~~,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare~~,~~**

(xiii) **Medicare Part B** - Premium Payments~~,~~ help

(xiv) **Medicare Part D** - Extra ~~help,~~

~~**Energy or fuel assistance.**~~

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the creditor's attorney and the garnishee.~~

~~You may wish to contact the attorney for the creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

~~PENALTIES~~

~~(1) Be advised that even if you claim an exemption, a garnishment summons may still be served on your employer. If your earnings are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~

~~(2) HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~Dated: .....~~ ~~.....~~

~~(Attorney for) Creditor~~

~~.....~~

~~Address~~

~~.....~~

~~Telephone~~

**Warnings and Fines**

(1) Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

DEBTOR'S EXEMPTION CLAIM NOTICE

**State of Minnesota** **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

.....

and

**Debtor's Exemption Claim Notice**

Debtor's full name

.....

and

Third Party (bank, employer, or other)

.....

I ~~hereby~~ claim that my earnings are exempt from this garnishment because: (check all that apply)

~~(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)~~

~~..... ..... .....~~

~~Program Case Number (if known) County~~

~~(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)~~

~~..... ..... .....~~

~~Program Case Number (if known) County~~

~~(3) I have been an inmate of a correctional institution within the last six months. (Specify the correctional institution and location.)~~

~~..... .....~~

~~Correctional Institution Location~~

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named creditor or the creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.~~

~~..... .....~~

~~Date Debtor~~

~~.....~~

~~Address~~

~~.....~~

~~Debtor Telephone Number~~

~~STATE OF MINNESOTA DISTRICT COURT~~

~~COUNTY OF ..... .....JUDICIAL DISTRICT~~

~~.....(Creditor)~~

~~.....(Debtor)~~

~~.....(Financial institution)~~

... I am getting government assistance based on need. (State the program, case number if you know it, and the county you got it from.)

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

... I am not getting assistance based on need right now, but I did get government assistance based on need within the last 6 months. (State the program, case number if you know it, and the county you got it from.)

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

... I was an inmate of a correctional institution within the last 6 months. (State the correctional institution and location.)

Correctional Institution ..... Location .....

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

**Sign and send this form back to the creditor or the creditor's lawyer.**

**Fill in the blanks below.**

I mailed or delivered a copy of this form to the creditor or to the creditor's lawyer if they have one, at the address listed below.

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Sec. 19. Minnesota Statutes 2024, section 571.931, subdivision 6, is amended to read:

Subd. 6. **Notice.** The debtor shall be served with a copy of the prejudgment garnishment order issued pursuant to this section together with a copy of all pleadings and other documents not previously served, including any affidavits upon which the claimant intends to rely at the subsequent hearing and a transcript of any oral testimony given at the prejudgment garnishment hearing upon which the creditor intends to rely and a notice of hearing. Service must be in the manner prescribed for personal service of a summons unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor.

The notice of hearing served upon the debtor must be signed by the creditor or the attorney for the creditor and must be accompanied by an exemption notice. The notice of hearing must be accompanied by an exemption notice, and both notices must provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~

**Hearing Notice**

TO: .....

~~(the debtor)~~ (debtor's full name)

The (insert the name of court) Court has ordered the prejudgment garnishment of some of your property ~~in the possession or control of a third party~~. This is about property that a third party has or controls. Some of your property may be exempt ~~from seizure~~ and can't be taken. See the exemption notice below.

The Court issued this Order ~~based upon the claim of~~ because (insert name of creditor) ~~that (insert name of creditor) is~~ claims they are entitled to ~~a court order for garnishment~~ take some of your property ~~to secure your payment of any money judgment that (insert~~

~~name of creditor) may later be obtained against you and that immediate action was necessary~~. They do this to make sure you pay any money they might win in a future case against you. They felt immediate action was needed.

You have the legal right to challenge (insert name of creditor) claims at a court hearing before a judge.

The hearing will be at:

Place: ..... Date: ..... Time: .....

~~The hearing will be held at the (insert place) on (insert date) at (insert time).~~ You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide~~ You get to tell the court your side of the issue. Then the court decides what should be done with your property until the lawsuit against you is finally decided.

**If you ~~do not attend~~ don't go to this hearing, the court may order garnishment of your property.**

**Exemption Notice**

Some of your property may be exempt and ~~cannot be garnished~~ can't be taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $4,500 at the time of attachment.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,000 after deducting any security interest.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by someone principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to $10,000.~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 20. Minnesota Statutes 2024, section 571.932, subdivision 2, is amended to read:

Subd. 2. **Service.** The creditor's motion to obtain an order of garnishment together with the creditor's affidavit and notice of hearing must be served in the manner prescribed for service of a summons in a civil action in district court unless that service is impracticable

or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor. If the debtor has already appeared in the action, the motion must be served in the manner prescribed for service of pleadings subsequent to the summons. The date of the hearing must be fixed in accordance with rule 6 of the Minnesota Rules of Civil Procedure for the District Courts, unless a different date is fixed by order of the court.

The notice of hearing served upon the debtor shall be signed by the creditor or the attorney for the creditor and shall provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~

**Hearing Notice**

TO: .....

~~(the debtor)~~ (debtor's full name)

~~A hearing will be held (insert place) on (insert date) at (insert time) to determine whether nonexempt property belonging to you will be garnished to secure a judgment that may be entered against you.~~

There will be a hearing to decide if your nonexempt property will be garnished to help pay a judgment that may be entered against you.

The hearing will be at:

Place: ..... Date: ..... Time: .....

You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide whether~~ You get to tell the court your side of the issue. Then the court decides if your property should be garnished until the lawsuit ~~which has been commenced~~ against you is finally decided.

If the court ~~directs the issuance of~~ issues a garnishment summons ~~while~~ during the lawsuit ~~is pending~~, you ~~may still~~ can keep the property until the lawsuit is decided if you file a bond ~~in an amount~~. The amount of the bond is set by the court.

**If you ~~DO NOT ATTEND THIS~~ don't go to this hearing, the court may order garnishment of your nonexempt property ~~TO BE GARNISHED~~.**

**Exemption Notice**

Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not

a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. ~~The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of the garnishment.~~ If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~A homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interests.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000~~.~~;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 21. **IMPLEMENTATION AND COMPLIANCE.**

The forms in Minnesota Statutes, chapters 550, 551, and 571, as amended by this act must be active on the Minnesota courts website and in use by Minnesota courts on June 1, 2025. Notwithstanding Laws 2024, chapter 114, article 3, section 101, the effective date, garnishments governed by Minnesota Statutes, section 571.922, as amended by Laws 2024, chapter 114, article 3, section 101, are effective June 1, 2025. The failure to use revised forms before June 1, 2025, is not a basis for a complaint or violation of a federal statute, Minnesota Statutes, or the Minnesota Rules of Professional Conduct.

Sec. 22. **EFFECTIVE DATE.**

This act is effective retroactively from January 1, 2025.

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Marty | Putnam |
| Anderson | Duckworth | Johnson | Mathews | Rarick |
| Bahr | Farnsworth | Johnson Stewart | Maye Quade | Rasmusson |
| Boldon | Fateh | Klein | McEwen | Rest |
| Carlson | Frentz | Koran | Miller | Seeberger |
| Champion | Green | Kreun | Mitchell | Utke |
| Clark | Gruenhagen | Kunesh | Mohamed | Weber |
| Coleman | Gustafson | Kupec | Murphy | Wesenberg |
| Cwodzinski | Hauschild | Latz | Nelson | Westlin |
| Dahms | Hawj | Lieske | Oumou Verbeten | Wiklund |
| Dibble | Hoffman | Limmer | Pappas | Xiong |
| Dornink | Housley | Lucero | Port | |
| Draheim | Howe | Mann | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2847:** A bill for an act relating to commerce; modifying various statutory forms pertaining to garnishment; amending Minnesota Statutes 2024, sections 550.136, subdivisions 6, 9; 550.143, subdivisions 2, 3a, 3b, 3c; 551.05, subdivisions 1b, 1c, 1d; 551.06, subdivisions 6, 9; 571.72, subdivisions 8, 10; 571.74; 571.75, subdivision 2; 571.912; 571.914, subdivision 2; 571.925; 571.931, subdivision 6; 571.932, subdivision 2.

Senator Boldon moved to amend S.F. No. 2847 as follows (A-2):

Page 101, delete sections 21 and 22 and insert:

"Sec. 21. Laws 2024, chapter 114, article 3, section 101, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~April~~ June 1, 2025, and applies to causes of action commenced on or after that date.

**EFFECTIVE DATE.** This section is effective retroactively from March 1, 2025.

Sec. 22. **CONSTRUCTION AND APPLICATION.**

The forms in sections 1 to 20 must be made available on the state court website on or before June 1, 2025. The failure to use the forms as amended by sections 1 to 20 before June 1, 2025, is not a basis for a complaint or violation of a federal statute, Minnesota Statutes, or the Minnesota Rules of Professional Conduct.

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

Sec. 23. **EFFECTIVE DATE.**

Sections 1 to 20 are effective June 1, 2025."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2847 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Johnson | Mathews | Rasmusson |
| Bahr | Farnsworth | Johnson Stewart | Maye Quade | Rest |
| Boldon | Fateh | Klein | McEwen | Seeberger |
| Carlson | Frentz | Koran | Miller | Utke |
| Champion | Green | Kreun | Mitchell | Weber |
| Clark | Gruenhagen | Kunesh | Mohamed | Wesenberg |
| Coleman | Gustafson | Kupec | Murphy | Westlin |
| Cwodzinski | Hauschild | Latz | Nelson | Wiklund |
| Dahms | Hawj | Lieske | Oumou Verbeten | Xiong |
| Dibble | Hoffman | Limmer | Port | |
| Dornink | Housley | Lucero | Pratt | |
| Draheim | Howe | Mann | Putnam | |
| Drazkowski | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 2184:** A bill for an act relating to court fees; exempting the Office of Ombudsperson for American Indian Families from court fee requirements; amending Minnesota Statutes 2024, section 357.021, subdivision 1a.

H.F. No. 2184 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dahms | Green | Johnson Stewart | Lucero |
| Anderson | Dibble | Gruenhagen | Klein | Mann |
| Bahr | Dornink | Gustafson | Koran | Marty |
| Boldon | Draheim | Hauschild | Kreun | Mathews |
| Carlson | Drazkowski | Hawj | Kunesh | Maye Quade |
| Champion | Duckworth | Hoffman | Kupec | McEwen |
| Clark | Farnsworth | Howe | Latz | Miller |
| Coleman | Fateh | Jasinski | Lieske | Mitchell |
| Cwodzinski | Frentz | Johnson | Limmer | Mohamed |

# 051. HF 2184

**Vote:** 2025-04-22 | **Workbook row:** 56
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 0 nays

**Workbook subject:** Office of Ombudsperson for American Indian Families exempted from court fee requirements.

## Included complete bill documents

**1. Introduction, posted 2025-03-11** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/2184/versions/0/pdf/

## Original Senate journal context

PDF pages 1744-1744. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250422022.pdf#page=1744

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/2184/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 2184

03/12/2025 Authored by Feist, Kozlowski, Keeler, Frazier and Curran
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
03/27/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
04/07/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/29/2025 Presented to Governor
04/30/2025 Governor Approval

A bill for an act

relating to court fees; exempting the Office of Ombudsperson for American Indian Families from court fee requirements; amending Minnesota Statutes 2024, section 357.021, subdivision 1a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. **Transmittal of fees to commissioner of management and budget.** (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund. $30 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of management and budget in the special revenue fund and is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to

the commissioner of management and budget for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapters 260, 260A, 260B, and 260C;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, 260C.331, and 518A.82, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) $20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and $35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

(e) No fee is required under this section from the Office of Ombudsperson for American Indian Families or any federally recognized Indian Tribe or its representative in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525; or

(4) court relief under chapters 256, 257, 260, 260A, 260B, 260C, ~~and~~ 260D, and 518, and sections 524.5-201 to 524.5-317.

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2847 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Johnson | Mathews | Rasmusson |
| Bahr | Farnsworth | Johnson Stewart | Maye Quade | Rest |
| Boldon | Fateh | Klein | McEwen | Seeberger |
| Carlson | Frentz | Koran | Miller | Utke |
| Champion | Green | Kreun | Mitchell | Weber |
| Clark | Gruenhagen | Kunesh | Mohamed | Wesenberg |
| Coleman | Gustafson | Kupec | Murphy | Westlin |
| Cwodzinski | Hauschild | Latz | Nelson | Wiklund |
| Dahms | Hawj | Lieske | Oumou Verbeten | Xiong |
| Dibble | Hoffman | Limmer | Port | |
| Dornink | Housley | Lucero | Pratt | |
| Draheim | Howe | Mann | Putnam | |
| Drazkowski | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 2184:** A bill for an act relating to court fees; exempting the Office of Ombudsperson for American Indian Families from court fee requirements; amending Minnesota Statutes 2024, section 357.021, subdivision 1a.

H.F. No. 2184 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dahms | Green | Johnson Stewart | Lucero |
| Anderson | Dibble | Gruenhagen | Klein | Mann |
| Bahr | Dornink | Gustafson | Koran | Marty |
| Boldon | Draheim | Hauschild | Kreun | Mathews |
| Carlson | Drazkowski | Hawj | Kunesh | Maye Quade |
| Champion | Duckworth | Hoffman | Kupec | McEwen |
| Clark | Farnsworth | Howe | Latz | Miller |
| Coleman | Fateh | Jasinski | Lieske | Mitchell |
| Cwodzinski | Frentz | Johnson | Limmer | Mohamed |

# 052. HF 1014

**Vote:** 2025-04-22 | **Workbook row:** 57
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 0 nays

**Workbook subject:** Minnesota Insurance Guarantee Association board allowed to request financial information from insureds.

## Included complete bill documents

**1. Introduction, posted 2025-02-14** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1014/versions/0/pdf/

## Original Senate journal context

PDF pages 1745-1745. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250422022.pdf#page=1745

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/1014/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 1014**

02/17/2025 Authored by Reyer, Allen, Her, O'Driscoll, Kotyza-Witthuhn and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
02/24/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/24/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to commerce; allowing the board of directors of the Minnesota Insurance Guarantee Association to request financial information from insureds; amending Minnesota Statutes 2024, section 60C.09, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 60C.09, subdivision 2, is amended to read:

Subd. 2. **Further definition.** In addition to subdivision 1, a covered claim does not include:

(1) claims by an affiliate of the insurer;

(2) claims due a reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries, reinsurance recoveries, contribution, indemnification, or otherwise. This clause does not prevent a person from presenting the excluded claim to the insolvent insurer or its liquidator, but the claims shall not be asserted against another person, including the person to whom the benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer; ~~and~~

(3) any claims, resulting from insolvencies which occur after July 31, 1996, by an insured whose net worth exceeds $25,000,000 on December 31 of the year prior to the year in which the insurer becomes an insolvent insurer; provided that an insured's net worth on that date shall be deemed to include the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis. The board of directors may request financial information from an insured to determine the insured's net worth under this clause. If an insured fails to provide the requested financial information within 60 days of the date

the board submits a request, the insured's net worth is deemed to exceed $25,000,000 for purposes of the board's evaluation of the claim under section 60C.10. A request by the board to an insured seeking financial information under this clause must inform the insured of the consequences of failing to provide the requested information;

(4) any claims under a policy written by an insolvent insurer with a deductible or self-insured retention of $300,000 or more, nor that portion of a claim that is within an insured's deductible or self-insured retention; and

(5) claims that are a fine, penalty, interest, or punitive or exemplary damages.

| | | | |
|---|---|---|---|
| Murphy | Pratt | Rest | Wesenberg |
| Nelson | Putnam | Seeberger | Westlin |
| Oumou Verbeten | Rarick | Utke | Wiklund |
| Port | Rasmusson | Weber | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1014:** A bill for an act relating to commerce; allowing the board of directors of the Minnesota Insurance Guarantee Association to request financial information from insureds; amending Minnesota Statutes 2024, section 60C.09, subdivision 2.

Senator Dahms moved to amend H.F. No. 1014 as follows (A-1):

Page 1, line 21, delete "board of directors" and insert "association"

Page 2, line 1, delete "board" and insert "association"

Page 2, line 2, delete "board's" and insert "association's" and delete "board" and insert "association"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1014 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Mathews | Rasmusson |
| Anderson | Duckworth | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Koran | Miller | Utke |
| Carlson | Frentz | Kreun | Mitchell | Weber |
| Champion | Green | Kunesh | Mohamed | Wesenberg |
| Clark | Gruenhagen | Kupec | Murphy | Westlin |
| Coleman | Gustafson | Latz | Nelson | Wiklund |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Xiong |
| Dahms | Hawj | Limmer | Port | |
| Dibble | Hoffman | Lucero | Pratt | |
| Dornink | Howe | Mann | Putnam | |
| Draheim | Jasinski | Marty | Rarick | |

# 053. HF 747

**Vote:** 2025-04-22 | **Workbook row:** 58
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 0 nays

**Workbook subject:** Minnesota Business Corporation Act modified.

## Included complete bill documents

**1. Introduction, posted 2025-02-12** - 22 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/747/versions/0/pdf/

## Original Senate journal context

PDF pages 1746-1746. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250422022.pdf#page=1746

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/747/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 747

02/13/2025 Authored by Niska and Feist
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
02/24/2025 Adoption of Report: Re-referred to the Committee on Judiciary Finance and Civil Law
02/27/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/17/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/29/2025 Presented to Governor
04/30/2025 Governor Approval

A bill for an act

relating to business organizations; modifying the Minnesota Business Corporation Act; amending Minnesota Statutes 2024, sections 302A.011, subdivision 41, by adding subdivisions; 302A.111, subdivision 2; 302A.161, by adding a subdivision; 302A.181, by adding a subdivision; 302A.201, subdivision 1; 302A.237, by adding a subdivision; 302A.361; 302A.461, subdivision 4; 302A.471, subdivisions 1, 3; 302A.611, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 302A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 302A.011, subdivision 41, is amended to read:

Subd. 41. **Beneficial owner; beneficial ownership.** (a) "Beneficial owner," when used with respect to shares or other securities, includes, but is not limited to, any person who, directly or indirectly through any written or oral agreement, arrangement, relationship, understanding, or otherwise, has or shares the power to vote, or direct the voting of, the shares or securities or has or shares the power to dispose of, or direct the disposition of, the shares or securities, except that:

(1) a person shall not be deemed the beneficial owner of shares or securities tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares or securities are accepted for purchase or exchange; and

(2) a person shall not be deemed the beneficial owner of shares or securities with respect to which the person has the power to vote or direct the voting arising solely from a revocable proxy given in response to a proxy solicitation required to be made and made in accordance with the applicable rules and regulations under the Securities Exchange Act of 1934 and is

not then reportable under that act on a Schedule 13D or comparable report, or, if the corporation is not subject to the rules and regulations under the Securities Exchange Act of 1934, would have been required to be made and would not have been reportable if the corporation had been subject to the rules and regulations.

(b) "Beneficial ownership" includes, but is not limited to, the right to acquire shares or securities through the exercise of options, warrants, or rights, or the conversion of convertible securities, or otherwise. The shares or securities subject to the options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding shares or securities of the class or series owned by the person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series owned by any other person. A person ~~shall be~~ is deemed the beneficial owner of shares and securities beneficially owned by: (1) any relative or spouse of the person or any relative of the spouse, residing in the home of the person~~,~~; (2) any trust or estate in which the person (i) owns ten percent or more of the total beneficial interest of the trust or estate, or (ii) serves as trustee or executor or in a similar fiduciary capacity~~,~~ for the trust or estate; (3) any organization in which the person owns ten percent or more of the equity~~,~~; and (4) any affiliate of the person.

(c) When two or more persons act or agree to act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, owning, or voting shares or other securities of a corporation, all members of the partnership, syndicate, or other group are deemed to constitute a "person" and to have acquired beneficial ownership, as of the date they first so act or agree to act together, of all shares or securities of the corporation beneficially owned by the person.

Sec. 2. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 72. **Defective corporate act.** "Defective corporate act" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or an act or transaction purportedly taken by or on behalf of the corporation that is and, at the time the act or transaction was purportedly taken, would have been within the corporation's power under section 302A.101 but is void or voidable due to a failure of authorization.

Sec. 3. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 73. **Emergency.** "Emergency" means a situation during which it is impracticable for the corporation to conduct the corporation's affairs in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given as a result of a catastrophic event or condition, including but not limited to an act of nature, an epidemic or pandemic, a technological failure or malfunction, a terrorist incident or an act of war, a cyber attack, a civil disturbance, or a governmental authority's emergency declaration.

Sec. 4. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 74. **Failure of authorization.** "Failure of authorization" means the failure: (1) to authorize or effect an act or transaction in compliance with (i) this chapter, (ii) the articles or bylaws, (iii) any plan or agreement to which the corporation is a party, or (iv) the disclosure set forth in any proxy or consent solicitation statement, if and to the extent the failure renders the act or transaction void or voidable; or (2) of the board or an officer to authorize or approve an act or transaction taken by or on behalf of the corporation that requires board or officer approval for the act or transaction's due authorization.

Sec. 5. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 75. **Overissue.** "Overissue" means the purported issuance of: (1) shares of a class or series in excess of the number of shares of the class or series the corporation has the power under the articles to issue under section 302A.401, subdivision 1, at the time of the issuance; or (2) shares of any class or series that are not then authorized for issuance by the articles.

Sec. 6. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 76. **Putative shares.** "Putative shares" means shares, including shares issued upon exercise of rights to purchase, in each case, that were created or issued pursuant to a defective corporate act, that: (1) but for a failure of authorization, would constitute valid shares; or (2) the board is unable to determine are valid shares.

Sec. 7. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 77. **Time of defective corporate act.** "Time of defective corporate act" means the date and time at which the defective corporate act was purportedly taken.

Sec. 8. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 78. **Validation effective time.** "Validation effective time," with respect to a defective corporate act ratified under section 302A.166 or 302A.167, means the latest of:

(1) the time when a defective corporate act submitted to shareholders for approval under section 302A.166, subdivision 4, is approved by shareholders or, if no vote of the shareholders is required to approve the ratification of the defective corporate act, immediately following the time when the board adopts the resolutions required under section 302A.166, subdivision 2 or 3;

(2) if no certificate of validation must be filed under section 302A.166, subdivision 6, the time, if any, specified by the board of directors in the resolutions adopted under section 302A.166, subdivision 2 or 3, provided the time specified by the board of directors does not precede the time when the resolutions are adopted; or

(3) the time when any certificate of validation filed under section 302A.166, subdivision 6, is filed with the secretary of state.

Sec. 9. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 79. **Valid shares.** "Valid shares" means shares that have been duly authorized and validly issued as required under this chapter.

Sec. 10. Minnesota Statutes 2024, section 302A.111, subdivision 2, is amended to read:

Subd. 2. **Statutory provisions that may be modified only in articles or in a shareholder control agreement.** The following provisions govern a corporation unless modified in the articles or in a shareholder control agreement under section 302A.457:

(a) a corporation has general business purposes (section 302A.101);

(b) a corporation has perpetual existence and certain powers (section 302A.161);

(c) the power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);

(d) a corporation must allow cumulative voting for directors (section 302A.215, subdivision 2);

(e) the affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);

(f) a written action by the board taken without a meeting must be signed by all directors (section 302A.239);

(g) the board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);

(h) all shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));

(i) all shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));

(j) the par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) the board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends, divisions, or combinations, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends, divisions, or combinations, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) a corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) a shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) the affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a plurality of the votes cast (section 302A.215, subdivision 1) or a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1);

(q) each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3);

(r) a corporation may issue shares for a consideration less than the par value, if any, of the shares (section 302A.405, subdivision 2);

(s) the board may effect share dividends, divisions, and combinations under certain circumstances without shareholder approval (section 302A.402);

(t) a written action of shareholders must be signed by all shareholders (section 302A.441);

(u) specified amendments of the articles create dissenters' rights (section 302A.471, subdivision 1, clause (a)); ~~and~~

(v) shareholders are entitled to vote as a class or series upon proposed amendments to the articles in specified circumstances (section 302A.137)~~.~~; and

(w) the corporation's business and affairs must be managed by or under the board's direction (section 302A.201).

Sec. 11. Minnesota Statutes 2024, section 302A.161, is amended by adding a subdivision to read:

Subd. 23a. **Emergency powers.** (a) During an emergency, unless emergency bylaws provide otherwise:

(1) notice of a meeting of the board must be given only to the directors that are practicable to reach and may, if ordinary notice is impracticable or inadvisable due to the emergency, be given in any practicable manner; and

(2) the officers designated on a list approved by the board of directors before the emergency, in the priority order and subject to conditions as may be provided in the board resolution approving the list, must, to the extent required to provide a quorum at any meeting of the board, be deemed directors for the meeting.

(b) During an emergency that makes it impracticable to convene a meeting of shareholders in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given, unless emergency bylaws provide otherwise, the board may postpone a meeting of shareholders for which notice has been given or authorize shareholders to participate in a meeting by any means of remote communication that conforms with section 302A.436. The corporation must give notice to shareholders, by the means and with

shorter advance notice as are reasonable in the circumstances, of a postponement, including any new date, time, or place, and describe any means of remote communication to be used. The notice to shareholders by a publicly held corporation may be given solely by means of a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to the rules and regulations under the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(c) A corporate action taken in good faith under this subdivision during an emergency to further the business and affairs of the corporation binds the corporation.

Sec. 12. **[302A.166] DEFECTIVE CORPORATE ACTS AND SHARES; RATIFICATION.**

Subdivision 1. **Effect of ratification or validation.** Subject to subdivision 7, a defective corporate act or putative share is not void or voidable solely as a result of a failure of authorization if the defective corporate act or putative share is ratified under this section or validated by a court in a proceeding brought under section 302A.167.

Subd. 2. **Board approval; generally.** (a) In order to ratify one or more defective corporate acts under this section other than ratifying an election of the first board under subdivision 3, the board must adopt resolutions stating:

(1) the defective corporate act or acts to be ratified;

(2) the date of each defective corporate act or acts;

(3) if the defective corporate act or acts involved the issuance of putative shares, the number and type of putative shares issued and the date or dates upon which the putative shares were purported to have been issued;

(4) the nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(5) that the board approves ratification of the defective corporate act or acts.

(b) The resolutions also may provide that, at any time before the validation effective time in respect of a defective corporate act set forth in the resolutions, notwithstanding the approval of the ratification of the defective corporate act by shareholders, the board may abandon the ratification of the defective corporate act without further action of the shareholders.

(c) The quorum and voting requirements that apply to the board's ratification of any defective corporate act must be the quorum and voting requirements applicable to the type

of defective corporate act proposed to be ratified at the time the board adopts the resolutions ratifying the defective corporate act. If the articles or bylaws, any plan or agreement to which the corporation was a party, or any provision of this chapter, in each case as in effect as of the time of the defective corporate act, require a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, the larger number or portion of the directors or the specified directors must be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable; except that the presence or approval of a director elected, appointed, or nominated by holders of any class or series of which no shares are outstanding at the time the board adopts the resolutions ratifying the defective corporate act, or by any person that is no longer a shareholder at the time the board adopts the resolutions ratifying the defective corporate act, is not required.

Subd. 3. **Board approval; election of first board.** To ratify a defective corporate act in respect of the election of the first board under section 302A.201, subdivision 1, a majority of the persons who, at the time the resolutions required by this subdivision are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(1) the name of the person or persons who first took action in the name of the corporation as the first board;

(2) the earlier of the date on which the persons first took the action or were purported to have been elected as the first board; and

(3) that the ratification of the election of the person or persons as the first board is approved.

Subd. 4. **Shareholder approval; when required.** A defective corporate act ratified under subdivision 2 must be submitted to shareholders for approval under subdivision 5, unless:

(1)(i) no other provision of this chapter, and no provision of the articles or bylaws, or of any plan or agreement to which the corporation is a party, requires shareholder approval of the defective corporate act to be ratified, either at the time of the defective corporate act or at the time the board adopts the resolutions ratifying the defective corporate act under subdivision 2, and (ii) the defective corporate act did not result from a failure to comply with section 302A.673; or

(2) as of the adoption of the resolutions of the board under subdivision 2, there are no valid shares outstanding and entitled to vote thereon, regardless of whether there then exist any putative shares.

Subd. 5. **Shareholder approval; process.** (a) If the ratification of a defective corporate act must be submitted to shareholders for approval under subdivision 4, notice of the meeting must be given in the manner set forth in section 302A.435 to each holder of valid shares and putative shares, whether voting or nonvoting.

(b) The notice under this subdivision must be given as follows:

(1) in the case of a defective corporate act that did not involve the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the corporation's records; or

(2) in the case of a defective corporate act that involved the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the record date for notice of or voting at the meeting, the record date for written action, or the record date for the other action, as the case may be, other than holders whose identities or addresses cannot be determined from the corporation's records.

(c) The notice must contain a copy of the resolutions adopted by the board under subdivision 2 or the information required by subdivision 2, paragraph (a), clauses (1) to (5). The notice must include a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the applicable validation effective time.

(d) At the meeting, the quorum and voting requirements that apply to ratification of the defective corporate act must be the same quorum and voting requirements that apply to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(1) if the articles or bylaws, a plan or agreement to which the corporation was a party, or a provision under this chapter in effect as of the time of the defective corporate act requires

a larger number or portion of shares or of any class or series thereof or of specified shareholders for a quorum to be present or to approve the defective corporate act, the presence or approval of the larger number or portion of stock or of the class or series thereof or of the specified shareholders must be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required; and

(2) the approval by shareholders of the ratification of a director's election requires the affirmative vote of a plurality of shares present at the meeting and entitled to vote on the election of the director in the manner set forth in section 302A.215, except that, if the articles or bylaws then in effect or in effect at the time of the defective election require or required a larger number or portion of shares or of any class or series thereof or of specified shareholders to elect the director, the affirmative vote of the larger number or portion of shares or of any class or series thereof or of the specified shareholders must be required to ratify the election of the director; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required.

(e) Putative shares, measured as of the adoption by the board of resolutions under subdivision 2 and without giving effect to any ratification that becomes effective after the adoption, are neither entitled to vote nor counted for quorum purposes in a vote to ratify a defective corporate act.

Subd. 6. **Certificate of validation.** (a) If a defective corporate act ratified under this section requires under any other section of this chapter a certificate to be filed with the secretary of state, and either (1) the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, or (2) a certificate was not previously filed with respect to the defective corporate act, the corporation must file with the secretary of state a certificate of validation with respect to the defective corporate act in lieu of filing the certificate otherwise required by this chapter.

(b) A separate certificate of validation is required for each defective corporate act that requires the filing of a certificate of validation under this section, except that (1) two or more defective corporate acts may be included in a single certificate of validation if the corporation filed with the secretary of state, or to comply with this chapter would have filed

with the secretary of state, a single certificate under another provision of this chapter to effect the acts, and (2) two or more overissues of shares, or of any class or series of shares, may be included in a single certificate of validation; provided that the increase in the number of authorized shares, or of each class or series, set forth in the certificate of validation is effective on the date of the first overissue.

(c) The certificate of validation must set forth:

(1) that the corporation has ratified one or more defective corporate acts that would have required filing with the secretary of state of a certificate under this chapter;

(2) that each defective corporate act has been ratified in accordance with this section; and

(3) the following information:

(i) if a certificate was previously filed with the secretary of state under this chapter with respect to the defective corporate act and the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, the certificate of validation must set forth:

(A) the name, title, and filing date of the certificate previously filed and any certificate of correction to the certificate previously filed;

(B) a statement that a certificate containing all of the information that must be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(C) the date and time that the certificate is deemed effective pursuant to this section; or

(ii) if a certificate was not previously filed with the secretary of state under this chapter in respect of the defective corporate act and the defective corporate act ratified pursuant to this section would have required under any other section of this chapter the filing with the secretary of state of a certificate, the certificate of validation shall set forth:

(A) a statement that a certificate containing all of the information required to be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(B) the date and time that the certificate shall be deemed to have become effective pursuant to this section.

(d) A certificate attached to a certificate of validation need not be separately executed and acknowledged and need not include a statement required by another section under this

chapter that the instrument has been approved and adopted in accordance with the provisions of the other section under this chapter.

Subd. 7. **Retroactive effect.** From and after the validation effective time, unless otherwise determined in an action brought pursuant to section 302A.167, subject to subdivision 5, paragraph (e):

(1) each defective corporate act ratified in accordance with this section is no longer deemed void or voidable as a result of the failure of authorization described in the resolutions adopted under subdivision 2, effective retroactively from the time of the defective corporate act; and

(2) each share or fraction of a share of putative shares issued or purportedly issued pursuant to the defective corporate act is no longer deemed void or voidable, and is deemed to be an identical outstanding share or fraction of an outstanding share as of the time the share or fraction of a share was purportedly issued.

Subd. 8. **Postratification notice.** (a) Except as provided under paragraph (b), with respect to each defective corporate act ratified by the board under subdivision 2 or subdivision 3, prompt notice of the ratification must be given to all shareholders of valid shares and putative shares, whether voting or nonvoting, as of the date the board adopts the resolutions approving the defective corporate act, or as of a date within 60 days after the date of adoption, as established by the board. The notice must be sent to the address of the holder as the address appears or most recently appeared, as appropriate, on the corporation's records. The notice must be given to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice must contain a copy of the resolutions adopted under subdivision 2 or the information specified under subdivision 2, paragraph (a), clauses (1) to (5), or subdivision 3, clauses (1) to (3), as applicable, and a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the latter of the validation effective time or the time at which the notice required by this subdivision is given.

(b) Notice is not required if notice of the ratification of the defective corporate act is given in accordance with subdivision 5 and, in the case of a corporation that has a class of shares listed on a national securities exchange, the notice required by this subdivision and

subdivision 5 may be deemed given if disclosed in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to section 13, 14, or 15(d) of the Securities Exchange Act of 1934, as amended, United States Code, title 15, section 78a, et seq., and rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, or the corresponding provisions of any subsequent United States securities laws, rules, or regulations.

(c) If a defective corporate act has been approved by shareholders acting pursuant to section 302A.441, the notice required by this subdivision may be included in a notice required under section 302A.441, subdivision 3. If the notice is given under section 302A.441, the notice must be sent to the shareholders entitled to the notice under section 302A.441, subdivision 3, and to all holders of valid shares and putative shares to whom notice is required under this subdivision if the defective corporate act had been approved at a meeting and the record date for determining the shareholders entitled to notice of the meeting had been the date for determining the shareholders entitled to notice under paragraph (a) other than any shareholder who approved the written action in lieu of a meeting under section 302A.441 or any holder of putative shares who otherwise consented thereto in writing.

(d) For purposes of this subdivision and subdivision 5 only, notice to holders of putative shares, and notice to holders of valid shares and putative shares as of the time of the defective corporate act, is treated as notice to holders of valid shares for purposes of sections 302A.435 and 302A.441.

Sec. 13. **[302A.167] VALIDITY OF DEFECTIVE CORPORATE ACTS AND SHARES; PROCEEDINGS.**

Subdivision 1. **When permitted.** Subject to subdivision 5, upon application by the corporation, a successor entity to the corporation, a member of the board, a shareholder or beneficial owner of valid shares or putative shares, a shareholder or beneficial owner of valid shares or putative shares as of the time of a defective corporate act ratified pursuant to section 302A.166, or other person claiming to be substantially and adversely affected by a ratification pursuant to section 302A.166, a court may:

(1) determine the validity and effectiveness of any defective corporate act ratified pursuant to section 302A.166;

(2) determine the validity and effectiveness of the ratification of any defective corporate act pursuant to section 302A.166;

(3) determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to section 302A.166;

(4) determine the validity of any corporate act or transaction and any shares or rights to purchase; and

(5) modify or waive any of the procedures set forth in section 302A.166 to ratify a defective corporate act.

Subd. 2. **Remedies.** In connection with an action under this section, a court may:

(1) declare that a ratification under section 302A.166 is not effective or is only effective at a time or upon conditions established by the court;

(2) validate and declare effective a defective corporate act or putative shares and impose conditions upon the court's validation;

(3) require measures to remedy or avoid harm to a person substantially and adversely affected by a ratification under section 302A.166 or from a court order pursuant to this section, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) order the secretary of state to accept an instrument for filing with an effective time specified by the court, which may be before or after the time of the order, provided that the filing date of the instrument must be determined in accordance with section 302A.011, subdivision 11;

(5) approve a share register for the corporation that includes any shares ratified or validated in accordance with this section or section 302A.166;

(6) declare that putative shares are valid shares or require a corporation to issue and deliver valid shares in place of any putative shares;

(7) order a meeting of holders of valid shares or putative shares and determine the right and power of persons claiming to hold valid shares or putative shares to vote at the ordered meeting;

(8) declare that a defective corporate act validated by a court is effective as of the time of the defective corporate act or at another time the court may determine;

(9) declare that putative shares validated by a court shall be deemed to be an identical share or fraction of a valid share as of the time originally issued or purportedly issued or at such other time as the court may determine; and

(10) make other orders regarding matters as the court deems proper under the circumstances.

Subd. 3. **Service.** Service of the application under subdivision 1 upon the registered agent of the corporation is deemed to be service upon the corporation, and no other party needs to be joined in order for a court to adjudicate the matter. In an action filed by the corporation, a court may require notice of the action be provided to other persons specified by the court and permit the other persons to intervene in the action.

Subd. 4. **Considerations.** In connection with resolving matters pursuant to subdivisions 1 and 2, a court may consider the following:

(1) whether the defective corporate act was originally approved or effectuated with the good faith belief that the approval or effectuation was in compliance with the provisions of this chapter, the articles, or the bylaws;

(2) whether the corporation and board have treated the defective corporate act as a valid act or transaction and whether a person has acted in reliance on the public record that the defective corporate act was valid;

(3) whether any person may be or was harmed by the ratification or validation of the defective corporate act, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) whether any person is harmed by the failure to ratify or validate the defective corporate act; and

(5) any other factors or considerations the court deems just and equitable.

Subd. 5. **Statute of limitations.** An action asserting that (1) a defective corporate act or putative shares ratified in accordance with section 302A.166 is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with section 302A.166, subdivision 2 or 3, or (2) a court should declare in its discretion that a ratification in accordance with section 302A.166 not be effective or be effective only on certain conditions, is prohibited from being brought after the expiration of 120 days from the later of the validation effective time and the time notice, if any, that is required to be given pursuant to section 302A.166, subdivision 8, is given with respect to the ratification; except that this subdivision does not apply to an action asserting that a ratification was not accomplished in accordance with section 302A.166 or to any person to whom notice of the ratification was required to have been given pursuant to 302A.166, subdivision 5 or 8, but to whom the notice was not given.

Sec. 14. Minnesota Statutes 2024, section 302A.181, is amended by adding a subdivision to read:

Subd. 4. **Emergency bylaws.** (a) Unless the articles provide otherwise, bylaws may contain provisions that are effective only during an emergency. The emergency bylaws may contain provisions necessary to manage the corporation during the emergency, including:

(1) procedures for calling a meeting of the board;

(2) quorum requirements for the meeting;

(3) designation of additional or substitute directors; and

(4) procedures for the board to determine the duration of an emergency.

(b) All provisions of the regular bylaws that are not inconsistent with the emergency bylaws remain effective during the emergency.

(c) Corporate action taken in good faith in accordance with the emergency bylaws binds the corporation.

Sec. 15. Minnesota Statutes 2024, section 302A.201, subdivision 1, is amended to read:

Subdivision 1. **Board to manage.** The business and affairs of a corporation shall be managed by or under the direction of a board, subject to the provisions of subdivision 2 and section 302A.457, and except as may be otherwise provided in the articles. If a provision is made in the articles: (1) the powers and duties conferred or imposed upon the board of directors by this chapter must be exercised or performed to the extent and by the natural persons provided in the articles, (2) the directors have no duties, liabilities, or responsibilities as directors under this chapter with respect to or arising from the exercise or performance of, or from the failure to exercise or perform, the conferred or imposed powers and duties by the other persons, and (3) the other persons have all of the duties, liabilities, and responsibilities of directors under this chapter with respect to and arising from the exercise or performance of, or the failure to exercise or perform, the conferred or imposed powers and duties. The members of the first board may be named in the articles or elected by the incorporators pursuant to section 302A.171 or by the shareholders.

Sec. 16. Minnesota Statutes 2024, section 302A.237, is amended by adding a subdivision to read:

Subd. 3. **Agreements and other instruments; authorization.** When this chapter requires the board to approve or to take other action with respect to an agreement, instrument, plan,

or document, the agreement, instrument, plan, or document may be approved by the board in final form or in substantially final form. If the board acts to approve or take other action with respect to an agreement, instrument, plan, or document that this chapter requires to be filed with the secretary of state or referenced in any certificate filed, the board may, at any time after providing the approval or taking other action and prior to the effectiveness of the filing with the secretary of state, adopt a resolution ratifying the agreement, instrument, plan, or document. The ratification under this subdivision is effective as of the time of the original approval or other action by the board and to satisfy any requirement under this chapter that the board approve or take other action with respect to the agreement, instrument, plan, or document in a specific manner or sequence.

Sec. 17. Minnesota Statutes 2024, section 302A.361, is amended to read:

**302A.361 STANDARD OF CONDUCT.**

Subdivision 1. **Standard; liability.** An officer shall discharge the duties of an office in good faith, in a manner the officer reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been an officer of the corporation. A person exercising the principal functions of an office or to whom some or all of the duties and powers of an office are delegated pursuant to section 302A.351 is deemed an officer for purposes of this section and sections 302A.467 and 302A.521.

Subd. 2. **Liability; elimination or limitation.** The articles of a corporation may provide that an officer's personal liability to the shareholders for monetary damages for breach, during the time the corporation is a publicly held corporation, of fiduciary duty as an officer may be eliminated or limited. The articles must not eliminate or limit the liability of an officer:

(1) for any breach of the officer's duty of loyalty to the corporation or the corporation's shareholders;

(2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(3) under section 80A.76;

(4) for any transaction from which the officer derived an improper personal benefit;

(5) in any action by or in the right of the corporation; or

(6) for any act or omission occurring prior to the date when the provision in the articles eliminating or limiting liability becomes effective.

Sec. 18. Minnesota Statutes 2024, section 302A.461, subdivision 4, is amended to read:

Subd. 4. **Right to inspect.** (a) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has an absolute right, upon written demand, to examine and copy, in person or by a legal representative, at any reasonable time, and the corporation shall make available within ten days after receipt by an officer of the corporation of the written demand:

(1) the share register; and

(2) all documents referred to in subdivision 2.

(b) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has a right, upon written demand, to examine and copy, in person or by a legal representative, other corporate records at any reasonable time only if the shareholder, beneficial owner, or holder of a voting trust certificate demonstrates a proper purpose for the examination.

(c) A shareholder, beneficial owner, or a holder of a voting trust certificate of a publicly held corporation has, upon written demand stating the purpose and acknowledged or verified in the manner provided in chapter 358, a right at any reasonable time to examine and copy the corporation's share register and other corporate records reasonably related to the stated purpose and described with reasonable particularity in the written demand upon demonstrating the stated purpose to be a proper purpose. The acknowledged or verified demand must be directed to the corporation at its registered office in this state or at its principal place of business.

(d) For purposes of this section, a "proper purpose" is one reasonably related to the person's interest as a shareholder, beneficial owner, or holder of a voting trust certificate of the corporation.

(e) If a corporation or an officer or director of the corporation violates this section, a court in Minnesota may, in an action brought by a shareholder, beneficial owner, or a holder of a voting trust certificate of the corporation, specifically enforce this section and award expenses, including attorney fees and disbursements, to the shareholder, beneficial owner, or a holder of a voting trust certificate.

Sec. 19. Minnesota Statutes 2024, section 302A.471, subdivision 1, is amended to read:

Subdivision 1. **Actions creating rights.** A shareholder of a corporation may dissent from, and obtain payment for the fair value of the shareholder's shares in the event of, any of the following corporate actions:

(a) unless otherwise provided in the articles, an amendment of the articles that materially and adversely affects the rights or preferences of the shares of the dissenting shareholder in that it:

(1) alters or abolishes a preferential right of the shares;

(2) creates, alters, or abolishes a right in respect of the redemption of the shares, including a provision respecting a sinking fund for the redemption or repurchase of the shares;

(3) alters or abolishes a preemptive right of the holder of the shares to acquire shares, securities other than shares, or rights to purchase shares or securities other than shares;

(4) excludes or limits the right of a shareholder to vote on a matter, or to cumulate votes, except as the right may be excluded or limited through the authorization or issuance of securities of an existing or new class or series with similar or different voting rights; except that an amendment to the articles of an issuing public corporation that provides that section 302A.671 does not apply to a control share acquisition does not give rise to the right to obtain payment under this section; ~~or~~

(5) eliminates the right to obtain payment under this subdivision; or

(6) pursuant to section 302A.201, subdivision 1, diminishes or abolishes the board's right to manage, or to direct the management of, the corporation's business and affairs;

(b) a sale, lease, transfer, or other disposition of property and assets of the corporation that requires shareholder approval under section 302A.661, subdivision 2, but not including a disposition in dissolution described in section 302A.725, subdivision 2, or a disposition pursuant to an order of a court, or a disposition for cash on terms requiring that all or substantially all of the net proceeds of disposition be distributed to the shareholders in accordance with their respective interests within one year after the date of disposition;

(c) a plan of merger, whether under this chapter or under chapter 322C, to which the corporation is a constituent organization, except as provided in subdivision 3, and except for a plan of merger adopted under section 302A.626;

(d) a plan of exchange, whether under this chapter or under chapter 322C, to which the corporation is a party as the corporation whose shares will be acquired by the acquiring organization, except as provided in subdivision 3;

(e) a plan of conversion is adopted by the corporation and becomes effective;

(f) an amendment of the articles in connection with a combination of a class or series under section 302A.402 that reduces the number of shares of the class or series owned by the shareholder to a fraction of a share if the corporation exercises its right to repurchase the fractional share so created under section 302A.423; or

(g) any other corporate action taken pursuant to a shareholder vote with respect to which the articles, the bylaws, or a resolution approved by the board directs that dissenting shareholders may obtain payment for their shares.

Sec. 20. Minnesota Statutes 2024, section 302A.471, subdivision 3, is amended to read:

Subd. 3. **Rights not to apply.** (a) Unless the articles, the bylaws, or a resolution approved by the board otherwise provide, the right to obtain payment under this section does not apply to a shareholder of (1) the surviving corporation in a merger with respect to shares of the shareholder that are not entitled to be voted on the merger and are not canceled or exchanged in the merger or (2) the corporation whose shares will be acquired by the acquiring organization in a plan of exchange with respect to shares of the shareholder that are not entitled to be voted on the plan of exchange and are not exchanged in the plan of exchange.

(b) If a date is fixed according to section 302A.445, subdivision 1, for the determination of shareholders entitled to receive notice of and to vote on an action described in subdivision 1, only shareholders as of the date fixed, and beneficial owners as of the date fixed who hold through shareholders, as provided in subdivision 2, may exercise dissenters' rights.

(c) Notwithstanding subdivision 1, the right to obtain payment under this section, other than in connection with a plan of merger adopted under section 302A.613, subdivision 4, or 302A.621, is limited in accordance with the following provisions:

(1) The right to obtain payment under this section is not available for the holders of shares of any class or series of shares that is listed on ~~the New York Stock Exchange, NYSE MKT LLC, the Nasdaq Global Market, the NASDAQ Global Select Market, the Nasdaq Capital Market, or any successor to any such market~~ any national securities exchange registered with the United States Securities and Exchange Commission under Section 6 of the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(2) The applicability of clause (1) is determined as of:

(i) the record date fixed to determine the shareholders entitled to receive notice of, and to vote at, the meeting of shareholders to act upon the corporate action described in subdivision 1; or

(ii) the day before the effective date of corporate action described in subdivision 1 if there is no meeting of shareholders.

(3) Clause (1) is not applicable, and the right to obtain payment under this section is available pursuant to subdivision 1, for the holders of any class or series of shares who are required by the terms of the corporate action described in subdivision 1 to accept for such shares anything other than shares, or cash in lieu of fractional shares, of any class or any series of shares of a domestic or foreign corporation, or any other ownership interest of any other organization, that satisfies the standards set forth in clause (1) at the time the corporate action becomes effective.

Sec. 21. Minnesota Statutes 2024, section 302A.611, is amended by adding a subdivision to read:

Subd. 1a. **Additional remedies; shareholder representatives.** A plan of merger or exchange may provide:

(1) that: (i) a party to the plan that fails to perform the party's obligations under the plan in accordance with the terms and conditions of the plan, or that otherwise fails to comply with the terms and conditions of the plan, in each case required to be performed or complied with prior to the time the merger or exchange becomes effective, or that otherwise fails to consummate, or fails to cause the consummation of, the merger or exchange, whether prior to a specified date, upon satisfaction or, to the extent permitted by law, waiver of all conditions to consummation set forth in the plan or otherwise, is subject, in addition to any other remedies available at law or in equity, to penalties or consequences set forth in the plan of merger or exchange, which may include an obligation to pay to the other party or parties to the plan an amount representing or based on the loss of any premium or other economic entitlement the shareholders or holders of rights to purchase of the other party would be entitled to receive pursuant to the terms of the plan if the merger or exchange were consummated in accordance with the terms of the plan; and (ii) if, pursuant to the terms of the plan of merger or exchange, the corporation is entitled to receive payment from another party to the plan of any amount representing a penalty or consequence, the corporation is entitled to enforce the other party's payment obligation and upon receipt of a payment is entitled to retain the amount of the payment received; or

(2)(i) for the appointment, at or after the time at which the plan of merger or exchange is approved by the shareholders of the corporation in accordance with the requirements of this chapter, of one or more persons, which may include the surviving or resulting organization or any officer, representative, or agent of the surviving or resulting organization, as representative of the shareholders or the holders of rights to purchase of the corporation, including the shareholders and holders whose shares or rights to purchase must be canceled, converted, or exchanged in the merger or exchange and for the delegation to the person or persons of the sole and exclusive authority to take action and bring claims on behalf of the shareholders and the holders pursuant to the plan, including taking actions and bringing claims, including by entering into settlements, as the representative determines to enforce the rights of the shareholders and holders under the plan of merger or exchange, on the terms and subject to the conditions set forth in the plan; (ii) that an appointment is irrevocable and binding on all shareholders and holders from and after the approval of the plan of merger or exchange by the requisite vote of shareholders pursuant to this chapter; and (iii) that a provision adopted pursuant to this clause may not be amended after the merger or exchange has become effective or may be amended only with the consent or approval of persons specified in the plan of merger or exchange.

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 747:** A bill for an act relating to business organizations; modifying the Minnesota Business Corporation Act; amending Minnesota Statutes 2024, sections 302A.011, subdivision 41, by adding subdivisions; 302A.111, subdivision 2; 302A.161, by adding a subdivision; 302A.181, by adding a subdivision; 302A.201, subdivision 1; 302A.237, by adding a subdivision; 302A.361; 302A.461, subdivision 4; 302A.471, subdivisions 1, 3; 302A.611, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 302A.

H.F. No. 747 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Mathews | Rasmusson |
| Anderson | Duckworth | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Koran | Miller | Utke |
| Carlson | Frentz | Kreun | Mitchell | Weber |
| Champion | Green | Kunesh | Mohamed | Wesenberg |
| Clark | Gruenhagen | Kupec | Murphy | Westlin |
| Coleman | Gustafson | Latz | Nelson | Wiklund |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Xiong |
| Dahms | Hawj | Limmer | Port | |
| Dibble | Hoffman | Lucero | Pratt | |
| Dornink | Howe | Mann | Putnam | |
| Draheim | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 129:** A bill for an act relating to public safety; requiring director of child sex trafficking prevention to submit a program evaluation each odd-numbered year to the legislature; amending Minnesota Statutes 2024, section 145.4718.

# 054. HF 129

**Vote:** 2025-04-22 | **Workbook row:** 59
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 61 yeas, 0 nays

**Workbook subject:** Director of child sex trafficking prevention required to submit a program evaluation each odd-numbered year to the legislature.

## Included complete bill documents

**1. Introduction, posted 2025-02-07** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/129/versions/0/pdf/

## Original Senate journal context

PDF pages 1746-1747. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250422022.pdf#page=1747

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/129/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 129

02/10/2025 Authored by Repinski, Engen, Knudsen, Pinto, Zeleznikar and others
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
02/17/2025 Adoption of Report: Re-referred to the Committee on Health Finance and Policy
03/03/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/06/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/29/2025 Presented to Governor
04/30/2025 Governor Approval

A bill for an act

relating to public safety; requiring director of child sex trafficking prevention to submit a program evaluation each odd-numbered year to the legislature; amending Minnesota Statutes 2024, section 145.4718.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 145.4718, is amended to read:

**145.4718 PROGRAM EVALUATION.**

(a) The director of child sex trafficking prevention established under section 145.4716 must conduct, or contract for, comprehensive evaluation of the statewide program for safe harbor for sexually exploited youth. The ~~first evaluation must be completed by June 30, 2015, and must be submitted~~ director must submit an updated evaluation to the commissioner of health and to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over health and public safety by September 1~~, 2015, and every two years thereafter~~ of each odd-numbered year. The evaluation must consider whether the program is reaching intended victims and whether support services are available, accessible, and adequate for sexually exploited youth, as defined in section 260C.007, subdivision 31.

(b) In conducting the evaluation, the director of child sex trafficking prevention must consider evaluation of outcomes, including whether the program increases identification of sexually exploited youth, coordination of investigations, access to services and housing available for sexually exploited youth, and improved effectiveness of services. The evaluation must also include examination of the ways in which penalties under section 609.3241 are

assessed, collected, and distributed to ensure funding for investigation, prosecution, and victim services to combat sexual exploitation of youth.

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 747:** A bill for an act relating to business organizations; modifying the Minnesota Business Corporation Act; amending Minnesota Statutes 2024, sections 302A.011, subdivision 41, by adding subdivisions; 302A.111, subdivision 2; 302A.161, by adding a subdivision; 302A.181, by adding a subdivision; 302A.201, subdivision 1; 302A.237, by adding a subdivision; 302A.361; 302A.461, subdivision 4; 302A.471, subdivisions 1, 3; 302A.611, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 302A.

H.F. No. 747 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Mathews | Rasmusson |
| Anderson | Duckworth | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Koran | Miller | Utke |
| Carlson | Frentz | Kreun | Mitchell | Weber |
| Champion | Green | Kunesh | Mohamed | Wesenberg |
| Clark | Gruenhagen | Kupec | Murphy | Westlin |
| Coleman | Gustafson | Latz | Nelson | Wiklund |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Xiong |
| Dahms | Hawj | Limmer | Port | |
| Dibble | Hoffman | Lucero | Pratt | |
| Dornink | Howe | Mann | Putnam | |
| Draheim | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 129:** A bill for an act relating to public safety; requiring director of child sex trafficking prevention to submit a program evaluation each odd-numbered year to the legislature; amending Minnesota Statutes 2024, section 145.4718.

H.F. No. 129 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Mathews | Rasmusson |
| Anderson | Duckworth | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Koran | Miller | Utke |
| Carlson | Frentz | Kreun | Mitchell | Weber |
| Champion | Green | Kunesh | Mohamed | Wesenberg |
| Clark | Gruenhagen | Kupec | Murphy | Westlin |
| Coleman | Gustafson | Latz | Nelson | Wiklund |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Xiong |
| Dahms | Hawj | Limmer | Port | |
| Dibble | Hoffman | Lucero | Pratt | |
| Dornink | Howe | Mann | Putnam | |
| Draheim | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, and Dornink.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1346:** A bill for an act relating to maltreatment; modifying training requirements for mandatory reporters; amending Minnesota Statutes 2024, section 260E.065.

H.F. No. 1346 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Howe | Lucero | Pratt |
| Anderson | Drazkowski | Jasinski | Mann | Putnam |
| Bahr | Duckworth | Johnson | Marty | Rarick |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Rasmusson |
| Carlson | Fateh | Klein | Maye Quade | Rest |
| Champion | Frentz | Koran | Miller | Seeberger |
| Clark | Green | Kreun | Mitchell | Utke |
| Coleman | Gruenhagen | Kunesh | Mohamed | Weber |
| Cwodzinski | Gustafson | Kupec | Murphy | Wesenberg |
| Dahms | Hauschild | Latz | Nelson | Westlin |
| Dibble | Hawj | Lieske | Oumou Verbeten | Wiklund |
| Dornink | Hoffman | Limmer | Port | Xiong |

# 055. HF 1346

**Vote:** 2025-04-22 | **Workbook row:** 60
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 60 yeas, 0 nays

**Workbook subject:** Training requirements modified for mandatory reporters.

## Included complete bill documents

**1. Introduction, posted 2025-02-21** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1346/versions/0/pdf/

## Original Senate journal context

PDF pages 1747-1747. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250422022.pdf#page=1747

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/1346/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 1346**

02/24/2025 Authored by Nash, Moller, West, Virnig, Fischer and others
The bill was read for the first time and referred to the Committee on Children and Families Finance and Policy
03/03/2025 Adoption of Report: Re-referred to the Committee on Human Services Finance and Policy
03/10/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/17/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/29/2025 Presented to Governor
04/30/2025 Governor Approval

A bill for an act

relating to maltreatment; modifying training requirements for mandatory reporters; amending Minnesota Statutes 2024, section 260E.065.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 260E.065, is amended to read:

**260E.065 TRAINING FOR REPORTERS.**

Subdivision 1. **Required training.** The local welfare agency must offer training to a person required to make a report under section 260E.055 or 260E.06. The training may be offered online or in person and must provide an explanation of the legal obligations of a reporter, consequences for failure to report, and instruction on how to detect and report suspected maltreatment ~~or suspected abuse, as defined under section 260E.055, subdivision 1, paragraph (b)~~. A local welfare agency may fulfill the requirement under this section by directing reporters to trainings offered by the commissioner.

Subd. 2. **Training content.** For a training under this section, at least half of the training time must be spent on how to identify signs of suspected maltreatment or abuse, as defined in section 260E.055, subdivision 1, paragraph (b). The training must cover the definition of each maltreatment type as defined in section 260E.03, subdivision 12.

Subd. 3. **Expert input.** The commissioner must create trainings with input from professionals with specialized knowledge related to maltreatment, including but not limited to medical professionals, attorneys, mental health professionals, and social workers.

H.F. No. 129 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Mathews | Rasmusson |
| Anderson | Duckworth | Johnson Stewart | Maye Quade | Rest |
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Koran | Miller | Utke |
| Carlson | Frentz | Kreun | Mitchell | Weber |
| Champion | Green | Kunesh | Mohamed | Wesenberg |
| Clark | Gruenhagen | Kupec | Murphy | Westlin |
| Coleman | Gustafson | Latz | Nelson | Wiklund |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Xiong |
| Dahms | Hawj | Limmer | Port | |
| Dibble | Hoffman | Lucero | Pratt | |
| Dornink | Howe | Mann | Putnam | |
| Draheim | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, and Dornink.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1346:** A bill for an act relating to maltreatment; modifying training requirements for mandatory reporters; amending Minnesota Statutes 2024, section 260E.065.

H.F. No. 1346 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Howe | Lucero | Pratt |
| Anderson | Drazkowski | Jasinski | Mann | Putnam |
| Bahr | Duckworth | Johnson | Marty | Rarick |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Rasmusson |
| Carlson | Fateh | Klein | Maye Quade | Rest |
| Champion | Frentz | Koran | Miller | Seeberger |
| Clark | Green | Kreun | Mitchell | Utke |
| Coleman | Gruenhagen | Kunesh | Mohamed | Weber |
| Cwodzinski | Gustafson | Kupec | Murphy | Wesenberg |
| Dahms | Hauschild | Latz | Nelson | Westlin |
| Dibble | Hawj | Lieske | Oumou Verbeten | Wiklund |
| Dornink | Hoffman | Limmer | Port | Xiong |

# 056. SF 1959

**Vote:** 2025-04-23 | **Workbook row:** 61
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Omnibus Veterans policy and appropriations

## Included complete bill documents

**1. 3rd Engrossment, posted 2025-04-23** - 19 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1959/versions/3/pdf/

## Original Senate journal context

PDF pages 5-6. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250423023.pdf#page=6

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/1959/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1959

**(SENATE AUTHORS: PUTNAM, Carlson and Mitchell)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/27/2025 | 566 | Introduction and first reading |
| | | Referred to Agriculture, Veterans, Broadband, and Rural Development |
| 03/27/2025 | 1114 | Author added Carlson |
| 04/03/2025 | 1355 | Author added Mitchell |
| 04/07/2025 | 1562a | Comm report: To pass as amended and re-refer to Finance |
| 04/10/2025 | 1792a | Comm report: To pass as amended |
| | 1982 | Second reading |
| 04/23/2025 | 3739a | Special Order: Amended |
| | 3740 | Third reading Passed as amended |
| 04/30/2025 | 4200 | Returned from House with amendment |
| | | Laid on table |
| 05/01/2025 | 4375 | Taken from table |
| | 4376 | Senate not concur, conference committee of 3 requested |
| | 4377 | Senate conferees Putnam; Gustafson; Anderson |
| 05/05/2025 | 4382 | House conferees Bliss; Duran; Xiong; Hemmingsen-Jaeger |
| 05/17/2025 | | Conference committee report, delete everything |
| | | Senate adopted CC report and repassed bill |
| | | Third Reading Repassed |

A bill for an act

relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans services and benefits provisions; requiring the commissioner of administration to place a memorial plaque honoring Gold Star and Blue Star families on State Capitol grounds; providing benefits to veterans of the Secret War in Laos; requiring county veteran services officers to aid certain additional veterans; establishing a task force; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 193.143; 197.065; 197.236, subdivisions 8, 9; 197.603, subdivision 1; 197.608, subdivision 6; 197.75, subdivision 1; 197.791, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 197.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## MILITARY AFFAIRS AND VETERANS AFFAIRS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

| | **APPROPRIATIONS** | |
|---|---|---|
| | **Available for the Year** | |
| | **Ending June 30** | |
| | **2026** | **2027** |

Sec. 2. **MILITARY AFFAIRS**

| | | | |
|---|---|---|---|
| Subdivision 1. **Total Appropriation** | **$ 26,872,000** | **$ 27,081,000** |
| The amounts that may be spent for each purpose are specified in the following subdivisions. | | |
| Subd. 2. **Maintenance of Training Facilities** | 10,067,000 | 10,067,000 |
| Subd. 3. **General Support** | 4,391,000 | 4,600,000 |
| Subd. 4. **Enlistment Incentives** | 12,114,000 | 12,114,000 |
| The appropriations in this subdivision are available until June 30, 2029. | | |
| If the amount for fiscal year 2026 is insufficient, the amount for 2027 is available in fiscal year 2026. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. | | |
| Subd. 5. **Emergency Services** | 300,000 | 300,000 |

Sec. 3. **VETERANS AFFAIRS**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$ 141,929,000** | **$ 146,700,000** |
| The base for this appropriation is $151,130,000 in fiscal year 2028 and each fiscal year thereafter. The amounts that may be spent for each purpose are specified in the following subdivisions. | | |
| Subd. 2. **Veterans Programs and Services** | 30,677,000 | 31,080,000 |
| The amounts that may be spent for each purpose are specified in the following paragraphs. | | |
| (a) **State Veterans Cemeteries.** $3,782,000 each year is for the operation of the state veterans cemeteries. | | |

(b) **Veterans Service Organizations.** $500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** $1,610,000 each year is for the County Veterans Service Office grant program under Minnesota Statutes, section 197.608. Of this amount, $20,000 is for a women veterans technical assistance coordinator, $20,000 is for a veteran suicide prevention technical assistance coordinator, and $20,000 is for a justice-involved veteran technical assistance

coordinator. Any unencumbered balance in the first year does not cancel and is available in the second year.

(g) **Camp Bliss.** $150,000 each year is for a grant to Independent Lifestyles, Inc., to provide therapy, transportation, and activities customized for veterans who are Minnesota residents and their spouses, domestic partners, and children, at Camp Bliss in the city of Walker. The commissioner of veterans affairs must report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs on:

(1) the number of veterans and veterans' family members served; and

(2) a detailed explanation of expenditures of the grant money.

(h) **Veteran Resilience Project.** $140,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program

expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(i) **CORE Program.** $1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(j) **LinkVet Call Center.** $369,000 each year is for the operation of the state's LinkVet Call Center.

(k) **Recently Separated Veterans Program.** $300,000 each year is for operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that was provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts.

(l) **Homeless Veterans and SOAR Program.** $1,344,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts.

(m) **Minnesota Assistance Council for Veterans.** $1,075,000 each year is for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and veterans' families who are homeless or in danger of homelessness, including assistance with:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs;

(5) transportation;

(6) the acquisition and creation of permanent supportive housing; and

(7) property management of permanent supportive housing.

Any unencumbered balance remaining in this paragraph in the first year does not cancel and is available for the second year. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(n) **Minnesota Military and Veterans Museum.** $300,000 each year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families.

(o) **Veteran Homelessness Initiative.** $1,311,000 each year is for an initiative to prevent and end veteran homelessness.

Subd. 3. **Veterans Health Care** 111,252,000 115,620,000

(a) $110,302,000 the first year and $114,670,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is $119,100,000 in fiscal year 2028 and each fiscal year thereafter.

(b) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(c) $400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(d) $550,000 each year is for the department to operate the veteran suicide prevention program.

## ARTICLE 2
## VETERANS POLICY

Section 1. Minnesota Statutes 2024, section 13.461, subdivision 27, is amended to read:

Subd. 27. ~~**State soldiers assistance program**~~ **Veterans affairs programs.** Access to information for purposes of verifying eligibility for the State Soldiers Assistance Program, the Veterans Stable Housing Initiative, and the Veterans Programs Division is governed by section 197.065.

Sec. 2. Minnesota Statutes 2024, section 193.143, is amended to read:

**193.143 STATE ARMORY BUILDING COMMISSION, POWERS.**

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the power of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the

total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of ~~$15,000,000~~ $45,000,000.

(4) To provide partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

(6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

(7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

(8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

(9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) to pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) to pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) if any further excess money remains, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized, provided that any bonds so purchased shall thereupon be canceled.

(10) To adopt and use a corporate seal.

(11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

(12) Such corporation shall issue no stock.

(13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

(14) The Minnesota State Armory Building Commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota State Armory Building Commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, debt service, and other obligations reasonable and necessary, of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

(15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

(16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for

the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota State Armory Building Commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 3. Minnesota Statutes 2024, section 197.065, is amended to read:

**197.065 ACCESS TO DATABASE.**

(a) Notwithstanding section 13.46, subdivision 2, the commissioner of veterans affairs may electronically access the MAXIS database maintained by the Department of ~~Human Services~~ Children, Youth, and Families for the purpose of verifying eligibility status of applicants for benefits under the State Soldiers Assistance Program, the Veterans Stable Housing Initiative, and the Veterans Programs Division. The commissioner may electronically access the MAXIS database to ensure that veterans are connected to all available state and federal resources for which the veterans are eligible.

(b) In order to access any private data on individuals, as defined by section 13.02, subdivision 12, pursuant to paragraph (a) of this section, the commissioner of veterans affairs must have received informed consent from the subject of that data.

Sec. 4. Minnesota Statutes 2024, section 197.236, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** Cemeteries must be operated solely for the burial of service members who die on active duty, eligible veterans, and their spouses and dependent children, as defined in United States Code, title 38, section ~~101~~ 2402, paragraph ~~(2)~~ (a), subparagraphs 1 to 5 and 7.

Sec. 5. Minnesota Statutes 2024, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.

(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall ~~develop~~ maintain a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section ~~101~~ 2402, paragraph ~~(2)~~ (a), subparagraphs 1 to 4 and 7.

Sec. 6. **[197.448] VETERAN OF THE SECRET WAR IN LAOS.**

Subdivision 1. **Definition.** As used in this section, the term "veteran of the Secret War in Laos" means a person who resides in this state and who:

(1) was naturalized as provided in section 2(1) of the federal Hmong Veterans' Naturalization Act of 2000, Public Law 106-207, or received a Medal of Honor, Purple Heart, or other military award for service in support of the armed forces of the United States in Laos; or

(2) is a person who the commissioner of veterans affairs determines served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States.

Subd. 2. **Eligibility for benefits and privileges.** (a) A veteran of the Secret War in Laos, as defined in subdivision 1, clause (1), is entitled to the benefits and privileges listed in paragraph (c) the day following the effective date of this act.

(b) A veteran of the Secret War in Laos, as defined in subdivision 1, clause (2), is entitled to the benefits and privileges listed in paragraph (c) after the commissioner verifies the person's veteran status. By March 30, 2026, the commissioner must:

(1) adopt criteria and a protocol to determine eligibility under subdivision 1, clause (2), based upon the recommendations of the Veterans of Secret Guerilla Units and Irregular Forces in Laos Advisory Task Force; and

(2) begin accepting applications for verification.

(c) The following statutory benefits and privileges available to a veteran, as defined in section 197.447, are also available to a veteran of the Secret War in Laos: section 171.07, subdivision 15 (veteran designation on drivers' licenses and state identification cards); section 197.23 (purchase of grave markers); section 197.231 (honor guards); section 197.236 (state veterans cemeteries); section 197.455 (veterans preference); section 197.4551 (permissive preference for veterans in private employment); section 197.55 (quarters for meetings of veterans organizations); section 197.56 (use of quarters); section 197.63 (vital

records, certified copies); section 197.65 (renewal of professional license, motor vehicle registration, and driver's license); and section 197.987 (honor and remember flag).

Sec. 7. Minnesota Statutes 2024, section 197.603, subdivision 1, is amended to read:

Subdivision 1. **Veterans benefits and assistance.** (a) It shall be the duty of the county veterans service officer to aid all residents of the governmental subdivision by which the officer is employed in securing benefits provided by law on account of the service of any person in the armed forces of the United States, from which the person has a discharge other than dishonorable. The county veterans service officer shall aid all veterans who are residents of the governmental subdivision by which the officer is employed, regardless of the nature of discharge, in securing counseling or treatment concerning substance use disorder and substance abuse.

(b) Notwithstanding paragraph (a), if a veteran cannot secure an appointment to receive aid from a county veterans service officer in the governmental subdivision where the veteran resides, the veteran may request aid from any county veterans service officer in the state, and it shall be the duty of the county veterans service officer to aid the veteran regardless of whether the veteran resides in the governmental subdivision by which the officer is employed.

Sec. 8. Minnesota Statutes 2024, section 197.608, subdivision 6, is amended to read:

Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of $7,500 for the following purposes:

(1) to provide outreach to the county's veterans;

(2) to assist in the reintegration of combat veterans into society;

(3) to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans;

(4) to reduce homelessness among veterans; and

(5) to enhance the operations of the county veterans service office.

(b) In addition to the grant amount in paragraph (a), each county is eligible to receive an additional annual grant under this paragraph. The amount of each additional annual grant must be determined by the commissioner and may not exceed:

(1) $0, if the county's veteran population is less than 1,000;

(2) $2,500, if the county's veteran population is 1,000 or more but less than 3,000;

(3) $5,000, if the county's veteran population is 3,000 or more but less than 5,000;

(4) $7,500, if the county's veteran population is 5,000 or more but less than 10,000;

(5) $10,000, if the county's veteran population is 10,000 or more but less than 20,000;

(6) $15,000, if the county's veteran population is 20,000 or more but less than 30,000; or

(7) $20,000, if the county's veteran population is 30,000 or more.

(c) The Minnesota Association of County Veterans Service Officers is eligible to receive an annual grant of ~~$100,000~~ $160,000. The grant ~~shall~~ must be used for administrative costs of the association, certification of mandated county veterans service officer training and accreditation, and costs associated with reintegration services. Up to $60,000 of this amount may be used to train technical assistance coordinators and for technical assistance coordinators to travel to consult with Minnesota counties on specific areas of expertise upon request. The Minnesota Association of County Veterans Service Officers executive board must select technical assistance coordinators, who are either county veterans service officers or assistant county veterans service officers, to serve for a minimum of one year.

(d) The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

Sec. 9. Minnesota Statutes 2024, section 197.75, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "Deceased veteran" means a veteran who has died as a result of the person's military service, as determined by the United States Veterans Administration, and who was a resident of this state: (1) within six months of entering the United States armed forces, or (2) for the six months preceding the veteran's date of death.

(d) "Eligible child" means a person who:

(1) is the natural or adopted child or stepchild of a deceased veteran; and

(2) is a student making satisfactory academic progress at an eligible institution of higher education.

(e) "Eligible institution" means a postsecondary educational institution located in this state that either is operated by this state or the Board of Regents of the University of Minnesota, or is licensed or registered with the Office of Higher Education.

(f) "Eligible spouse" means the surviving spouse of a deceased veteran, regardless of whether the surviving spouse remarries.

(g) "Eligible veteran" means a veteran who:

(1) is a student making satisfactory academic progress at an eligible institution of higher education;

(2) had Minnesota as the person's state of residence at the time of the person's enlistment or any reenlistment into the United States armed forces, as shown by the person's federal form DD-214 or other official documentation to the satisfaction of the commissioner;

(3) except for benefits under this section, has no remaining military or veteran-related educational assistance benefits for which the person may have been entitled; and

(4) while using the educational assistance authorized in this section, remains a resident student as defined in section 136A.101, subdivision 8.

(h) "Satisfactory academic progress" has the meaning given in section 136A.101, subdivision 10.

(i) "Student" has the meaning given in section 136A.101, subdivision 7.

(j) "Veteran" has the meaning given in section 197.447.

Sec. 10. Minnesota Statutes 2024, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under subdivision 5 if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse, regardless of whether the surviving spouse remarries, or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; and

(2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an

applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 11. **ADVISORY TASK FORCE ESTABLISHED; VETERANS OF SECRET GUERILLA UNITS AND IRREGULAR FORCES IN LAOS.**

Subdivision 1. **Establishment; membership.** (a) The commissioner of veterans affairs shall establish a Veterans of Secret Guerilla Units and Irregular Forces in Laos Advisory Task Force.

(b) The advisory task force shall consist of the commissioner, or a designee, and the following additional nine members appointed by the commissioner, except as otherwise provided:

(1) a representative of the United States Department of Veterans Affairs, appointed by the United States Commissioner of Veterans Affairs;

(2) a representative of the Minnesota Commanders Task Force designated by the Commanders Task Force;

(3) a representative of the Disabled American Veterans of Minnesota;

(4) a United States armed forces veteran who served on active duty in Vietnam during the Vietnam War;

(5) a Hmong American Minnesota resident who served in the United States armed forces;

(6) two veterans of a secret guerilla unit or irregular forces in Laos;

(7) a historian knowledgeable about the secret guerilla units and irregular forces in Laos; and

(8) a representative of the Minnesota Military Museum who has knowledge of the Vietnam War designated by the museum's director.

Subd. 2. **Duties; report.** (a) The task force must establish criteria for determining which Minnesotans served in the secret guerrilla units or with irregular forces in Laos.

(b) By February 15, 2026, the task force must deliver a report to the commissioner that includes the findings, criteria, protocol, and recommendations required under paragraph (a).

Subd. 3. **Administration; terms of membership.** The commissioner shall convene the first meeting of the advisory task force by August 15, 2025, and provide staff support to the advisory task force. The provisions of Minnesota Statutes, section 15.059, subdivision 6, shall govern the terms and removal of members of the advisory task force. Members of the task force serve without compensation or per diem.

Subd. 4. **Expiration.** The task force expires on February 15, 2026.

Sec. 12. **GOLD STAR AND BLUE STAR FAMILIES; MEMORIAL PLAQUE.**

The commissioner of administration shall place a memorial plaque in the court of honor on State Capitol grounds to recognize the service and sacrifices of Minnesota's Gold Star and Blue Star families. The process for determining design and location of the Gold Star and Blue Star memorial will follow the Capitol Area Architectural and Planning Board commemorative works rules under Minnesota Rules, part 2400.2703. The Capitol Area Architectural and Planning Board shall select a design from the submitted designs to use as a basis for final production. The Capitol Area Architectural and Planning Board must include the commissioner of veterans affairs on the design review committee established under Minnesota Rules, part 2400.2703. The memorial design must be furnished by the person or group who submit the design at no cost to the state.

APPENDIX
Article locations for S1959-3

MILITARY AFFAIRS AND VETERANS AFFAIRS

ARTICLE 1 APPROPRIATIONS..... Page.Ln 1.13

ARTICLE 2 VETERANS POLICY..... Page.Ln 8.1

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Utke.

The motion prevailed. So the resolution was adopted.

## APPOINTMENTS

Pursuant to the foregoing resolution, the President made the following appointments:

Senators Clark, Duckworth, Mann, Nelson, and Xiong.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 1959 and 2216.

## SPECIAL ORDER

**S.F. No. 1959:** A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying accreditation and disclosure requirements for providers of veterans benefits services to veterans and veterans' families; modifying veterans services and benefits provisions; requiring the commissioner of administration to place a memorial plaque honoring Gold Star and Blue Star families on State Capitol grounds; providing benefits to veterans of the Secret War in Laos; requiring county veteran services officers to aid certain additional veterans; establishing a task force; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 193.143; 197.065; 197.236, subdivisions 8, 9; 197.603, subdivision 1; 197.608, subdivision 6; 197.6091; 197.75, subdivision 1; 197.791, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 197.

Senator Putnam moved to amend S.F. No. 1959 as follows (A17):

Page 22, line 10, delete everything after the period and insert "The process for determining design and location of the Gold Star and Blue Star memorial will follow the Capitol Area Architectural and Planning Board commemorative works rules under Minnesota Rules, part 2400.2703. The Capitol Area Architectural and Planning Board shall select a design from the submitted designs to use as a basis for final production. The Capitol Area Architectural and Planning Board must include the commissioner of veterans affairs on the design review committee established under Minnesota Rules, part 2400.2703. The memorial design must be furnished by the person or group who submit the design at no cost to the state."

Page 22, delete lines 11 to 14

The motion prevailed. So the amendment was adopted.

Senator Putnam moved to amend S.F. No. 1959 as follows (A25):

Page 14, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1959 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Mann | Port |
| Anderson | Duckworth | Johnson | Marty | Pratt |
| Bahr | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Boldon | Fateh | Klein | Maye Quade | Rarick |
| Carlson | Frentz | Koran | McEwen | Rasmusson |
| Champion | Green | Kreun | Miller | Rest |
| Clark | Gruenhagen | Kunesh | Mitchell | Seeberger |
| Coleman | Gustafson | Kupec | Mohamed | Utke |
| Cwodzinski | Hauschild | Lang | Murphy | Weber |
| Dahms | Hawj | Latz | Nelson | Wesenberg |
| Dibble | Hoffman | Lieske | Oumou Verbeten | Westlin |
| Dornink | Housley | Limmer | Pappas | Wiklund |
| Draheim | Howe | Lucero | Pha | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble, Hauschild, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Utke.

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## SPECIAL ORDER

**S.F. No. 2216:** A bill for an act relating to commerce; establishing a budget for the Department of Commerce; adding, modifying, and eliminating various provisions governing insurance, financial institutions, commercial regulations and consumer protection, and telecommunications; modifying cannabis provisions; modifying fees assessed by the Department of Commerce; establishing a common interest community ombudsperson and a common interest community register; classifying

# 057. SF 3196

**Vote:** 2025-04-24 | **Workbook row:** 62
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 0 nays

**Workbook subject:** Department of Corrections budget deficiencies appropriation

## Included complete bill documents

**1. 1st Engrossment, posted 2025-04-22** - 8 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/3196/versions/1/pdf/

## Original Senate journal context

PDF pages 6-7. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250424024.pdf#page=6

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/3196/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3196

**(SENATE AUTHORS: LATZ and Limmer)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 04/01/2025 | 1259 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 04/03/2025 | 1339 | Comm report: To pass and re-referred to Finance |
| 04/22/2025 | 3686a | Comm report: To pass as amended |
| | 3716 | Second reading |
| 04/24/2025 | 3930 | Special Order |
| | 3930 | Third reading Passed |
| 05/01/2025 | 4330 | Returned from House |
| | | Presentment date 05/06/25 |
| | 4942 | Governor's action Approval 05/08/25 |
| | 4942 | Secretary of State Chapter 19 05/08/25 |
| | | Effective date 05/09/25 |

A bill for an act

relating to corrections; appropriating money for deficiencies in the budget of the Department of Corrections; amending Laws 2023, chapter 52, article 2, section 6, as amended.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 2023, chapter 52, article 2, section 6, as amended by Laws 2024, chapter 123, article 1, section 12, and Laws 2024, chapter 123, article 1, section 13, is amended to read:

Sec. 6. **CORRECTIONS**

| | | | |
|---|---|---|---|
| Subdivision 1. **Total Appropriation** | **$ 12,643,000** | **$ 797,937,000** | **$ 825,675,000** |

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

| | | | |
|---|---|---|---|
| Subd. 2. **Incarceration and Prerelease Services** | **$ 12,643,000** | **$ 534,412,000** | **$ 561,421,000** |

(a) **Operating Deficiency**

$12,643,000 in fiscal year 2023 is to meet financial obligations in fiscal year 2023. This is a onetime appropriation.

(b) **Body-worn Camera Program**

$1,000,000 each year is to create a body-worn camera program for corrections officers and intensive supervised release agents. This appropriation is onetime.

(c) **ARMER Radio System**

$1,500,000 each year is to upgrade and maintain the ARMER radio system within correctional facilities. This is a onetime appropriation.

(d) **Prison Rape Elimination Act**

$500,000 each year is for Prison Rape Elimination Act (PREA) compliance.

(e) **State Corrections Safety and Security**

$1,932,000 ~~each~~ in fiscal year ~~is~~ 2024 and $1,632,000 in fiscal year 2025 are for state corrections safety and security investments. The base for this appropriation is $2,625,000 beginning in fiscal year 2026.

(f) **Health Services**

$2,750,000 each year is for increased health care services. The base for this appropriation is $3,400,000 beginning in fiscal year 2026.

(g) **Educational Programming and Support Services**

$5,600,000 the first year and ~~$4,000,000~~ $1,000,000 the second year are for educational programming and support services. The base for this purpose is $2,000,000 beginning in fiscal year 2026.

(h) **Family Support Unit**

$480,000 each year is for a family support unit.

(i) **Inmate Phone Calls**

$3,100,000 each year is to provide voice communication services for incarcerated persons under Minnesota Statutes, section 241.252. Any unencumbered balance remaining at the end of the first year may be carried forward into the second year. If this appropriation is greater than the cost of providing voice communication services, remaining funds must be used to offset the cost of other communication services.

(j) **Virtual Court Coordination**

$500,000 each year is for virtual court coordination and modernization.

(k) **Supportive Arts for Incarcerated Persons**

$425,000 the first year is for supportive arts for incarcerated persons grants as provided for in section 17. Of this amount, up to ten percent is for administration, including facility space, access, liaison, and monitoring. Any unencumbered balance remaining at the end of the first year does not cancel but is available for this purpose in the second year.

(l) **Successful Re-entry**

$375,000 the first year and ~~$875,000~~ $375,000 the second year are for reentry initiatives, including a culturally specific release program for Native American incarcerated individuals. The base for this appropriation beginning in fiscal year 2026 is $875,000.

(m) **Evidence-based Correctional Practices Unit**

$750,000 ~~each~~ in fiscal year ~~is~~ 2024 and $500,000 in fiscal year 2025 are to establish and maintain a unit to direct and oversee the use of evidence-based correctional practices across the department and supervision delivery systems. The base for this appropriation beginning in fiscal year 2026 is $750,000.

(n) **Interstate Compact for Adult Supervision; Transfer Expense Reimbursement**

$250,000 each year is for reimbursements under Minnesota Statutes, section 243.1609. This is a onetime appropriation.

(o) **Task Force on Aiding and Abetting Felony Murder**

$25,000 the first year is for costs associated with the revival of the task force on aiding and abetting felony murder.

(p) **Incarceration and Prerelease Services Base Budget**

The base for incarceration and prerelease services is $552,775,000 in fiscal year 2026 and $553,043,000 in fiscal year 2027.

(q) **Reallocation**

Up to $4,050,000 in fiscal year 2025 may be used for other financial obligations.

| | | |
|---|---|---|
| Subd. 3. **Community Supervision and Postrelease Services** | 189,939,000 | 190,953,000 |

(a) **Community Supervision Funding**

$143,378,000 each year is for community supervision services. This appropriation shall be distributed according to the community

supervision formula in Minnesota Statutes, section 401.10.

~~(b) **Tribal Nation Supervision**~~

~~$2,750,000 each year is for Tribal Nations to provide supervision or supportive services pursuant to Minnesota Statutes, section 401.10.~~

~~(c)~~ (b) **Postrelease Sex Offender Program**

$1,915,000 each year is for postrelease sex offender treatment services and initiatives.

~~(d)~~ (c) **Community Supervision Advisory Committee**

$75,000 the first year is to fund the community supervision advisory committee under Minnesota Statutes, section 401.17.

~~(e)~~ (d) **Regional and County Jails Study and Report**

$150,000 the first year is to fund the commissioner's study and report on the consolidation or merger of county jails and alternatives to incarceration for persons experiencing mental health disorders.

~~(f)~~ (e) **Work Release Programs**

$500,000 each year is for work release programs.

~~(g)~~ (f) **County Discharge Plans**

$80,000 each year is to develop model discharge plans pursuant to Minnesota Statutes, section 641.155. This appropriation is onetime.

~~(h)~~ (g) **Housing Initiatives**

$2,130,000 ~~each~~ in fiscal year ~~is~~ 2024 and $880,000 in fiscal year 2025 are for housing initiatives to support stable housing of incarcerated individuals upon release. The base for this purpose beginning in fiscal year 2026 is $1,685,000. ~~Of this amount:~~

~~(1) $1,000,000 each year is for housing stabilization prerelease services and program evaluation. The base for this purpose beginning in fiscal year 2026 is $760,000;~~

~~(2) $500,000 each year is for rental assistance for incarcerated individuals approaching release, on supervised release, or on probation who are at risk of homelessness;~~

~~(3) $405,000 each year is for culturally responsive trauma-informed transitional housing. The base for this purpose beginning in fiscal year 2026 is $200,000; and~~

~~(4) $225,000 each year is for housing coordination activities.~~

~~(i)~~ (h) **Community Supervision and Postrelease Services Base Budget**

The base for community supervision and postrelease services is $189,272,000 in fiscal year 2026 and $189,172,000 in fiscal year 2027.

~~(j)~~ (i) **Naloxone**

$2,000 each year is to purchase naloxone for supervised release agents to use to respond to overdoses.

(j) **Reallocation**

Up to $5,750,000 in fiscal year 2025 may be used for other financial obligations.

| | | |
|---|---|---|
| Subd. 4. **Organizational, Regulatory, and Administrative Services** | 73,586,000 | 73,301,000 |

(a) **Public Safety Data Infrastructure**

$22,914,000 the first year and $22,915,000 the second year are for technology modernization and the development of an information-sharing and data-technology infrastructure. The base for this purpose is $4,097,000 beginning in fiscal year 2026. Any unspent funds from the current biennium do not cancel and are available in the next biennium.

(b) **Supervised Release Board**

$40,000 each year is to establish and operate the supervised release board pursuant to Minnesota Statutes, section 244.049.

(c) **Recruitment and Retention**

$3,200,000 the first year and $400,000 the second year are for recruitment and retention initiatives. Of this amount, $2,800,000 the first year is for staff recruitment, professional development, conflict resolution, and staff wellness, and to contract with community collaborative partners who specialize in trauma recovery.

(d) **Clemency Review Commission**

$986,000 the first year is for the clemency review commission described in Minnesota Statutes, section 638.09. Of this amount, $200,000 each year is for grants to support outreach and clemency application assistance. Any unencumbered balance remaining in the first year does not cancel, but must be transferred to the Clemency Review

Commission by July 30, 2024. Funds transferred under this paragraph are available until June 30, 2025.

(e) **Accountability and Transparency**

$1,000,000 ~~each~~ in fiscal year ~~is~~ 2024 and $800,000 in fiscal year 2025 are for accountability and transparency initiatives. The base for this appropriation is $1,480,000 beginning in fiscal year 2026.

(f) **Organizational, Regulatory, and Administrative Services Base Budget**

The base for organizational, regulatory, and administrative services is $54,863,000 in fiscal year 2026 and $54,663,000 in fiscal year 2027.

(g) **Reallocation**

Up to $200,000 in fiscal year 2025 may be used for other financial obligations.

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

Sec. 2. **APPROPRIATION; INCARCERATION AND PRERELEASE SERVICES.**

$9,091,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of corrections for the operating deficiency in incarceration and prerelease services. Any balance remaining in this appropriation may be transferred to other programs within the department. This is a onetime appropriation.

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

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Howe | Lieske | Rasmusson |
| Bahr | Duckworth | Jasinski | Limmer | Utke |
| Dahms | Farnsworth | Koran | Lucero | Weber |
| Dornink | Green | Kreun | Pratt | Wesenberg |
| Draheim | Gruenhagen | Lang | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Utke.

So the decision of the President was sustained.

Pursuant to Rule 6.3, Senator Murphy requested that Senate Resolution No. 35 be referred to the Committee on Rules and Administration.

Senate Resolution No. 35 was referred to the Committee on Rules and Administration.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 3196 and 1740.

President Champion resumed the Chair.

## SPECIAL ORDER

**S.F. No. 3196:** A bill for an act relating to corrections; appropriating money for deficiencies in the budget of the Department of Corrections; amending Laws 2023, chapter 52, article 2, section 6, as amended.

S.F. No. 3196 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson Stewart | Mathews | Putnam |
| Bahr | Farnsworth | Klein | Maye Quade | Rarick |
| Boldon | Fateh | Koran | McEwen | Rasmusson |
| Carlson | Frentz | Kreun | Miller | Rest |
| Champion | Green | Kunesh | Mitchell | Seeberger |
| Clark | Gruenhagen | Kupec | Mohamed | Utke |
| Coleman | Gustafson | Lang | Murphy | Weber |
| Cwodzinski | Hauschild | Latz | Nelson | Wesenberg |
| Dahms | Hawj | Lieske | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Limmer | Pappas | Wiklund |
| Dornink | Housley | Lucero | Pha | Xiong |
| Draheim | Howe | Mann | Port | |
| Drazkowski | Jasinski | Marty | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble, Marty, Murphy, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Utke.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1740:** A bill for an act relating to education policy; making changes to kindergarten through grade 12 education; modifying provisions for general education, education excellence, charter schools, the Read Act, special education, school nutrition and facilities, and state agencies; requiring a report; amending Minnesota Statutes 2024, sections 10A.071, subdivision 1; 13.03, by adding a subdivision; 13.32, subdivision 5; 120A.22, subdivisions 12, 13; 120A.24, subdivision 4; 120B.021, subdivisions 2, 3; 120B.024; 120B.119, subdivisions 2a, 10; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 5, 7, by adding a subdivision; 120B.124, subdivision 2; 120B.35, subdivision 3; 120B.363, subdivisions 1, 2; 121A.031, subdivisions 2, 4, 6; 121A.041, subdivisions 2, 3; 121A.22, subdivision 2; 121A.2205; 121A.2207; 121A.224; 121A.23, subdivision 1; 121A.41, subdivision 10; 121A.49; 121A.73; 122A.09, subdivision 9; 122A.092, subdivisions 2, 5; 122A.181, subdivision 3; 122A.182, subdivision 3; 122A.183, subdivision 2; 123B.09, by adding a subdivision; 123B.32, subdivisions 1, 2; 123B.52, by adding a subdivision; 124D.09, subdivisions 5, 5a, 5b, 9, 10; 124D.094, subdivision 1; 124D.117, subdivision 2; 124D.119, subdivision 5; 124D.162; 124D.42, subdivision 8; 124D.52, subdivision 2; 124D.792; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivision 2; 124E.06, subdivision 7, by adding a subdivision; 124E.07, subdivisions 2, 3, 5, 6, 8; 124E.10, subdivision 4; 124E.13, subdivision 3; 124E.16, subdivisions 1, 3, by adding a subdivision; 124E.17; 124E.26, subdivisions 4, 5, by adding a subdivision; 125A.091, subdivisions 3a, 5; Laws 2024, chapter 115, article 2, section 21, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 124D; 125A; repealing Minnesota Statutes 2024, sections 120B.124, subdivision 6; 123B.935, subdivision 2.

Senator Maye Quade moved to amend S.F. No. 1740 as follows (A73):

Page 53, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2024, section 120B.119, subdivision 10, is amended to read:

Subd. 10. **Oral language.** "Oral language~~,~~" ~~also called "spoken language,"~~ includes speaking and listening, and consists of five components: phonology, morphology, syntax, semantics, and pragmatics. Oral language also includes sign language, in which speaking and listening skills are defined as expressive and receptive skills, and consists of phonology, including sign language phonological awareness, morphology, syntax, semantics, and pragmatics.

**EFFECTIVE DATE.** This section is effective July 1, 2025."

Page 54, line 10, after the period, insert "A student enrolled in a dual language immersion program must be screened initially in English when entering kindergarten, in the primary language

# 058. SF 571

**Vote:** 2025-04-25 | **Workbook row:** 63
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 62 yeas, 0 nays

**Workbook subject:** Uniform Trust Code, Powers of Appointment, and Uniform Probate Code provisions modifications

## Included complete bill documents

**1. 2nd Engrossment, posted 2025-04-25** - 23 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/571/versions/2/pdf/

## Original Senate journal context

PDF pages 2-3. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250425025.pdf#page=3

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/571/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 571

**(SENATE AUTHORS: WESTLIN and Kreun)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/23/2025 | 163 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 01/30/2025 | 212a | Comm report: To pass as amended |
| | 213 | Second reading |
| 02/27/2025 | 578 | Author added Kreun |
| | 581 | Special Order |
| | 582 | Third reading Passed |
| 04/25/2025 | 3968a | Returned from House with amendment |
| | 3969 | Senate concurred and repassed bill |
| | 3969 | Third Reading Repassed |
| | | Presentment date 05/06/25 |
| | 4514 | Governor's action Approval 05/06/25 |
| | 4514 | Secretary of State Chapter 15 05/06/25 |
| | | Effective date 05/07/25 |

A bill for an act

relating to trusts; modifying various provisions of the Uniform Trust Code, Powers of Appointment, and the Uniform Probate Code; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2024, sections 501A.01; 501C.0301; 501C.0302; 501C.0407; 501C.0411; 501C.0414; 501C.0602; 501C.0605; 501C.0701; 501C.0808, subdivisions 1, 2, 3, 4, 5, 6, 8, by adding a subdivision; 501C.1013, subdivision 4; 501C.1014, by adding a subdivision; 501C.1105, subdivision 1, by adding a subdivision; 502.851, subdivisions 1, 2, 3, 4, 11, 15, 16; 524.2-114; 524.2-804, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 501A.01, is amended to read:

**501A.01 WHEN NONVESTED INTEREST, POWERS OF APPOINTMENT ARE INVALID; EXCEPTIONS.**

(a) A nonvested property interest is invalid unless:

(1) when the interest is created, it is certain to vest or terminate no later than 21 years after the death of an individual then alive; or

(2) the interest either vests or terminates within 90 years after its creation.

(b) A general power of appointment not presently exercisable because of a condition precedent is invalid unless:

(1) when the power is created, the condition precedent is certain to be satisfied or become impossible to satisfy no later than 21 years after the death of an individual then alive; or

(2) the condition precedent either is satisfied or becomes impossible to satisfy within 90 years after its creation.

(c) A nongeneral power of appointment or a general testamentary power of appointment is invalid unless:

(1) when the power is created, it is certain to be irrevocably exercised or otherwise to terminate no later than 21 years after the death of an individual then alive; or

(2) the power is irrevocably exercised or otherwise terminates within 90 years after its creation.

(d) In determining whether a nonvested property interest or a power of appointment is valid under paragraph (a), clause (1), paragraph (b), clause (1), or paragraph (c), clause (1), the possibility that a child will be born to an individual after the individual's death is disregarded.

(e) If, in measuring a period from the creation of a trust or other property arrangement, language in a governing instrument seeks to:

(1) disallow the vesting or termination of any interest trust beyond;

(2) postpone the vesting or termination of any interest or trust until; or

(3) operate in effect in any similar fashion upon,

the later of the expiration of a period of time not exceeding 21 years after the death of the survivor of specified lives in being at the creation of the trust or other property arrangement, or the expiration of a period of time that exceeds or might exceed 21 years after the death of the survivor of lives in being at the creation of the trust or other property arrangement;

that language is inoperative to the extent it produces a period of time that exceeds 21 years after the death of the survivor of the specified lives.

(f) For any trust created on or after August 1, 2025, this section shall apply to a nonvested property interest or power of appointment contained in a trust by substituting the term "500 years" for "90 years" in each place it appears in this section, unless the terms of the trust require that all beneficial interests in the trust vest or terminate within a lesser period.

Sec. 2. Minnesota Statutes 2024, section 501C.0301, is amended to read:

**501C.0301 REPRESENTATION: BASIC EFFECT.**

(a) Notice to a person who may represent and bind another person under sections 501C.0302 to 501C.0305 has the same effect as if notice were given directly to the other person.

(b) The consent, agreement, or waiver of a person who may represent and bind another person under sections 501C.0302 to 501C.0305 is binding on the person represented unless the person represented objects to the representation before the consent, agreement, or waiver would otherwise have been effective. The provisions of this paragraph shall not apply to representation under section 501C.0302.

(c) Except as otherwise provided in sections 501C.0411 and 501C.0602, a person who under sections 501C.0302 to 501C.0305 may represent a settlor who lacks capacity may receive notice and give a binding consent on the settlor's behalf.

(d) A settlor may not represent and bind a beneficiary under sections 501C.0302 to 501C.0305 with respect to the termination or modification of a trust under section 501C.0411, paragraph (a).

(e) The settlor or another person, including one or more beneficiaries of the trust, designated by the terms of the trust instrument to receive information from the trustee concerning the administration of the trust and the material facts necessary to protect the beneficiaries' interests in the manner described in section 501C.0813, paragraph (b), shall be a representative of the beneficiaries with respect to the limitations period on judicial proceedings against a trustee under section 501C.1005, paragraph (a).

Sec. 3. Minnesota Statutes 2024, section 501C.0302, is amended to read:

**501C.0302 REPRESENTATION BY HOLDER OF A ~~GENERAL~~ POWER OF APPOINTMENT.**

For purposes of giving notice, waiving notice, initiating a proceeding, granting consent or approval, or objecting with regard to any proceedings under this chapter, the sole holder or all co-holders of a presently exercisable or testamentary ~~general~~ power of appointment, whether general or special, power of revocation, or unlimited power of withdrawal are deemed to represent and act for beneficiaries to the extent that their interests as permissible appointees, takers in default, or otherwise are subject to the power.

Sec. 4. Minnesota Statutes 2024, section 501C.0407, is amended to read:

**501C.0407 EVIDENCE OF ORAL TRUST.**

The formal expression of intent to create a trust can be either written or oral subject to the requirements of sections 513.04 with respect to the conveyance of interest in land except up to a one-year lease and 524.2-502 with respect to a testamentary trust. The creation of an oral trust and its terms must be established by clear and convincing evidence.

Sec. 5. Minnesota Statutes 2024, section 501C.0411, is amended to read:

**501C.0411 MODIFICATION OR TERMINATION OF NONCHARITABLE IRREVOCABLE TRUST BY CONSENT.**

(a) A noncharitable irrevocable trust may be modified or terminated upon consent of the settlor and all beneficiaries, even if the modification or termination is inconsistent with a material purpose of the trust. A settlor's power to consent to a trust's modification or termination may be exercised by an agent under a power of attorney only to the extent expressly authorized by ~~the power of attorney or~~ the terms of the trust, or if the trust instrument is silent with respect to consent to the trust's modification by an agent, then by a power of attorney, other than a statutory short form power of attorney executed in accordance with section 523.23, that expressly authorizes the agent to consent to a trust's modification; by the settlor's conservator with the approval of the court supervising the conservatorship if an agent is not so authorized; or by the settlor's guardian with the approval of the court supervising the guardianship if an agent is not so authorized and a conservator has not been appointed.

(b) A noncharitable irrevocable trust may be terminated upon consent of all of the beneficiaries if the court concludes that continuance of the trust is not necessary to achieve any material purpose of the trust. A noncharitable irrevocable trust may be modified upon consent of all of the beneficiaries if the court concludes that modification is not inconsistent with a material purpose of the trust.

(c) The court is not precluded from modifying or terminating a trust because the trust instrument contains spendthrift provisions.

(d) Upon termination of a trust under paragraph (a) or (b), the trustee shall distribute the trust property as agreed by the beneficiaries.

(e) If not all of the beneficiaries consent to a proposed modification or termination of the trust under paragraph (a) or (b), the modification or termination may be approved by the court if the court is satisfied that:

(1) if all of the beneficiaries had consented, the trust could have been modified or terminated under this section; and

(2) the interests of a beneficiary who does not consent will be adequately protected.

Sec. 6. Minnesota Statutes 2024, section 501C.0414, is amended to read:

**501C.0414 MODIFICATION OR TERMINATION OF UNECONOMIC TRUST.**

(a) After notice to the qualified beneficiaries, the trustee of a trust consisting of trust property having a total value less than ~~$50,000~~ $150,000 may terminate the trust if the trustee concludes that the value of the trust property is insufficient to justify the cost of administration.

(b) The court may modify or terminate a trust or remove the trustee and appoint a different trustee if it determines that the value of the trust property is insufficient to justify the cost of administration.

(c) Upon termination of a trust under this section, the trustee shall distribute the trust property in a manner consistent with the purposes of the trust.

(d) This section does not apply to an easement for conservation or preservation.

Sec. 7. Minnesota Statutes 2024, section 501C.0602, is amended to read:

**501C.0602 REVOCATION OR AMENDMENT OF REVOCABLE TRUST.**

(a) Unless the terms of a trust expressly provide that the trust is revocable, the settlor may not revoke or amend the trust.

(b) If a revocable trust is created or funded by more than one settlor:

(1) to the extent the trust consists of community property, the trust may be revoked by either spouse acting alone but may be amended only by joint action of both spouses;

(2) to the extent the trust consists of property other than community property, each settlor may revoke or amend the trust with regard to the portion of the trust property attributable to that settlor's contribution; and

(3) upon the revocation or amendment of the trust by fewer than all of the settlors, the trustee shall promptly notify the other settlors of the revocation or amendment.

(c) The settlor may revoke or amend a revocable trust:

(1) by substantial compliance with a method provided in the terms of the trust; or

(2) if the terms of the trust do not provide a method or the method provided in the terms is not expressly made exclusive, by:

(i) if the trust is created pursuant to a writing, by another writing manifesting clear and convincing evidence of the settlor's intent to revoke or amend the trust; or

(ii) if the trust is an oral trust, by any other method manifesting clear and convincing evidence of the settlor's intent.

(d) Upon revocation of a revocable trust, the trustee shall deliver the trust property as the settlor directs.

(e) A settlor's powers with respect to revocation, amendment, or distribution of trust property may be exercised by an agent under a power of attorney only to the extent expressly authorized by the terms of the trust, or ~~the power~~ if the trust instrument is silent with respect to revocation, amendment, or distribution of trust property by an agent, then by a power of attorney, other than a statutory short form power of attorney executed in accordance with section 523.23, that expressly authorizes the agent to exercise the settlor's powers with respect to revocation, amendment, or distribution of property.

(f) A conservator of the settlor may exercise a settlor's powers with respect to revocation, amendment, or distribution of trust property only with the approval of the court supervising the conservatorship.

(g) A trustee who does not know that a trust has been revoked or amended is not liable to the settlor or settlor's successors in interest for distributions made and other actions taken on the assumption that the trust had not been amended or revoked.

Sec. 8. Minnesota Statutes 2024, section 501C.0605, is amended to read:

**501C.0605 LIMITATION ON ACTION CONTESTING VALIDITY OF REVOCABLE TRUST; DISTRIBUTION OF TRUST PROPERTY.**

(a) A person may commence a judicial proceeding to contest the validity of a trust that was revocable immediately prior to the settlor's death within the earlier of:

(1) three years after the settlor's death; or

(2) 120 days after the trustee sent the person a copy of the trust instrument and a notice informing the person of the settlor's death, of the trust's existence, of the trustee's name and address, and of the time allowed for commencing a proceeding.

(b) Upon the death of the settlor of a trust that was revocable at the settlor's death, the trustee may proceed to distribute the trust property in accordance with the terms of the trust. The trustee is not subject to liability for doing so unless:

(1) the trustee knows of a pending judicial proceeding contesting the validity of the trust; or

(2) a potential contestant has notified the trustee of a possible judicial proceeding to contest the trust and a judicial proceeding is commenced within 60 days after the contestant sent the notification.

(c) A beneficiary of a trust that is determined to have been invalid, in whole or in part, is liable to return any distribution received, to the extent the invalidity applies to the distribution.

Sec. 9. Minnesota Statutes 2024, section 501C.0701, is amended to read:

**501C.0701 ACCEPTING OR DECLINING TRUSTEESHIP.**

(a) Except as otherwise provided in paragraph (c), a person designated as trustee accepts the trusteeship:

(1) by substantially complying with a method of acceptance provided in the terms of the trust; or

(2) if the terms of the trust do not provide a method, or the method provided in the terms is not expressly made exclusive, by accepting delivery of the trust property, exercising powers or performing duties as trustee, or otherwise indicating acceptance of the trusteeship.

(b) A person designated as trustee who has not yet accepted the trusteeship may reject the trusteeship. A designated trustee who does not accept the trusteeship within a reasonable time after knowing of the designation, but not more than 120 days, is deemed to have rejected the trusteeship.

(c) A person designated as trustee, without accepting the trusteeship, may:

(1) act to preserve the trust property if, within a reasonable time after acting, the person sends a rejection of the trusteeship to the settlor or, if the settlor is dead or lacks capacity, to a qualified beneficiary; and

(2) inspect or investigate trust property to determine potential liability or for any other purpose.

Sec. 10. Minnesota Statutes 2024, section 501C.0808, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this section apply to this section.

(b) "Directing party" means ~~any~~ one or more persons acting as investment trust advisor, distribution trust advisor, or trust protector as provided in this section.

(c) "Distribution trust advisor" means one or more persons given authority by the governing instrument to ~~direct, consent to, veto, or otherwise exercise all or any portion of the distribution powers and discretions of the trust, including but not limited to authority to make discretionary distributions of income or principal~~ exercise the powers specified in subdivision 3.

(d) "Excluded fiduciary" means ~~any fiduciary~~ one or more fiduciaries that by the governing instrument ~~is~~ are directed to act in accordance with the exercise of specified powers by a directing party, in which case such specified powers shall be deemed granted not to the fiduciary but to the directing party and such fiduciary shall be deemed excluded from exercising such specified powers. If a governing instrument provides that a fiduciary as to one or more specified matters is to act, omit action, or make decisions only with the consent of a directing party, then such fiduciary is an excluded fiduciary with respect to such matters. A person may be an excluded fiduciary even if such person participated in the exercise of (1) a power described in section 501C.0111 relating to nonjudicial settlement agreements, (2) a power described in section 502.851 relating to decanting, (3) a permitted trustee amendment, or (4) a similar power that invokes the provisions of this section with respect to any new or existing trust.

(e) "Fiduciary" means ~~any person~~ one or more persons expressly given one or more fiduciary duties by the governing instrument or by this section, including but not limited to a trustee.

(f) "Governing instrument" means the instrument stating the terms of a trust, including but not limited to any court order, or nonjudicial settlement agreement establishing, construing, or modifying the terms of the trust in accordance with section 501C.0111 or 502.851, or other applicable law.

(g) "Investment trust advisor" means ~~any~~ one or more persons given authority by the governing instrument to ~~direct, consent to, or veto the exercise of all or any portion of the investment powers of the trust~~ exercise the powers specified in subdivision 2.

(h) "Power" means authority to take or withhold an action or decision, including but not limited to an expressly specified power, the implied power necessary to exercise a specified power, and authority inherent in a general grant of discretion.

(i) "Trust protector" means one or more persons given one or more of the powers specified in subdivision 4~~, whether or not designated with the title of trust protector by the governing instrument~~.

Sec. 11. Minnesota Statutes 2024, section 501C.0808, subdivision 2, is amended to read:

Subd. 2. **Powers of investment trust advisor.** An investment trust advisor may be designated in the governing instrument of a trust. The powers of an investment trust advisor may be exercised or not exercised in the sole and absolute discretion of the investment trust advisor, and are binding on all other persons, including but not limited to each beneficiary, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "investment trust advisor" or any similar name or description demonstrating the intent to provide for the office and function of an investment trust advisor. The governing instrument may provide that the investment trust advisor has the authority to direct, consent to, or veto the exercise of all or any portion of the investment powers of the trustee. Unless the terms of the governing instrument provide otherwise, the investment trust advisor has the authority to:

(1) direct the trustee with respect to the retention, purchase, transfer, assignment, sale, or encumbrance of trust property and the investment and reinvestment of principal and income of the trust;

(2) direct the trustee with respect to all management, control, and voting powers related directly or indirectly to trust assets, including but not limited to voting proxies for securities held in trust;

(3) select ~~and determine reasonable compensation of~~ any one or more advisors, managers, consultants, or counselors, ~~including~~ which may be the trustee, and ~~to~~ delegate to them any of the powers of the investment trust advisor in accordance with section 501C.0807 and determine their reasonable compensation for investment services; and

(4) determine the frequency and methodology for valuing any asset for which there is no readily available market value.

Sec. 12. Minnesota Statutes 2024, section 501C.0808, subdivision 3, is amended to read:

Subd. 3. **Powers of distribution trust advisor.** A distribution trust advisor may be designated in the governing instrument of a trust. The powers of a distribution trust advisor may be exercised or not exercised in the sole and absolute discretion of the distribution trust advisor, and are binding on all other persons, including but not limited to each beneficiary, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "distribution trust advisor" or any similar name or description demonstrating the intent to provide for the office and function of a distribution trust advisor. The governing instrument may provide that the distribution trust advisor has

the authority to direct, consent to, veto, or otherwise exercise all or any portion of the distribution powers and discretions of the trustee. Unless the terms of the governing instrument provide otherwise, the distribution trust advisor has authority to:

(1) direct the trustee with regard to all decisions relating directly or indirectly to discretionary distributions of income or principal to or for one or more beneficiaries.; and

(2) direct the trustee to terminate the trust, including determination of how the trustee shall distribute the trust property to be consistent with the purposes of the trust.

Sec. 13. Minnesota Statutes 2024, section 501C.0808, subdivision 4, is amended to read:

Subd. 4. **Powers of trust protector.** A trust protector may be designated in the governing instrument of a trust. The powers of a trust protector may be exercised or not exercised in the sole and absolute discretion of the trust protector, and are binding on all other persons, including but not limited to each beneficiary, investment trust advisor, distribution trust advisor, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "trust protector" or any similar name or description demonstrating the intent to provide for the office and function of a trust protector. The powers granted to a trust protector by the governing instrument may include but are not limited to authority to do any one or more of the following:

(1) modify or amend the governing instrument to achieve favorable tax status or respond to changes in the Internal Revenue Code, federal laws, state law, or the rulings and regulations under such laws;

(2) increase, decrease, or modify the interests of any beneficiary or beneficiaries of the trust;

(3) modify the terms of any power of appointment granted by the trust; provided, however, such modification or amendment may not grant a beneficial interest to any individual, class of individuals, or other parties not specifically provided for under the trust instrument;

(4) remove, appoint, or remove and appoint, a trustee, investment trust advisor, distribution trust advisor, another directing party, investment committee member, or distribution committee member, including designation of a plan of succession for future holders of any such office;

~~(5) terminate the trust, including determination of how the trustee shall distribute the trust property to be consistent with the purposes of the trust;~~

~~(6)~~ (5) change the situs of the trust, the governing law of the trust, or both;

~~(7)~~ (6) appoint one or more successor trust protectors, including designation of a plan of succession for future trust protectors;

~~(8)~~ (7) interpret terms of the trust instrument at the request of the trustee;

~~(9)~~ (8) advise the trustee on matters concerning a beneficiary;

~~(10)~~ (9) amend or modify the governing instrument to take advantage of laws governing restraints on alienation, distribution of trust property, or to improve the administration of the trust; or

~~(11) veto or direct trust distributions; or~~

~~(12)~~ (10) provide direction regarding notification of qualified beneficiaries.

If a charity is a current beneficiary or a presumptive remainder beneficiary of the trust, a trust protector must give notice to the attorney general's charitable trust division at least 60 days before taking any of the actions authorized under clause (2), (3), (4), or (5)~~, or (6)~~. The attorney general's charitable trust division may, however, waive this notice requirement.

Sec. 14. Minnesota Statutes 2024, section 501C.0808, subdivision 5, is amended to read:

Subd. 5. **Duty and liability of directing party.** (a) A directing party who is a distribution trust advisor or an investment trust advisor is a fiduciary of the trust subject to the same duties and standards applicable to a trustee of a trust as provided by applicable law ~~unless the governing instrument provides otherwise, but the governing instrument may not, however, relieve or exonerate a directing party from the duty to act or withhold acting as the directing party in good faith reasonably believes is in the best interests of the trust.~~, including but not limited to the limitation period for actions against a trustee, the effect of providing a report or account, and the defenses available to a trustee in an action for breach of trust against the trustee. The terms of the governing instrument may vary the duty or liability of an investment trust advisor or a distribution trust advisor, but only to the same extent the terms of the trust could vary the duty or liability of a trustee in a like position and under similar circumstances.

(b) A trust protector is not a fiduciary of the trust unless the governing instrument provides otherwise, provided that a trust protector shall be a fiduciary subject to paragraph (a) if the governing instrument grants the trust protector any of the powers of an investment trust advisor under subdivision 2 or a distribution trust advisor under subdivision 3, but only to the extent of the power or powers granted.

Sec. 15. Minnesota Statutes 2024, section 501C.0808, subdivision 6, is amended to read:

Subd. 6. **Duty and liability of excluded fiduciary.** (a) The excluded fiduciary shall act in accordance with the governing instrument and shall take reasonable steps to comply with the directing party's exercise of the powers granted to the directing party by the governing instrument. Unless otherwise provided in the governing instrument, an excluded fiduciary has no duty to monitor, review, inquire, investigate, recommend, evaluate, or warn with respect to a directing party's exercise of or failure to exercise any power granted to the directing party by the governing instrument, including but not limited to, any power related to the acquisition, disposition, retention, management, or valuation of any asset or investment. Except as otherwise provided in this section or the governing instrument, an excluded fiduciary is not liable, either individually or as a fiduciary, for any action, inaction, consent, or failure to consent by a directing party, including but not limited to, any of the following:

(1) if a governing instrument provides that an excluded fiduciary is to follow the direction of a directing party, and the excluded fiduciary acts in accordance with the direction, then except in cases of willful misconduct on the part of the excluded fiduciary in complying with the direction of the directing party, the excluded fiduciary is not liable for any loss resulting directly or indirectly from following the direction, including but not limited to, compliance regarding the valuation of assets for which there is no readily available market value;

(2) if a governing instrument provides that an excluded fiduciary is to act or omit to act only with the consent of a directing party, then except in cases of willful misconduct on the part of the excluded fiduciary, the excluded fiduciary is not liable for any loss resulting directly or indirectly from any act taken or omitted as a result of the directing party's failure to provide consent after having been requested to do so by the excluded fiduciary; or

(3) if a governing instrument provides that, or if for any other reason, an excluded fiduciary is required to assume the role or responsibilities of a directing party, or if the excluded fiduciary appoints a directing party or successor to a directing party, then except in cases of willful misconduct on the part of the excluded fiduciary, the excluded fiduciary is not liable for any loss resulting directly or indirectly from its actions in carrying out the roles and responsibilities of the directing party.

(b) Any excluded fiduciary is also relieved from any obligation to review or evaluate any direction from a distribution trust advisor or to perform investment or suitability reviews, inquiries, or investigations or to make recommendations or evaluations with respect to investments to the extent the directing party, custodial account owner, or authorized designee

of a custodial account owner had authority to direct the acquisition, disposition, or retention of any such investment. If the excluded fiduciary offers such communication to the directing party or any investment person selected by the investment trust advisor, the action may not be deemed to constitute an undertaking by the excluded fiduciary to monitor or otherwise participate in actions within the scope of the advisor's authority or to constitute any duty to do so.

(c) An excluded fiduciary is also relieved of any duty to communicate with, warn, or apprise any beneficiary or third party concerning instances in which the excluded fiduciary would or may have exercised the excluded fiduciary's own discretion in a manner different from the manner directed by the directing party.

(d) Absent a contrary provision in the governing instrument, the actions of the excluded fiduciary, including any communications with the directing party or others, or carrying out, recording, or reporting actions taken at the directing party's direction pertaining to matters within the scope of authority of the directing party, shall be deemed to be administrative actions taken by the excluded fiduciary solely to allow the excluded fiduciary to perform those duties assigned to the excluded fiduciary under the governing instrument. An administrative action described under this paragraph may not be deemed to constitute an undertaking by the excluded fiduciary to monitor, participate, or otherwise take any fiduciary responsibility for actions within the scope of authority of the directing party.

(e) Any person acting in the role of excluded fiduciary or directing party is an interested person who may petition the district court and invoke its jurisdiction as provided in sections 501C.0201 to 501C.0208 for those matters specified in section 501C.0202, and the provisions of section 501C.0202 shall be construed and applied so that the references in that section to a "trustee" include the excluded fiduciary or directing party, as applicable.

Sec. 16. Minnesota Statutes 2024, section 501C.0808, subdivision 8, is amended to read:

Subd. 8. **Duty to inform excluded fiduciary and directing parties.** (a) Each directing party shall keep the excluded fiduciary and any other directing party reasonably informed regarding the administration of the trust with respect to any specific duty or function being performed by the directing party to the extent that the duty or function would normally be performed by the excluded fiduciary or to the extent that providing such information to the excluded fiduciary or other directing party is reasonably necessary for the excluded fiduciary or other directing party to perform its duties. The directing party shall provide such information as reasonably requested by the excluded fiduciary or other directing party. Neither the performance nor the failure to perform of a directing party's duty to inform as

provided in this subdivision affects the limitation on the liability of the excluded fiduciary as provided in this section.

(b) Each excluded fiduciary shall keep the directing party or parties reasonably informed regarding the administration of the trust with respect to any specific duty or function performed by the excluded fiduciary to the extent that providing such information to the directing party or parties is reasonably necessary for the directing party to perform its duties. The excluded fiduciary shall provide such information as reasonably requested by a directing party. Neither the performance of nor the failure to perform an excluded fiduciary's duty to inform as provided in this subdivision affects the liability of the directing party as provided in this section.

Sec. 17. Minnesota Statutes 2024, section 501C.0808, is amended by adding a subdivision to read:

Subd. 9a. **Office of directing party.** Unless the terms of a governing instrument provide otherwise, the rules applicable to a trustee apply to a directing party regarding the following matters:

(1) acceptance under section 501C.0701;

(2) giving of bond to secure performance under section 501C.0702;

(3) when more than one person is acting in the role of a directing party, the provisions applicable to cotrustees under section 501C.0703;

(4) reasonable compensation under section 501C.0708;

(5) resignation under section 501C.0705;

(6) removal under section 501C.0706; and

(7) vacancy and appointment of successor under section 501C.0704.

Sec. 18. Minnesota Statutes 2024, section 501C.1013, subdivision 4, is amended to read:

Subd. 4. **Effect.** When a certificate of trust is recorded in a county where real property is situated, or in the case of personal property, when it is presented to a third party, the certificate of trust serves to document the existence of the trust, the identity of the trustees, the powers of the trustees and any limitations on those powers, and other matters the certificate of trust sets out, as though the full trust instrument had been recorded or presented. Until amended or revoked under subdivision 5, or until the full trust instrument is recorded or presented, a certificate of trust is prima facie proof as to matters contained in it and any

party may rely upon the continued effectiveness of the certificate, and the subsequent revocation or amendment of a certificate of trust shall not affect transactions entered into in reliance on a prior certificate of trust.

Sec. 19. Minnesota Statutes 2024, section 501C.1014, is amended by adding a subdivision to read:

Subd. 5. **Affidavit of trustee.** An affidavit of a trustee or of trustees of an inter vivos trust or a testamentary trust in support of a personal property transaction may be substantially in the form of the affidavit provided in subdivision 1 or 2, as long as the affidavit sets forth a description of the personal property and includes paragraphs 2, 3(a) and (b), changing the property reference to the personal property described, 4, 5, 6, and 7 of the form of the affidavit provided in subdivision 1 or 2.

Sec. 20. Minnesota Statutes 2024, section 501C.1105, subdivision 1, is amended to read:

Subdivision 1. **Expenses.** Unless a will or trust instrument provides otherwise and subject to subdivision 2, all expenses incurred in connection with the settlement of a decedent's estate, including debts, funeral expenses, estate taxes, interest and penalties concerning taxes, family allowances, fees of attorneys and personal representatives, and court costs must be charged against the principal of the estate.

Sec. 21. Minnesota Statutes 2024, section 501C.1105, is amended by adding a subdivision to read:

Subd. 4. **Decedent's estate.** For purposes of this section, the "decedent's estate" includes the estate of the decedent and any trust that was revocable by the decedent at the time of the decedent's death.

Sec. 22. Minnesota Statutes 2024, section 502.851, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Appointed trust" means an irrevocable trust which receives principal from an invaded trust under subdivision 3 or 4, including another trust created by the settlor of the invaded trust, under the terms of the invaded trust or any other trust instrument, or by the trustees, in that capacity, of the invaded trust. For purposes of creating another trust, any requirement that a trust instrument be signed by the settlor shall be deemed satisfied by the signature of the trustee of the appointed trust. In the discretion of the authorized trustee, the appointed trust may be the same trust as the invaded trust with modified terms which does not require

the trustee of the appointed trust to refer to the trust by a different name or obtain a separate tax identification number when applicable.

(c) "Authorized trustee" means, as to an invaded trust, any trustee or trustees with authority to pay trust principal to or for one or more current beneficiaries other than a trustee who is the settlor, or a beneficiary to whom income or principal must be paid currently or in the future, or who is or will become eligible to receive a distribution of income or principal in the discretion of the trustee, other than by the exercise of a power of appointment held in a nonfiduciary capacity.

(d) "Current beneficiary" or "beneficiaries" means the person or persons, or as to a class, any person or persons who are or will become members of that class, to whom the trustees may distribute principal at the time of the exercise of the power, provided that the interest of a beneficiary to whom income, but not principal, may be distributed at the discretion of the trustee of the invaded trust, may be continued in the appointed trust.

(e) "Invade" means the power to pay directly to the beneficiary of a trust or make application for the benefit of the beneficiary.

(f) "Invaded trust" means any existing irrevocable inter vivos or testamentary trust whose principal is appointed under subdivision 3 or 4.

(g) "Person or persons interested in the invaded trust" means all qualified beneficiaries as defined in section 501C.0103, paragraph (m).

(h) "Principal" includes the income of the trust at the time of the exercise of the power that is not currently required to be distributed, including accrued and accumulated income.

(i) "Unlimited discretion" means the unlimited power to distribute principal. A power to distribute principal that includes words such as best interests, welfare, comfort, or happiness shall not be considered a limitation of the power to distribute principal.

Sec. 23. Minnesota Statutes 2024, section 502.851, subdivision 2, is amended to read:

Subd. 2. ~~**Power of appointment; effect when more or less extensive than authorized**~~ **Savings provision.** ~~An exercise of a power of appointment is not void if the exercise is:~~

~~(1) more extensive than was authorized but is valid to the extent authorized by the instrument creating its power; or~~

~~(2) less extensive than authorized by the instrument creating the power, unless the donor has manifested a contrary intention.~~

(a) If exercise of the power to invade trust principal under subdivision 3 or 4 would be effective under this section except that the appointed trust instrument in part does not comply with this section, the exercise of the power is effective and the following rules apply with respect to the principal of the appointed trust attributable to the exercise of the power:

(1) a provision in the appointed trust instrument that is not permitted under this section is void to the extent necessary to comply with this section; and

(2) a provision required by this section to be in the appointed trust instrument that is not contained in the trust instrument is deemed to be included in the trust instrument to the extent necessary to comply with this section.

(b) If a trustee or other fiduciary of an appointed trust determines that paragraph (a) applies to a prior exercise of the power to invade trust principal under subdivision 3 or 4, the fiduciary shall take corrective action consistent with the fiduciary's duties.

Sec. 24. Minnesota Statutes 2024, section 502.851, subdivision 3, is amended to read:

Subd. 3. **Authorized trustee with unlimited discretion.** (a) An authorized trustee with unlimited discretion to invade trust principal may appoint part or all of the principal to a trustee of an appointed trust for, and only for the benefit of, one, more than one, or all of the current beneficiaries of the invaded trust, to the exclusion of any one or more of the current beneficiaries. The successor and remainder beneficiaries of the appointed trust ~~may be none,~~ must be one, more than one, or all of the successor and remainder beneficiaries of the invaded trust, and may be to the exclusion of any one, more than one, or all of such successor and remainder beneficiaries.

(b) An authorized trustee exercising the power under paragraph (a) may grant a discretionary power of appointment in the appointed trust to one or more of the current beneficiaries of the invaded trust, provided that the beneficiary granted a power to appoint may receive principal outright under the terms of the invaded trust.

(c) If the authorized trustee grants a power of appointment, the class of permissible appointees in favor of whom the beneficiary may exercise the power of appointment granted in the appointed trust may be broader or otherwise different from the current, successor, and remainder beneficiaries of the invaded trust.

(d) If the beneficiary or beneficiaries of the invaded trust are described by a class, the beneficiary or beneficiaries of the appointed trust may include present or future members of the class.

Sec. 25. Minnesota Statutes 2024, section 502.851, subdivision 4, is amended to read:

Subd. 4. **Authorized trustee without unlimited discretion.** (a) An authorized trustee with the power to invade trust principal but without unlimited discretion may appoint part or all of the principal of the trust to a trustee of an appointed trust, provided that the current beneficiaries of the appointed trust shall be the same as the current beneficiaries of the invaded trust and the successor and remainder beneficiaries shall be the same as the successor and remainder beneficiaries of the invaded trust.

(b) If the authorized trustee exercises the power under this subdivision, the appointed trust shall include the same language authorizing the trustee to distribute the income or invade the principal of the appointed trust as in the invaded trust.

(c) If the authorized trustee exercises the power under this subdivision to extend the term of the appointed trust beyond the term of the invaded trust, for any period after the invaded trust would have otherwise terminated under the provisions of the invaded trust, the appointed trust, in addition to the language required to be included in the appointed trust pursuant to paragraph (b), may also include language providing the trustee with unlimited discretion to invade the principal of the appointed trust during this extended term.

(d) If the beneficiary or beneficiaries of the invaded trust are described by a class, the beneficiary or beneficiaries of the appointed trust shall include present ~~or~~ and future members of the class.

(e) If the authorized trustee exercises the power under this subdivision and if the invaded trust grants a power of appointment to a beneficiary of the trust, the appointed trust shall grant the power of appointment in the appointed trust and the class of permissible appointees shall be the same as in the invaded trust.

Sec. 26. Minnesota Statutes 2024, section 502.851, subdivision 11, is amended to read:

Subd. 11. **Requirements for exercise of power to appoint; notice.** (a) The exercise of the power to appoint to an appointed trust under subdivision 3 or 4 must be evidenced by an instrument in writing, signed~~,~~ and dated~~, and acknowledged~~ by the authorized trustee. The exercise of the power shall be effective 60 days after the date of delivery of notice as specified in paragraph (c), unless each person entitled to notice agrees in writing to an earlier effective date or waives in writing the right to object to the exercise of the power.

(b) An authorized trustee may exercise the power authorized by subdivision 3 or 4 without the consent of the settlor or the persons interested in the invaded trust and without

court approval, provided that the authorized trustee may seek court approval for the exercise with notice to all persons interested in the invaded trust.

(c) A copy of the instrument exercising the power, a copy of the appointed trust, and a copy of the invaded trust shall be delivered to:

(1) any person having the right, pursuant to the terms of the invaded trust, to remove or replace the authorized trustee exercising the power under subdivision 3 or 4; ~~and~~

(2) all persons interested in the invaded trust~~.~~; and

(3) any person who would be considered the owner of all or any portion of the appointed trust under sections 671 to 679 of the Internal Revenue Code.

(d) Notice of an exercise of the power must be given in the same manner as provided in section 501C.0109 and is subject to the provisions of section 501C.0301.

(e) The instrument exercising the power shall state whether the appointment is of all the assets comprising the principal of the invaded trust or only a part of the assets comprising the principal of the invaded trust and, if a part, the approximate percentage of the value of the principal of the invaded trust that is subject to the appointment.

(f) A person entitled to notice may object to the authorized trustee's exercise of the power under this section by serving a written notice of objection upon the authorized trustee prior to the effective date of the exercise of the power. The failure to object shall not constitute a consent.

(g) If the authorized trustee does not receive a written objection to the proposed exercise from a person entitled to notice within the applicable period, the authorized trustee is not liable to any person who received the required notice for the exercise of the power.

(h) If the authorized trustee receives a written objection within the applicable period, either the authorized trustee or any person entitled to notice may petition the court to have the proposed exercise of a power performed as proposed, performed with modifications, or denied. In a proceeding, a person objecting to the proposed exercise has the burden of proof as to whether the authorized trustee's proposed exercise should not be performed. A person who has not objected is not estopped from opposing the proposed exercise in the proceeding. If the authorized trustee decides not to implement the proposed exercise, the trustee shall notify all persons entitled to notice of the decision not to exercise the power and the reasons for the decision, and the authorized trustee's decision not to implement the proposed exercise does not itself give rise to liability to any person interested in the invaded trust. A person

entitled to notice may petition the court to have the exercise of a power performed and has the burden of proof as to whether it should be performed.

(i) A copy of the instrument exercising the power and a copy of each of the invaded trust and the appointed trust shall be filed with records of the appointed trust and the invaded trust.

Sec. 27. Minnesota Statutes 2024, section 502.851, subdivision 15, is amended to read:

Subd. 15. **Prohibitions.** (a) An authorized trustee may not exercise a power authorized by subdivision 3 or 4 to effect any of the following:

(1) to reduce, limit, or modify any beneficiary's current right to a mandatory distribution of income or principal, a mandatory annuity or unitrust interest, a current right to withdraw a percentage of the value of the trust, or a current right to withdraw a specified dollar amount; provided, however, and subject to the other limitations in this section, an authorized trustee may exercise a power authorized by subdivision 3 or 4 to appoint to an appointed trust that is a supplemental needs trust that conforms to the provisions of section 501C.1205;

(2) notwithstanding section 501C.1008, paragraph (b), to decrease or indemnify against a trustee's liability or exonerate a trustee from liability for failure to exercise reasonable care, diligence, and prudence, except that the appointed trust may divide and reallocate fiduciary powers among fiduciaries, including one or more trustees, distribution trust advisors, investment trust advisors, trust protectors, or other persons, and relieve a fiduciary from liability for an act or failure to act of another fiduciary as permitted under section 501C.0808;

(3) to alter or eliminate a provision granting another person the right to remove or replace the authorized trustee exercising the power under subdivision 3 or 4, unless notice has been provided to the persons under subdivision 11, paragraph (c), or approval is granted by a court having jurisdiction over the trust;

(4) to make a binding and conclusive fixation of the value of any asset for purposes of distribution, allocation, or otherwise;

(5) to extend the term of the appointed trust beyond any permissible period of the rule against perpetuities of the invaded trust, and any exercise of the power which extends the term of the appointed trust beyond the permissible period of the rule against perpetuities of the invaded trust shall void the entire exercise of the power; or

(6) to jeopardize:

(i) the deduction or exclusion originally claimed with respect to any contribution to the invaded trust that qualified for the annual exclusion under section 2503(b) of the Internal Revenue Code; the marital deduction under section 2056(a) or 2523(a) of the Internal Revenue Code; or the charitable deduction under section 170(a), 642(c), 2055(a), or 2522(a) of the Internal Revenue Code;

(ii) the qualification of a transfer as a direct skip under section 2642(c) of the Internal Revenue Code; ~~or~~

(iii) the qualification as a foreign grantor trust under section 672(f)(2)(A) of the Internal Revenue Code; or

~~(iii)~~ (iv) any other specific tax benefit for which a contribution originally qualified for income, gift, estate, or generation-skipping transfer purposes under the Internal Revenue Code.

(b) If the property of the invaded trust includes shares of stock in an S corporation, as defined in section 1361 of the Internal Revenue Code, and the invaded trust is, or but for the exercise of power to invade the trust principal under this section would be, a permitted shareholder under any provision of section 1361 of the Internal Revenue Code, the authorized trustee may exercise the power with respect to part or all of the S corporation stock only if any appointed trust receiving the stock is a permitted shareholder under section 1361(c)(2) of the Internal Revenue Code. If the property of the invaded trust includes shares of stock in an S corporation and the invaded trust is, or but for the exercise of power to invade the trust principal under this section would be, a qualified subchapter S trust within the meaning of section 1361(d) of the Internal Revenue Code, the appointed trust instrument must not include or omit a term that prevents the appointed trust from qualifying as a qualified subchapter S trust.

Sec. 28. Minnesota Statutes 2024, section 502.851, subdivision 16, is amended to read:

Subd. 16. **Compensation; commissions.** For the purposes of this section~~: (1),~~ unless a court otherwise directs, an authorized trustee may not exercise a power authorized by subdivision 3 or 4 to change the provisions regarding the determination of the compensation of any trustee. The commissions or other compensation payable to the trustees of the invaded trust may continue to be paid to the trustees of the appointed trust during the term of the appointed trust and shall be determined in the same manner as in the invaded trust.

~~(2) No trustee shall receive any paying commission or other compensation for appointing of property from the invaded trust to an appointed trust pursuant to subdivision 3 or 4.~~

Sec. 29. Minnesota Statutes 2024, section 524.2-114, is amended to read:

**524.2-114 PARENT BARRED FROM INHERITING IN CERTAIN CIRCUMSTANCES.**

(a) A parent is barred from inheriting from or through a child of the parent if:

(1) the parent's parental rights were terminated and the parent-child relationship was not judicially reestablished; ~~or~~

(2) the child died before reaching 18 years of age and there is clear and convincing evidence that immediately before the child's death the parental rights of the parent could have been terminated under law of this state other than this chapter on the basis of nonsupport, abandonment, abuse, neglect, or other actions or inactions of the parent toward the child~~.~~; or

(3) the child died after reaching 18 years of age and there is clear and convincing evidence that:

(i) during the years of the child's minority, the parental rights of the parent could have been terminated under laws of this state other than this chapter on the basis of nonsupport, abandonment, abuse, neglect, or other actions or inactions of the parent toward the child; and

(ii) in the year preceding the child's death, the parent and child were estranged. For purposes of this subdivision, "estranged" means having a relationship characterized by enmity, hostility, or indifference.

(b) For the purpose of intestate succession from or through the deceased child, a parent who is barred from inheriting under this section is treated as if the parent predeceased the child.

(c) This section does not apply to the probate of federal trust land under United States Code, title 25, sections 2205 to 2209, as amended, in a federal, state, or Tribal probate matter. Federal trust land has the meaning given under United States Code, title 24, section 2201(4)(i).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to actions commenced on or after that date.

Sec. 30. Minnesota Statutes 2024, section 524.2-804, subdivision 1, is amended to read:

Subdivision 1. **Revocation upon dissolution.** Except as provided by the express terms of a governing instrument, other than a trust instrument under section 501C.1207, executed

prior to the dissolution or annulment of an individual's marriage, a court order, a contract relating to the division of the marital property made between individuals before or after their marriage, dissolution, or annulment, or a plan document governing a qualified or nonqualified retirement plan, the dissolution or annulment of a marriage revokes any revocable:

(1) disposition, beneficiary designation, or appointment of property made in a governing instrument by an individual to the individual's former spouse ~~in a governing instrument~~ or any members of the former spouse's family who are not also members of the individual's family;

(2) provision in a governing instrument conferring a general or nongeneral power of appointment on an individual's former spouse; and

(3) nomination in a governing instrument, nominating an individual's former spouse or any members of the former spouse's family who are not also members of the individual's family to serve in any fiduciary or representative capacity, including a personal representative, executor, trustee, conservator, agent, or guardian.

Dear President Champion:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 5, S.F. No. 1075.

Sincerely,
Tim Walz, Governor

April 24, 2025

The Honorable Lisa Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2025 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| S.F. No. | H.F. No. | Session Laws Chapter No. | Time and Date Approved 2025 | Date Filed 2025 |
|---|---|---|---|---|
| 1075 | | 5 | 12:45 p.m. April 24 | April 24 |

Sincerely,
Steve Simon
Secretary of State

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 571:** A bill for an act relating to trusts; modifying various provisions of the Uniform Trust Code, Powers of Appointment, and the Uniform Probate Code; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2024, sections 501A.01; 501C.0301; 501C.0302; 501C.0407; 501C.0411; 501C.0414; 501C.0602; 501C.0605; 501C.0701; 501C.0808, subdivisions 1, 2, 3, 4, 5, 6, 8, by adding a subdivision; 501C.1013, subdivision 4; 501C.1014, by adding a subdivision; 501C.1105, subdivision 1, by adding a subdivision; 502.851, subdivisions 1, 2, 3, 4, 11, 15, 16; 524.2-114; 524.2-804, subdivision 1.

Senate File No. 571 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 24, 2025

## CONCURRENCE AND REPASSAGE

Senator Westlin moved that the Senate concur in the amendments by the House to S.F. No. 571 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 571 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Mathews | Putnam |
| Anderson | Duckworth | Johnson Stewart | Maye Quade | Rarick |
| Bahr | Farnsworth | Koran | McEwen | Rasmusson |
| Boldon | Fateh | Kreun | Miller | Seeberger |
| Carlson | Frentz | Kunesh | Mitchell | Utke |
| Champion | Green | Kupec | Mohamed | Weber |
| Clark | Gruenhagen | Lang | Murphy | Wesenberg |
| Coleman | Gustafson | Latz | Nelson | Westlin |
| Cwodzinski | Hauschild | Lieske | Oumou Verbeten | Wiklund |
| Dahms | Hawj | Limmer | Pappas | Xiong |
| Dibble | Housley | Lucero | Pha | |
| Dornink | Howe | Mann | Port | |
| Draheim | Jasinski | Marty | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Hawj, McEwen, Port, and Seeberger.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Bahr, Dahms, Howe, Lieske, Miller, Nelson, Utke, and Weber.

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2446.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted April 24, 2025

# 059. HF 688

**Vote:** 2025-04-25 | **Workbook row:** 64
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 60 yeas, 2 nays

**Workbook subject:** Service dog provisions modified in housing accommodations for persons with disabilities.

## Included complete bill documents

**1. Introduction, posted 2025-02-12** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/688/versions/0/pdf/

## Original Senate journal context

PDF pages 93-93. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250425025.pdf#page=93

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/688/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 688

02/13/2025 Authored by Frazier, Noor, Myers, Hussein, Virnig and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
03/03/2025 Adoption of Report: Re-referred to the Committee on Human Services Finance and Policy
03/10/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/20/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/28/2025 Passed by the Senate and returned to the House
05/06/2025 Presented to Governor
05/08/2025 Governor Approval

A bill for an act

relating to human services; modifying service dog provisions in housing accommodations for persons with disabilities; amending Minnesota Statutes 2024, section 256C.025, subdivision 2, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 256C.025, subdivision 2, is amended to read:

Subd. 2. ~~**Definition**~~ **Definitions.** (a) "Homeowners association" means a common interest community as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B, or a residential community that is not a common interest community.

(b) "Housing accommodations" means any real property, or portion thereof, which is used or occupied or is intended, arranged, or designed to be used or occupied, as the home, residence or sleeping place of one or more human beings, but shall not include any single family residence the occupants of which rent, lease, or furnish for compensation not more than one room therein.

Sec. 2. Minnesota Statutes 2024, section 256C.025, is amended by adding a subdivision to read:

Subd. 5. **Service dog in training.** (a) For purposes of this section, a "service dog in training" means a dog that is being actively trained as a service dog under the supervision of an organization accredited by Assistance Dogs International or the International Guide Dog Federation to train service dogs.

(b) A person who is actively training a service dog in training is entitled to full and equal access to all housing accommodations provided for in this section. A person who is actively training a service dog in training must not be required to pay extra compensation for the service dog in training but is liable for any damage done to the premises by the service dog in training.

(c) A landlord or board of a homeowners association may require written certification from the organization supervising the training as a condition of granting an accommodation to a person training a service dog in training. An accommodation granted under this subdivision terminates upon completion of the training.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Bahr, Coleman, Farnsworth, Howe, Lang, Lieske, Miller, Utke, and Weber.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 688:** A bill for an act relating to human services; modifying service dog provisions in housing accommodations for persons with disabilities; amending Minnesota Statutes 2024, section 256C.025, subdivision 2, by adding a subdivision.

H.F. No. 688 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Marty | Pratt |
| Anderson | Farnsworth | Johnson | Mathews | Putnam |
| Boldon | Fateh | Johnson Stewart | Maye Quade | Rarick |
| Carlson | Frentz | Klein | McEwen | Rasmusson |
| Champion | Green | Koran | Miller | Rest |
| Clark | Gruenhagen | Kreun | Mitchell | Seeberger |
| Coleman | Gustafson | Kunesh | Mohamed | Utke |
| Cwodzinski | Hauschild | Kupec | Murphy | Weber |
| Dahms | Hawj | Lang | Oumou Verbeten | Wesenberg |
| Dibble | Hoffman | Latz | Pappas | Westlin |
| Dornink | Housley | Lieske | Pha | Wiklund |
| Draheim | Howe | Limmer | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Frentz, Hauschild, Hawj, Johnson Stewart, McEwen, Port, and Seeberger.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Farnsworth, Howe, Lang, Lieske, Miller, Utke, and Weber.

Those who voted in the negative were:

| | |
|---|---|
| Bahr | Drazkowski |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Bahr.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2200:** A bill for an act relating to evidence; making restorative practices statements and documents inadmissible in civil and criminal proceedings; classifying data; amending Minnesota Statutes 2024, sections 142A.76, subdivision 8; 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13.

# 060. SF 2200

**Vote:** 2025-04-25 | **Workbook row:** 65
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Restorative practices statements and documents inadmissibility in civil and criminal proceedings establishment and data classification provision

## Included complete bill documents

**1. 1st Engrossment, posted 2025-04-01** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/2200/versions/1/pdf/

## Original Senate journal context

PDF pages 93-94. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250425025.pdf#page=94

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/2200/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2200

**(SENATE AUTHORS: PAPPAS, Westlin, Anderson, Limmer and Carlson)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/06/2025 | 658 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 03/17/2025 | 874 | Authors added Anderson; Limmer |
| 04/01/2025 | 1236a | Comm report: To pass as amended |
| | 1243 | Second reading |
| | 1262 | Author added Carlson |
| 04/25/2025 | 4059a | Special Order: Amended |
| | 4060 | Third reading Passed as amended |

A bill for an act

relating to evidence; making restorative practices statements and documents inadmissible in civil and criminal proceedings; classifying data; amending Minnesota Statutes 2024, sections 142A.76, subdivision 8; 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[13.891] RESTORATIVE PRACTICE PARTICIPANT DATA.**

(a) For purposes of this section, "restorative practice participant" has the meaning given in section 595.02, subdivision 1b, paragraph (a), clause (2).

(b) Data collected, created, or maintained by a government entity that identifies an individual as a restorative practice participant is private data on individuals but may be disclosed for the purposes described in section 595.02, subdivision 1b, paragraph (b), clauses (1) to (3), or paragraph (c). This section does not apply to personnel data, as defined in section 13.43, subdivision 1, or to an individual who receives payment to facilitate a restorative practice, as defined in section 142A.76, subdivision 1.

Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 8, is amended to read:

Subd. 8. **Report.** By February 15 of each year, the director shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, human services, and education, on the work of the Office of Restorative Practices, any grants issued pursuant to this section, and the status of local restorative practices initiatives in the state that were reviewed in the previous year. The report on the status of local restorative practices initiatives must incorporate data on recidivism, public safety impacts, and financial investments in restorative practices.

Sec. 3. Minnesota Statutes 2024, section 595.02, is amended by adding a subdivision to read:

Subd. 1b. **Inadmissibility; exceptions.** (a) For purposes of this subdivision:

(1) "restorative practice" has the meaning given in section 142A.76, subdivision 1; and

(2) "restorative practice participant" means a facilitator, a person who has caused harm, a person who has been harmed, a community member, and any other person attending a restorative practice.

(b) Statements made or documents offered in the course of a restorative practice are not subject to discovery or admissible as evidence in a civil or criminal proceeding. This paragraph does not apply:

(1) to statements or documents that are the subject of a report made pursuant to section 626.557 or chapter 260E;

(2) if a restorative practice participant reasonably believed that disclosure of a statement or document was necessary to prevent reasonably certain death, great bodily harm, or commission of a crime; or

(3) if the statement or document constitutes evidence of professional misconduct by a restorative practice participant acting in the capacity of their professional or occupational license.

(c) Notwithstanding paragraph (b), if a court orders a person who caused harm to participate in a restorative practice, a person overseeing the restorative practice may disclose information necessary to demonstrate whether the person who caused harm participated as ordered.

(d) Evidence that is otherwise admissible or subject to discovery does not become inadmissible or protected from discovery solely because it was discussed or used in a restorative practice.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Bahr, Coleman, Farnsworth, Howe, Lang, Lieske, Miller, Utke, and Weber.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 688:** A bill for an act relating to human services; modifying service dog provisions in housing accommodations for persons with disabilities; amending Minnesota Statutes 2024, section 256C.025, subdivision 2, by adding a subdivision.

H.F. No. 688 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Marty | Pratt |
| Anderson | Farnsworth | Johnson | Mathews | Putnam |
| Boldon | Fateh | Johnson Stewart | Maye Quade | Rarick |
| Carlson | Frentz | Klein | McEwen | Rasmusson |
| Champion | Green | Koran | Miller | Rest |
| Clark | Gruenhagen | Kreun | Mitchell | Seeberger |
| Coleman | Gustafson | Kunesh | Mohamed | Utke |
| Cwodzinski | Hauschild | Kupec | Murphy | Weber |
| Dahms | Hawj | Lang | Oumou Verbeten | Wesenberg |
| Dibble | Hoffman | Latz | Pappas | Westlin |
| Dornink | Housley | Lieske | Pha | Wiklund |
| Draheim | Howe | Limmer | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Frentz, Hauschild, Hawj, Johnson Stewart, McEwen, Port, and Seeberger.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Farnsworth, Howe, Lang, Lieske, Miller, Utke, and Weber.

Those who voted in the negative were:

| | |
|---|---|
| Bahr | Drazkowski |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Bahr.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2200:** A bill for an act relating to evidence; making restorative practices statements and documents inadmissible in civil and criminal proceedings; classifying data; amending Minnesota Statutes 2024, sections 142A.76, subdivision 8; 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13.

Senator Kreun moved to amend S.F. No. 2200 as follows (A50):

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 8, is amended to read:

Subd. 8. **Report.** (a) By November 15 of each year, grantees must provide the following information to the director: (1) information on their program's impact on recidivism, public safety, and local financial investments in restorative practices; and (2) summary data on the amount of grant funds paid to restorative practice participants, as defined in section 595.02, subdivision 1b, paragraph (a), clause (2), and the purpose of the payment to the participants.

(b) By February 15 of each year, the director shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, human services, and education, on the work of the Office of Restorative Practices, any grants issued pursuant to this section, and the status of local restorative practices initiatives in the state that were reviewed in the previous year, and the information submitted under paragraph (a) for the previous year."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2200 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Mann | Pratt |
| Anderson | Duckworth | Johnson | Marty | Putnam |
| Bahr | Farnsworth | Johnson Stewart | Mathews | Rarick |
| Boldon | Fateh | Klein | Maye Quade | Rasmusson |
| Carlson | Frentz | Koran | McEwen | Rest |
| Champion | Green | Kreun | Miller | Seeberger |
| Clark | Gruenhagen | Kunesh | Mitchell | Utke |
| Coleman | Gustafson | Kupec | Mohamed | Weber |
| Cwodzinski | Hauschild | Lang | Murphy | Wesenberg |
| Dahms | Hawj | Latz | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Lieske | Pappas | Wiklund |
| Dornink | Housley | Limmer | Pha | Xiong |
| Draheim | Howe | Lucero | Port | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Frentz, Hauschild, Hawj, Johnson Stewart, McEwen, Port, and Seeberger.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Coleman, Farnsworth, Howe, Lang, Lieske, Miller, Utke, and Weber.

So the bill, as amended, was passed and its title was agreed to.

# 061. SF 2511

**Vote:** 2025-04-28 | **Workbook row:** 66
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 53 yeas, 12 nays

**Workbook subject:** Omnibus Liquor Bill

## Included complete bill documents

**1. 1st Engrossment, posted 2025-03-24** - 10 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/2511/versions/1/pdf/

## Original Senate journal context

PDF pages 59-59. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250428026.pdf#page=59

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/2511/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2511

**(SENATE AUTHORS: KLEIN, Latz and Dahms)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/13/2025 | 764 | Introduction and first reading |
| | | Referred to Commerce and Consumer Protection |
| 03/24/2025 | 958a | Comm report: To pass as amended |
| | 1002 | Second reading |
| 04/28/2025 | 4127 | Special Order |
| | 4127 | Third reading Passed |
| 04/14/2026 | | Returned from House with amendment |
| | | Senate concurred and repassed bill |
| | | Third reading Passed as amended |
| | | Author added Latz |
| | | Author added Dahms |

A bill for an act

relating to liquor; authorizing various municipalities to issue liquor licenses; modifying certain requirements of liquor licenses issued to the Board of Regents of the University of Minnesota; modifying wine transfer provisions; establishing a social district license; establishing a food truck license pilot program; amending Minnesota Statutes 2024, sections 340A.404, subdivisions 2b, 4a; 340A.412, subdivision 4; 340A.417; Laws 2017, First Special Session chapter 4, article 5, section 12; proposing coding for new law in Minnesota Statutes, chapter 340A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 340A.404, subdivision 2b, is amended to read:

Subd. 2b. **Special provision; city of St. Paul.** (a) The city of St. Paul may issue an on-sale intoxicating liquor license to the Fitzgerald Theatre, the Great American History Theater at 30 East 10th Street, and the Brave New Workshop at the Palace Theater at 17 West Seventh Place, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The license authorizes sales on all days of the week to holders of tickets for performances presented by the theatre and to members of the nonprofit corporation holding the license and to their guests.

(b) Notwithstanding any other law, local ordinance, or charter provision, the city of St. Paul may issue an on-sale intoxicating liquor license to the Science Museum of Minnesota, or its concessionaire or operator, for use on the premises of the Science Museum of Minnesota at 120 West Kellogg Boulevard. The license authorizes sales on all days of the week.

(c) Notwithstanding any other law, local ordinance, or charter provision, the city of St. Paul may issue an on-sale intoxicating liquor license to the Union Depot, or its concessionaire

or operator, for use on the premises of the Union Depot at 214 Fourth Street East. The license authorizes sales on all days of the week.

**EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 2. Minnesota Statutes 2024, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **Publicly owned recreation; entertainment facilities.** (a) Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the city of Biwabik, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm;

(3) to the Board of Regents of the University of Minnesota or to an entity holding a concessions contract with the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, including any games played by the Minnesota Vikings at the stadium, and ~~at no more than seven~~ for other locations within the boundaries of the University of Minnesota that are described in the approved license applications, provided that the Board of Regents has approved an application for a license for the specified location and provided that a license for an intercollegiate football stadium is void unless it meets the conditions of paragraph (b). Licenses may be issued for space that is not compact and contiguous, provided that all space is included in the description of the licensed premises on the approved license applications. It is solely within the discretion of the Board of Regents to choose the manner in which to carry out these conditions consistent with the requirements of paragraph (b); and

(4) to the Duluth Entertainment and Convention Center Authority for beverage sales on the premises of the Duluth Entertainment and Convention Center Arena during intercollegiate hockey games.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

(b) No alcoholic beverage may be sold or served at ~~TCF~~ Huntington Bank Stadium unless the Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided in paragraph (a), clause (3), that provides for the sale of intoxicating liquor at a location in the stadium that is convenient to the general public attending an intercollegiate football game at the stadium. On-sale liquor sales to the general public must be available at that location through half-time of an intercollegiate football game at ~~TCF~~ Huntington Bank Stadium, and sales at the stadium must comply with section 340A.909.

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

Sec. 3. Minnesota Statutes 2024, section 340A.412, subdivision 4, is amended to read:

Subd. 4. **Licenses prohibited in certain areas.** (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the Capitol or on the Capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or Laws 1999, chapter 202, section 13;

(3) on the State Fairgrounds, except as provided under section 37.21, subdivision 2;

~~(4) on the campus of the College of Agriculture of the University of Minnesota;~~

~~(5)~~ (4) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the Direct Care and Treatment executive board or the commissioner of corrections;

~~(6)~~ (5) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it; and

~~(7)~~ (6) within 1,500 feet of any public school that is not within a city.

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

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

Sec. 4. Minnesota Statutes 2024, section 340A.417, is amended to read:

**340A.417 WINE SHIPMENTS ~~INTO MINNESOTA~~.**

(a) Notwithstanding section 297G.07, subdivision 2, or any provision of this chapter, a winery licensed in a state other than Minnesota, or a winery located in Minnesota, may ship, for personal use and not for resale, not more than ~~two~~ four cases of wine, containing a maximum of nine liters per case, in any calendar year to any resident of Minnesota age 21 or over. ~~Delivery of a shipment under this section may not be deemed a sale in this state.~~

(b) The shipping container of any wine sent under this section must be clearly marked "Alcoholic Beverages: adult signature (over 21 years of age) required."

(c) It is not the intent of this section to impair the distribution of wine through distributors or importing distributors, but only to permit shipments of wine for personal use.

(d) no criminal penalty may be imposed on a person for a violation of this section other than a violation described in paragraph (e) or (f). Whenever it appears to the commissioner that any person has engaged in any act or practice constituting a violation of this section, and the violation is not within two years of any previous violation of this section, the commissioner shall issue and cause to be served upon the person an order requiring the person to cease and desist from violating this section. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing shall be held not later than seven days after the request for the hearing is received by the commissioner after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument, the commissioner shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(e) Any person who violates this section within two years of a violation for which a cease and desist order was issued under paragraph (d), is guilty of a misdemeanor.

(f) Any person who commits a third or subsequent violation of this section within any subsequent two-year period is guilty of a gross misdemeanor.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 5. **[340A.911] SOCIAL DISTRICT LICENSE.**

Subdivision 1. **Social district; consumption allowed.** A city may issue a social district license to any holder of an on-sale license whose on-sale premises is contiguous with the premises of the social district designated in subdivision 2. The license authorizes consumption, but not sales or service, of alcoholic beverages sold by the on-sale licensee within the social district.

Subd. 2. **Designation of social district.** (a) Prior to issuing the license in subdivision 1, a city must designate and describe the premises of the social district. The district may not include any area under the ownership or control of a person that objects to the extension of the social district to that area.

(b) The designation must include the specific premises where consumption of alcoholic beverages is allowed and also include the proposed hours and days in which consumption of alcoholic beverages is allowed in the social district. The city must adopt the designation by ordinance prior to issuing the license in subdivision 1.

Subd. 3. **Boundaries clearly defined.** The social district must be clearly defined with signs posted in a conspicuous location indicating the area included in the social district and the days and hours during which alcoholic beverages may be consumed in the district. In addition, signs must include:

(1) the local law enforcement agency with jurisdiction over the area comprising the social district; and

(2) a clear statement that an alcoholic beverage purchased for consumption in the social district shall:

(i) only be consumed in the social district; and

(ii) be disposed of before the person in possession of the alcoholic beverage exits the social district unless the person is reentering the licensed premises where the alcoholic beverage was purchased.

Subd. 4. **Management and maintenance.** A city must establish management and maintenance plans for the social district and post these plans, along with a rendering of the boundaries of the social district and days and hours during which alcoholic beverages may be consumed in the district, on the website for the city. The social district must be maintained in a manner that protects the health and safety of the general public.

Subd. 5. **Requirements for on-sale licensees.** An on-sale licensee holding a social district license may only sell and serve alcoholic beverages on the premises specified in the licensee's on-sale license. The licensee must not allow a person to enter or reenter its on-sale licensed premises with an alcoholic beverage not sold by the on-sale licensee. Sales for consumption in the social district must meet the following container requirements:

(1) the container clearly identifies the on-sale licensee from which the alcoholic beverage was purchased;

(2) the container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed;

(3) the container is not comprised of glass;

(4) the container displays, in no less than 12-point font, the statement, "Drink Responsibly - Be 21."; and

(5) the container shall not hold more than 16 fluid ounces.

Subd. 6. **Additional social district requirements.** The possession and consumption of an alcoholic beverage in a social district is subject to all of the following requirements:

(1) only alcoholic beverages purchased from an on-sale licensee holding a social district license located in or contiguous to the social district may be possessed and consumed in the district;

(2) alcoholic beverages shall only be in containers meeting the requirements set forth in subdivision 5;

(3) alcoholic beverages shall only be possessed and consumed during the days and hours set by the city as specified in subdivision 2; and

(4) a person shall dispose of any alcoholic beverage in the person's possession prior to exiting the social district unless the person is reentering the on-sale licensed premises where the alcoholic beverage was purchased.

Subd. 7. **Prohibition.** A city is prohibited from issuing a cannabis event organizer license under section 342.39 or from authorizing a cannabis event under section 342.40, if the cannabis event would occur in the same place as a social district and at the same time that consumption of alcoholic beverages are allowed in the social district.

Subd. 8. **Report required.** Within 24 months from the first issuance of a social district license, a city must provide a report to the chairs and ranking minority members of the

legislative committees with jurisdiction over liquor regulation. The report must include a discussion of the following subjects:

(1) the process used by the city in designating the social district;

(2) the community response to the social district, with a concentration on residents living and businesses operating within a one-mile radius of the district;

(3) the response to the social district from both on-sale licensees holding a social district license and not holding a social district license;

(4) the problems or challenges encountered in establishing and overseeing the social district and social district licenses;

(5) any public safety concerns that arose due to the operation of the social district;

(6) the benefits and drawbacks to the city of continuing the social district; and

(7) recommendations for modifications to the social district special law established in this section.

Sec. 6. Laws 2017, First Special Session chapter 4, article 5, section 12, is amended to read:

Sec. 12. **FOOD HALL LICENSE; MINNEAPOLIS.**

Notwithstanding Minnesota Statutes, section 340A.101, subdivision 25, 340A.401, or 340A.410, subdivision 7, or any other law or ordinance to the contrary, the city of Minneapolis may issue an on-sale intoxicating liquor license for a licensee serving as an anchor tenant for a food hall ~~to be located at 501 30th Avenue Southeast~~. The license may allow service and consumption anywhere within the licensee establishment, and anywhere within the larger food hall, provided that the larger premises is specified in the on-sale license. Multiple independent food vendors will be able to utilize a common seating area under the control of the liquor license holder to allow the public to purchase and consume food from third parties while also consuming licensed beverages sold by the license holder. Licenses may only be issued for food halls at the following locations:

(1) 501 30th Avenue Southeast; and

(2) 800 LaSalle Avenue.

**EFFECTIVE DATE.** This section is effective upon approval by the city of Minneapolis and compliance with Minnesota Statutes, section 645.021.

Sec. 7. **MINNESOTA STATE UNIVERSITY, MANKATO; SPECIAL LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of Mankato may issue an on-sale wine and malt liquor intoxicating liquor license to Minnesota State University, Mankato. A license authorized by this section may be issued for space that is not compact and contiguous, provided that all the space is within the boundaries of the campus of Minnesota State University, Mankato, and is included in the description of the licensed premises on the approved license application. The license under this section authorizes sales on all days of the week to persons attending events at the Taylor Center, subject to the hours and days of sale restrictions in Minnesota Statutes, and any reasonable license conditions or restrictions imposed by the licensing authority. All other provisions of Minnesota Statutes not inconsistent with this section apply to the license authorized under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Mankato City Council in the manner provided by Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. **SPECIAL LIQUOR LAW; CITY OF ROCHESTER.**

Notwithstanding any other law, ordinance, or charter provision to the contrary, the city of Rochester may issue an on-sale intoxicating liquor license to the Historic Chateau Theater, located in the city at 15 1st Street Southwest. The license authorizes sales on all days of the week to persons attending performances, exhibitions, or any other events at the theater. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Rochester City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 9. **CITY OF BLOOMINGTON; ON-SALE BEER AND WINE LICENSE.**

Notwithstanding any other law or ordinance to the contrary, the city of Bloomington may issue an on-sale intoxicating liquor license for the Bloomington Dwan Golf Course that is located at 3301 West 110th Street. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Bloomington is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

**EFFECTIVE DATE.** This section is effective upon approval by the city of Bloomington and compliance with Minnesota Statutes, section 645.021.

Sec. 10. **TEMPORARY LICENSES; LAKE OF THE WOODS COUNTY.**

Lake of the Woods County may issue temporary licenses pursuant to law for premises of the Baudette Arena Association, without regard to the restriction set forth in Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (7).

**EFFECTIVE DATE.** This section is effective upon approval by the Lake of the Woods County Board of Commissioners and compliance with Minnesota Statutes, section 645.021.

Sec. 11. **SPECIAL LAW; CITY OF ST. LOUIS PARK.**

Notwithstanding Minnesota Statutes, section 340A.101, subdivision 25; 340A.401; or 340A.410, subdivision 7, or any other law or ordinance to the contrary, the city of St. Louis Park may issue an on-sale intoxicating liquor license to a licensee serving as an anchor tenant for a food hall located in any portion of the mall commonly known as The Shops at West End. The license may allow service and consumption anywhere within the licensee establishment, and anywhere within the larger food hall, provided that the larger premises is specified in the on-sale license. Multiple independent food vendors will be able to utilize a common seating area under the control of the liquor license holder to allow the public to purchase and consume food from third parties while also consuming licensed beverages sold by the license holder.

**EFFECTIVE DATE.** This section is effective upon approval by the St. Louis Park City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 12. **SPECIAL LICENSE; CITY OF SPRINGFIELD.**

The city of Springfield may issue an on-sale intoxicating liquor license, an on-sale wine and strong beer license, or an on-sale including Sunday intoxicating liquor license for the city-owned facility known as the Springfield Area Community Center, notwithstanding any law, local ordinance, or charter provision. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Springfield is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the facility was a municipal liquor store.

**EFFECTIVE DATE.** This section is effective upon approval by the Springfield City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 13. **SPECIAL LAW; DOUGLAS COUNTY.**

(a) Douglas County may issue a temporary license to a food truck for the on-sale of intoxicating liquor at a private event that the food truck has entered into a contract with a person to offer food and beverage services. For purposes of this section, "food truck" means a business that is licensed or permitted by the licensing authority to prepare and sell food from a motorized vehicle or trailer within the municipality.

(b) A license under this section must specify the conditions under which the intoxicating liquor must be dispensed and consumed and shall not be issued unless the licensee demonstrates that it has liability insurance as prescribed by Minnesota Statutes, section 340A.409, to cover the event. The license under this section authorizes sales on all days of the week only to the person who has entered into a contract to offer food and beverage services with the food truck, and the person's guests.

(c) A license under this section is subject to the terms, including a license fee, imposed by the issuing municipality and all laws and ordinances governing the sale of intoxicating liquor. A license under this section authorizes the on-sale of intoxicating liquor for not more than four consecutive days and not more than 12 days per year. No sale under this license may be made outside the hours established by the municipality for on-premises consumption. Licenses under this section are not valid unless first approved by the commissioner of public safety.

(d) The licensee shall notify prior to any private event:

(1) the police chief of the city where the event will take place, if the event will take place within the corporate limits of a city; or

(2) the Douglas County sheriff, if the event will be outside the corporate limits of any city.

**EFFECTIVE DATE.** This section is effective upon approval by the Douglas County Board of Commissioners and compliance with Minnesota Statutes, section 645.021. This section expires one year from the date of approval.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Fateh and Rest.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Lucero | Utke |
| Anderson | Duckworth | Johnson | Mathews | Weber |
| Bahr | Farnsworth | Koran | Miller | Wesenberg |
| Coleman | Green | Kreun | Nelson | Westrom |
| Dahms | Gruenhagen | Lang | Pratt | |
| Dornink | Housley | Lieske | Rarick | |
| Draheim | Howe | Limmer | Rasmusson | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Wesenberg.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2511:** A bill for an act relating to liquor; authorizing various municipalities to issue liquor licenses; modifying certain requirements of liquor licenses issued to the Board of Regents of the University of Minnesota; modifying wine transfer provisions; establishing a social district license; establishing a food truck license pilot program; amending Minnesota Statutes 2024, sections 340A.404, subdivisions 2b, 4a; 340A.412, subdivision 4; 340A.417; Laws 2017, First Special Session chapter 4, article 5, section 12; proposing coding for new law in Minnesota Statutes, chapter 340A.

S.F. No. 2511 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 12, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Duckworth | Klein | Maye Quade | Putnam |
| Boldon | Farnsworth | Koran | McEwen | Rarick |
| Carlson | Fateh | Kreun | Miller | Seeberger |
| Champion | Frentz | Kunesh | Mitchell | Weber |
| Clark | Gustafson | Kupec | Murphy | Wesenberg |
| Coleman | Hauschild | Lang | Nelson | Westlin |
| Cwodzinski | Hawj | Latz | Oumou Verbeten | Westrom |
| Dahms | Hoffman | Lieske | Pappas | Wiklund |
| Dibble | Housley | Limmer | Pha | Xiong |
| Draheim | Jasinski | Mann | Port | |
| Drazkowski | Johnson Stewart | Marty | Pratt | |

# 062. HF 1163

**Vote:** 2025-04-28 | **Workbook row:** 67
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Scope of hometown heroes assistance program clarified.

## Included complete bill documents

**1. Introduction, posted 2025-02-18** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1163/versions/0/pdf/

## Original Senate journal context

PDF pages 60-60. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250428026.pdf#page=60

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/1163/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 1163

02/19/2025 Authored by Youakim, Witte, Huot, Tabke, Moller and others
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
03/20/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/27/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/28/2025 Passed by the Senate and returned to the House
05/06/2025 Presented to Governor
Governor Approval

A bill for an act

relating to public safety; clarifying the scope of the hometown heroes assistance program; amending Minnesota Statutes 2024, section 299A.477, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 299A.477, subdivision 2, is amended to read:

Subd. 2. **Program established.** The commissioner of public safety shall award a grant to the Minnesota Firefighter Initiative to administer a hometown heroes assistance program for Minnesota firefighters. The Minnesota Firefighter Initiative shall use the grant funds:

(1) to establish and fund critical illness coverage that provides monetary support payments to each firefighter who is diagnosed with a critical illness on or after August 1, 2021, and who applies for the payment. Monetary support shall be provided according to the requirements in subdivision 3;

(2) to develop a psychotherapy program customized to address emotional trauma experienced by firefighters, which includes providing peer-to-peer support, and to offer all firefighters in the state up to five psychotherapy sessions per year under the customized program, provided by mental health professionals;

(3) to coordinate additional psychotherapy sessions to firefighters who need them;

(4) to develop, ~~annually~~ update, and annually ~~provide~~ make available to all firefighters in the state at least two hours of training on critical illnesses, such as cancer and heart disease, and emotional trauma as causes of illness and death for firefighters; steps and best practices for firefighters to limit the occupational risks of cancer, heart disease, and emotional trauma; provide evidence-based suicide prevention strategies; and ways for firefighters to address

occupation-related emotional trauma and promote emotional wellness. The training shall be presented by firefighters who attend an additional course to prepare them to serve as trainers; and

(5) for administrative and overhead costs of the Minnesota Firefighter Initiative associated with conducting the activities in clauses (1) to (4).

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

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senator: Fateh.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Wesenberg.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Abeler | Green | Johnson | Rasmusson |
| Anderson | Gruenhagen | Lucero | Rest |
| Dornink | Howe | Mathews | Utke |

Pursuant to Rule 40, Senator Hauschild cast the negative vote on behalf of the following Senator: Rest.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1163:** A bill for an act relating to public safety; clarifying the scope of the hometown heroes assistance program; amending Minnesota Statutes 2024, section 299A.477, subdivision 2.

H.F. No. 1163 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson Stewart | Maye Quade | Rasmusson |
| Anderson | Farnsworth | Klein | McEwen | Rest |
| Bahr | Fateh | Koran | Miller | Seeberger |
| Boldon | Frentz | Kreun | Mitchell | Utke |
| Carlson | Green | Kunesh | Mohamed | Weber |
| Champion | Gruenhagen | Kupec | Murphy | Wesenberg |
| Clark | Gustafson | Lang | Nelson | Westlin |
| Coleman | Hauschild | Latz | Oumou Verbeten | Westrom |
| Cwodzinski | Hawj | Lieske | Pappas | Wiklund |
| Dahms | Hoffman | Limmer | Pha | Xiong |
| Dibble | Housley | Lucero | Port | |
| Dornink | Howe | Mann | Pratt | |
| Draheim | Jasinski | Marty | Putnam | |
| Drazkowski | Johnson | Mathews | Rarick | |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Fateh and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Wesenberg.

So the bill passed and its title was agreed to.

# 063. SF 908

**Vote:** 2025-04-30 | **Workbook row:** 68
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Provisions governing the certification of underground telecommunications installers modification

## Included complete bill documents

**1. 1st Engrossment, posted 2025-04-01** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/908/versions/1/pdf/

## Original Senate journal context

PDF pages 83-83. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250430028.pdf#page=83

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/908/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 908

**(SENATE AUTHORS: KUPEC, Westrom, Dornink, Hauschild and Putnam)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/03/2025 | 254 | Introduction and first reading<br>Referred to Labor |
| 04/01/2025 | 1151a | Comm report: To pass as amended and re-refer to Agriculture, Veterans, Broadband, and Rural Development |
| 04/07/2025 | 1578 | Comm report: To pass |
| | 1707 | Second reading |
| 04/30/2025 | 4281 | Special Order |
| | 4281 | Third reading Passed |
| 05/13/2025 | 4942 | Returned from House<br>Presentment date 05/16/25 |
| | 5861 | Governor's action Approval 05/19/25 |
| | 5861 | Secretary of State Chapter 23 05/19/25<br>Effective date 05/20/2025 |

A bill for an act

relating to construction codes; modifying provisions governing the certification of underground telecommunications installers; amending Minnesota Statutes 2024, section 326B.198, subdivisions 2, 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 326B.198, subdivision 2, is amended to read:

Subd. 2. **Installation requirements.** (a) The installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities must be performed by safety-qualified underground telecommunications installers as follows:

(1) the location of existing utilities by hand- or hydro-excavation or other accepted methods must be performed by a safety-qualified underground telecommunications installer; and

(2) where telecommunications infrastructure is installed by means of directional drilling, the monitoring of the location and depth of the drill head must be performed by a safety-qualified underground telecommunications installer~~; and~~.

~~(3) no fewer than two safety-qualified underground telecommunications installers must be present at all times at any location where telecommunications infrastructure is being installed by means of directional drilling.~~

~~(b) Beginning July 1, 2025, all installations of underground telecommunications infrastructure subject to this subdivision within the seven-county metropolitan area must~~

~~be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.~~

~~(c)~~ (b) Beginning January 1, 2026, all installations of underground telecommunications infrastructure subject to this subdivision within this state must be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.

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

Sec. 2. Minnesota Statutes 2024, section 326B.198, subdivision 3, is amended to read:

Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry, in consultation with the Office of Broadband, shall approve standards for a safety-qualified underground telecommunications installer certification program that requires a person to:

(1) complete a 40-hour initial course that includes classroom and hands-on instruction covering proper work procedures for safe installation of underground utilities, including:

(i) regulations applicable to excavation near existing utilities;

(ii) identification, location, and verification of utility lines using hand- or hydro-excavation or other accepted methods;

(iii) response to line strike incidents;

(iv) traffic control procedures;

(v) use of a tracking device to safely guide directional drill equipment along a drill path; and

(vi) avoidance and mitigation of safety hazards posed by underground utility installation projects;

(2) demonstrate knowledge of the course material by successfully completing an examination approved by the commissioner; and

(3) complete a four-hour refresher course within three years of completing the original course and every three years thereafter in order to maintain certification.

(b) The commissioner must develop an approval process for training providers under this subdivision and may suspend or revoke the approval of any training provider that fails to demonstrate consistent delivery of approved curriculum or success in preparing participants to complete the examination.

(c) An approved training provider may apply for approval of classroom instruction course material delivered up to two years prior to becoming an approved training provider and before January 1, 2026, as being equivalent or substantially equivalent to classroom instruction course material that is contained in the approved program. An application must provide a copy of all written materials used for the training for which equivalent credit is sought, the specific subjects covered in the training, the name and qualifications of the training provider, a description of the delivery method for the training, and the date of the training. Once approved, a training provider may grant full or partial retroactive credit for completion of classroom instruction training delivered prior to the commissioner's decision to approve a program. A person granted retroactive credit must successfully complete the examination that the training provider is approved to administer in order to be certified as a safety-qualified underground telecommunications installer.

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

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 908, H.F. Nos. 2432, 2446, and 2563.

## SPECIAL ORDER

**S.F. No. 908:** A bill for an act relating to construction codes; modifying provisions governing the certification of underground telecommunications installers; amending Minnesota Statutes 2024, section 326B.198, subdivisions 2, 3.

S.F. No. 908 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Marty | Putnam |
| Anderson | Farnsworth | Johnson Stewart | Mathews | Rarick |
| Bahr | Fateh | Klein | Maye Quade | Rasmusson |
| Boldon | Frentz | Koran | McEwen | Rest |
| Carlson | Green | Kreun | Miller | Seeberger |
| Champion | Gruenhagen | Kunesh | Mitchell | Utke |
| Coleman | Gustafson | Kupec | Murphy | Weber |
| Cwodzinski | Hauschild | Lang | Nelson | Wesenberg |
| Dahms | Hawj | Latz | Oumou Verbeten | Westlin |
| Dibble | Hoffman | Lieske | Pappas | Westrom |
| Dornink | Housley | Limmer | Pha | Wiklund |
| Draheim | Howe | Lucero | Port | Xiong |
| Drazkowski | Jasinski | Mann | Pratt | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Boldon, Port, and Seeberger.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 2432:** A bill for an act relating to state government; providing for judiciary, public safety, corrections, and government data practices policy; establishing Minnesota victims of crime account; modifying certain fees; establishing monetary assessments for certain corporate and individual offender convictions; transferring financial crimes and fraud investigations to the Financial Crimes and Fraud Section in the Bureau of Criminal Apprehension; clarifying Tribal Nation access and use of community services subsidy; amending real property judicial foreclosure law; providing for reports; transferring funds to the Minnesota victims of crime account; reducing certain appropriations; appropriating money for the supreme court, court of appeals, district courts, Board of Civil Legal Aid, State Guardian ad Litem Board, tax court, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Human Rights, Office of Appellate Counsel and Training, Competency Attainment Board, Cannabis Expungement Board, Secretary of State,

# 064. HF 3022

**Vote:** 2025-05-05 | **Workbook row:** 69
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Miscellaneous technical corrections made to laws and statutes; erroneous, obsolete, and omitted text and references corrected; redundant, conflicting, and superseded provisions removed; and style and form changes made.

## Included complete bill documents

**1. Introduction, posted 2025-03-31** - 217 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/3022/versions/0/pdf/

## Original Senate journal context

PDF pages 65-67. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250505030.pdf#page=67

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/3022/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3022

04/01/2025 Authored by Scott and Liebling
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
04/10/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
04/25/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
05/05/2025 Passed by the Senate and returned to the House
05/13/2025 Presented to Governor
05/15/2025 Governor Approval

A bill for an act

relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; making style and form changes; amending Minnesota Statutes 2024, sections 1.135, subdivision 2; 11A.04; 12B.50; 16C.16, subdivision 10; 17.354; 18F.02, subdivision 2a; 27.01, subdivision 8; 27.069; 27.10; 27.13; 27.19, subdivision 1; 45.0135, subdivision 8; 84.027, subdivisions 16, 19; 84.033, subdivision 1; 84.0835, subdivision 1; 84.0855, subdivision 3; 84.66, subdivision 12; 84.788, subdivision 2; 84.791, subdivision 5; 84.793, subdivision 1; 84.925, subdivision 1; 84A.02; 84A.33, subdivision 2; 84B.03, subdivisions 1, 4; 84D.02, subdivision 3; 85.055, subdivision 1a; 85.22, subdivision 3; 85.41, subdivision 3; 86A.05, subdivision 5; 88.79, subdivision 4; 89.018, subdivision 7; 89.19, subdivision 2; 89.21; 89.22, subdivision 1; 89.53, subdivision 1; 89.551; 90.02; 90.041, subdivision 10; 90.195; 93.47, subdivision 3; 97A.075, subdivisions 1, 7; 97A.101, subdivisions 2, 4; 97A.133, subdivision 3; 97A.445, subdivision 1; 97A.451, subdivision 3b; 97A.465, subdivision 5; 97B.015, subdivisions 4, 7; 97B.715, subdivision 1; 97B.801; 97C.005, subdivision 3; 97C.081, subdivision 10; 97C.205; 97C.342, subdivision 4; 97C.815, subdivision 2; 97C.855; 103A.341; 103B.101, subdivision 2; 103B.215, subdivision 4; 103B.311, subdivision 4; 103B.314, subdivision 4; 103C.201, subdivision 8; 103C.211; 103C.601, subdivision 4; 103C.611, subdivision 3; 103D.271, subdivision 1; 103D.335, subdivisions 19, 21; 103D.405, subdivision 1; 103D.905, subdivision 2; 103E.215, subdivision 3; 103E.291; 103E.325, subdivision 2; 103G.287, subdivision 4; 103G.412; 103H.105; 115.03, subdivision 1; 115A.03, subdivision 37; 115A.64, subdivisions 4, 6; 117.025, subdivision 10; 120B.024, subdivision 2; 120B.23, subdivision 3; 121A.15, subdivision 8; 122A.18, subdivision 1; 122A.26, subdivision 2; 122A.76, subdivision 6; 123A.26, subdivision 1; 123B.09, subdivision 5b; 124D.09, subdivision 19; 124D.42, subdivision 8; 124D.475; 124E.16, subdivision 3; 125A.63, subdivision 5; 126C.13, subdivision 4; 127A.20, subdivision 2; 127A.21, subdivision 5; 127A.41, subdivisions 8, 9; 127A.85; 142A.03, subdivision 1; 142A.609, subdivision 5; 142D.05, subdivision 3; 142D.06, subdivision 1; 142D.11, subdivisions 3, 4, 6; 142D.12, subdivision 1; 142D.25, subdivision 4; 142E.01, subdivision 26; 142G.01, subdivisions 3, 4; 142G.38; 144.291, subdivision 2; 144.966, subdivision 2; 144A.43, subdivision 28; 144E.101, subdivision 14; 144E.28, subdivision 5; 144E.50, subdivision 6; 144G.08, subdivision 64; 147.02, subdivision 6a; 147.09; 147.091, subdivisions 1, 6; 147.111, subdivision 6; 147A.01, subdivision 20; 147A.09, subdivision 3; 147A.13, subdivisions 4, 6, 7; 147A.14, subdivision 6;

147A.17, subdivision 1; 147B.02, subdivisions 1, 7, 9; 147B.06, subdivision 4; 147E.10, subdivision 1; 147E.15, subdivision 11; 147E.40, subdivision 1; 147F.05, subdivision 2; 148E.285, subdivision 4; 150A.055, subdivision 1; 150A.06, subdivision 12; 154.19; 161.125, subdivision 3; 161.45, subdivision 4; 161.46, subdivision 1; 162.09, subdivision 4; 163.161; 168.012, subdivision 13; 168.10, subdivision 1c; 168.1291, subdivision 5; 168.187, subdivision 17; 168.27, subdivision 2; 168.327, subdivision 6; 168.345, subdivision 2; 168A.01, subdivisions 18, 19, 20; 168A.14, subdivision 1a; 169.345, subdivisions 3c, 4; 169.58, subdivision 5; 169.781, subdivision 3; 169.81, subdivision 3; 171.017, subdivision 2; 171.06, subdivision 6; 171.0605, subdivision 3; 171.12, subdivision 7; 171.301, subdivision 1; 174.02, subdivision 5; 174.22, subdivision 7; 174.24, subdivision 1a; 174.29, subdivision 1; 174.30, subdivisions 1, 10; 181.953, subdivision 5a; 216B.023, subdivision 3; 216B.1691, subdivision 2h; 216B.241, subdivision 5a; 216C.377, subdivision 1; 216C.379; 216I.07, subdivision 3; 216I.19, subdivisions 2, 4; 218.011, subdivision 8; 219.015, subdivision 1; 219.055, subdivision 2a; 221.031, subdivisions 3b, 10; 221.0314, subdivision 2; 221.81, subdivision 4; 245.4905, subdivision 1; 245.495; 245.735, subdivision 4d; 245A.07, subdivision 3; 245C.02, subdivision 6a; 245D.091, subdivision 2; 245I.23, subdivision 15; 256.01, subdivision 2; 256.0451, subdivisions 3, 11, 19; 256B.0625, subdivision 5m; 256L.02, subdivision 1; 256P.001; 256P.04, subdivision 9; 256P.06, subdivision 3; 256P.10, subdivision 3; 256R.02, subdivision 19; 257.0769, subdivision 1; 260.762, subdivision 2a; 260C.151, subdivision 2a; 260C.178, subdivision 1; 260C.71, subdivision 1; 260E.03, subdivision 23; 260E.14, subdivision 1; 260E.30, subdivision 6; 260E.36, subdivision 5; 270.075, subdivision 1; 270C.63, subdivision 13; 272.02, subdivision 104; 273.42, subdivision 1; 282.38, subdivisions 1, 2; 290.0132, subdivision 26; 290.06, subdivisions 2c, 23a; 297A.75, subdivision 1; 299F.051, subdivision 1a; 299J.05; 299K.08, subdivision 3a; 308C.301, subdivisions 8, 9, 13; 308C.411, subdivision 2; 308C.425, subdivision 3; 308C.545, subdivision 1; 308C.571, subdivision 1; 308C.721, subdivision 2; 308C.801, subdivision 2; 319B.40; 325D.44, subdivision 1a; 336.3-206; 336.9-301; 336.12-107; 352.91, subdivision 3c; 353D.07, subdivision 2; 353G.01, subdivisions 7b, 8b, 10a; 353G.09, subdivision 1a; 354B.31, subdivision 6; 360.013, subdivision 36; 360.031; 360.032, subdivision 1a; 360.62; 360.654; 360.915, subdivision 1; 393.07, subdivision 10; 403.36, subdivision 1; 446A.073, subdivisions 1, 2; 462A.051, subdivision 1; 462A.2096; 469.002, subdivision 25; 469.53; 469.54, subdivision 3; 473.4465, subdivision 3; 473J.23; 477A.0126, subdivision 3a; 477A.013, subdivision 14; 477A.0175, subdivision 1; 477A.24, subdivision 2; 518A.60; 518A.81, subdivision 8; 518A.82, subdivisions 1, 1a, 3, 5; 518B.01, subdivision 4; 576.22; 582.17; 582.18; Laws 2023, chapter 57, article 2, section 66; Laws 2024, chapter 115, article 4, section 3; article 11, section 6; Laws 2024, chapter 120, article 1, section 15; proposing coding for new law in Minnesota Statutes, chapter 645; repealing Minnesota Statutes 2024, sections 13.465, subdivision 3; 41B.0391, subdivision 6; 115A.1441, subdivision 38; 127A.50, subdivision 3; 148E.130, subdivision 1a; 245.4902; 245C.11, subdivision 4; 275.71, subdivision 5; 469.177, subdivision 1e; 473.4465, subdivision 5; 473J.09, subdivision 14; 473J.14; Laws 2024, chapter 115, article 12, section 5; Laws 2024, chapter 120, article 3, section 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 1.135, subdivision 2, is amended to read:

Subd. 2. **Official seal.** The seal described in subdivision 3a is the "Great Seal of the State of Minnesota." When the seal, the impression of the seal, the scene within the seal, or its likeness is reproduced at state expense, it must conform to subdivision ~~3~~ 3a and section

4.04. A seal, impression, scene, or likeness which does not conform to these provisions is not official.

Sec. 2. Minnesota Statutes 2024, section 11A.04, is amended to read:

**11A.04 DUTIES AND POWERS; APPROPRIATION.**

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 if state assets are involved and in accordance with chapter 356A if pension assets are involved.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board must allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board are not subject to the Administrative Procedure Act.

(3) Employ an executive director as provided in section 11A.07.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to section 15.059 to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the commissioner of management and budget to sell property other than money that has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property must be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. Public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the Constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility. There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs of employing private firms. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

(14) Adopt a compensation plan setting the terms and conditions of employment for unclassified employees of the state board pursuant to section 43A.18, subdivision 3b.

(15) Contract, as necessary, with the board of trustees of the Minnesota State ~~Universities and~~ Colleges and Universities System for the provision of investment review and selection services under section 354B.25, subdivision 3, and arrange for the receipt of payment for those services.

There is annually appropriated to the state board, from the assets of the funds for which the state board provides investment services, sums sufficient to pay the costs of all necessary expenses for the administration of the board. These sums will be deposited in the State Board of Investment operating account, which must be established by the commissioner of management and budget.

Sec. 3. Minnesota Statutes 2024, section 12B.50, is amended to read:

**12B.50 FUNDING FROM OTHER SOURCES; REPAYMENT REQUIRED.**

If an applicant subsequently recovers eligible costs from another source after receiving payment under this chapter, the applicant must pay the commissioner an amount equal to the corresponding state funds received within 30 days. The commissioner must deposit any repayment in the disaster ~~response~~ assistance contingency account in section 12.221, subdivision 6.

Sec. 4. Minnesota Statutes 2024, section 16C.16, subdivision 10, is amended to read:

Subd. 10. **Limits.** At least 75 percent of the value of the subcontracts awarded to small businesses or small targeted group businesses under subdivision 6, paragraph ~~(c)~~ (d), must be performed by the business to which the subcontract is awarded or by another small business or small targeted group business.

Sec. 5. Minnesota Statutes 2024, section 17.354, is amended to read:

**17.354 APPLICATION.**

Sections 17.351 ~~to 17.353~~ and 17.352 do not affect provisions of law relating to wild animals.

Sec. 6. Minnesota Statutes 2024, section 18F.02, subdivision 2a, is amended to read:

Subd. 2a. **Agriculturally related organism.** "Agriculturally related organism" means any organism that is used in agricultural production or processing of agricultural products. It includes livestock and livestock products; dairy animals and dairy products; poultry and poultry products; domestic fur-bearing animals; animal feeds; horticultural stock; nursery stock, as defined in section ~~18G.02, subdivision 17~~ 18H.02, subdivision 20; fruit; vegetables; forage grain; wild rice; seeds; bees; apiary products; and products for the control or mitigation of noxious weeds. It excludes vaccines and drugs for use in humans; genetic engineering of human germ cells and human somatic cells intended for use in human gene therapy; vaccines for use in livestock, dairy animals, poultry, domestic fur-bearing animals, or private aquatic life; genetically engineered wild animals; and forestry products.

Sec. 7. Minnesota Statutes 2024, section 27.01, subdivision 8, is amended to read:

Subd. 8. **Farm products dealer.** (a) "Farm products dealer," "dealer of farm products," or "dealer" means any person operating as a retail food handler, wholesale food handler, wholesale food processor or manufacturer, or food broker who buys from or contracts with a seller for production or sale of perishable farm products for resale.

(b) "Farm products dealer," "dealer of farm products," or "dealer" does not include:

(1) a truck owner and operator who regularly engages in the business of transporting freight, including perishable farm products, for a transportation fee only, and who does not purchase, contract to purchase, or sell ~~produce~~ perishable farm products;

(2) a marketing cooperative association in which substantially all of the voting stock is held by patrons who patronize the association and in which at least 75 percent of the business of the association is transacted with member or stockholder patrons;

(3) a person who purchases perishable farm products and pays in cash, including lawful money of the United States, a cashier's check, a certified check, or a bank draft; or

(4) a person who handles and deals in only canned, packaged, or processed perishable farm products that are no longer perishable as determined by the commissioner by rule.

Sec. 8. Minnesota Statutes 2024, section 27.069, is amended to read:

**27.069 DEFINITION OF ~~PRODUCE~~ PERISHABLE FARM PRODUCTS.**

For the purposes of Minnesota Statutes 1961, sections 27.07 to 27.10, and acts amendatory thereof, the term ~~"produce"~~ "perishable farm products" means decorative forest products and the products of farms and waters of this state.

Sec. 9. Minnesota Statutes 2024, section 27.10, is amended to read:

**27.10 PERISHABLE FARM PRODUCTS EXAMINATION.**

(a) When perishable farm products are shipped to or received by a farm products dealer for handling, purchase, or sale in this state, and the farm products dealer finds the perishable farm products to be in a spoiled, damaged, unmarketable, or unsatisfactory condition, the dealer must have the perishable farm products examined by an inspector assigned by the commissioner for that purpose. The inspector must execute and deliver a certificate to the farm products dealer stating the day, the time and place of the inspection, and the condition of the ~~produce~~ perishable farm products and mail or deliver a copy of the certificate to the shipper of the perishable farm products.

(b) This section does not apply when the parties to the perishable farm products sales contract waive the inspection requirement.

Sec. 10. Minnesota Statutes 2024, section 27.13, is amended to read:

**27.13 INVESTIGATION OF COMPLAINTS.**

(a) The commissioner is authorized to: (1) receive complaints against any person dealing in, shipping, transporting, storing, or selling perishable farm products; (2) make any and all necessary investigations relative to the handling of, or storing, shipping, or dealing in perishable farm products; and (3) enter with reasonable notice all buildings, yards,

warehouses, and storage and transportation facilities in which perishable farm products are kept, stored, handled, or transacted.

(b) The commissioner may: (1) issue subpoenas requiring the attendance of witnesses before the commissioner, with books, papers, and other documents, articles, or instruments; (2) compel the disclosure by such witnesses of all facts known to them relative to a matter under investigation; and (3) administer oaths and take testimony.

(c) The commissioner must provide a complainant a written report of the investigation conducted under this section. The report is prima facie evidence of the matters contained in the report. A party violating a commissioner's order or subpoena is guilty of contempt as in proceedings in district courts of the state and may be punished in like manner.

Sec. 11. Minnesota Statutes 2024, section 27.19, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts.** (a) A person subject to the provisions of this section and sections 27.01 to 27.14 must not:

(1) make any false statement or report as to the grade, condition, markings, quality, or quantity of ~~produce~~ perishable farm products, as defined in section 27.069, received or delivered, or act in any manner to deceive a consignor or purchaser;

(2) refuse to accept a shipment contracted for by the person, unless the refusal is based upon the showing of a state inspection certificate secured with reasonable promptness after the receipt of the shipment showing that the kind and quality of ~~produce~~ perishable farm products, as defined in section 27.069, is other than that purchased or ordered by the person;

(3) fail to account or make a settlement for perishable farm products within the required time;

(4) violate or fail to comply with the terms or conditions of a contract entered into by the person for the purchase, production, or sale of perishable farm products;

(5) purchase for a person's own account any ~~produce~~ perishable farm products received on consignment, either directly or indirectly, without the consent of the consignor;

(6) issue a false or misleading market quotation, or cancel a quotation during the period advertised by the person;

(7) increase the sales charges on perishable farm products shipped to the person by means of "dummy" or fictitious sales;

(8) receive decorative forest products and the products of farms and waters from foreign states or countries for sale or resale, either within or outside of the state, and give the

purchaser the impression, through any method of advertising or description, that the perishable farm products are of Minnesota origin;

(9) commit to pay and not pay in full for all perishable farm products committed for. A processor may not pay an amount less than the full contract price if the crop produced is satisfactory for processing and is not harvested for reasons within the processor's control. If the processor sets the date for planting, then bunching, unusual yields, and a processor's inability or unwillingness to harvest must be considered to be within the processor's control. Under this clause growers must be compensated for passed acreage at the same rate for grade and yield as they would have received had the crop been harvested in a timely manner minus any contractual provision for green manure or feed value. Both parties are excused from payment or performance for crop conditions that are beyond the control of the parties; or

(10) discriminate between different sections, localities, communities, or cities, or between persons in the same community, by purchasing perishable farm products from farmers of the same grade, quality, and kind, at different prices, except that price differentials are allowed if directly related to the costs of transportation, shipping, and handling of the perishable farm products and a person is allowed to meet the prices of a competitor in good faith, in the same locality for the same grade, quality, and kind of perishable farm products. A showing of different prices by the commissioner is prima facie evidence of discrimination.

(b) Any person violating any provision of this chapter, or any rule adopted under this chapter, is guilty of a misdemeanor.

(c) A separate violation occurs with respect to each different person involved, each purchase or transaction involved, and each false statement.

(d) Any prosecuting officer to whom the commissioner reports a violation of this chapter, or a violation of any rule adopted under this chapter, must bring appropriate proceedings in a proper court without delay for the enforcement of the penalties under this chapter.

Sec. 12. Minnesota Statutes 2024, section 45.0135, subdivision 8, is amended to read:

Subd. 8. **Investigations; health-related boards.** (a) The Commerce Fraud Bureau may consult with the appropriate health-related board when a licensee, licensed under chapter 144E, 147, 148, 148B, 148E, or 150A, is suspected of insurance fraud.

(b) The bureau shall, for any conviction involving or related to insurance, send copies of all public data in its possession to the appropriate health-related licensing board.

Sec. 13. Minnesota Statutes 2024, section 84.027, subdivision 16, is amended to read:

Subd. 16. **Commissioner to administer grants programs.** Unless otherwise specified by law, the commissioner may establish the procedures and criteria for selection of projects funded through authorized grants and research programs. Procedures and criteria for selection are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 14. Minnesota Statutes 2024, section 84.027, subdivision 19, is amended to read:

Subd. 19. **Federal law compliance.** Notwithstanding any law to the contrary, the commissioner may establish, by written order, policies for the use and operation of other power-driven mobility devices, as defined under Code of Federal Regulations, title 28, section 35.104, on lands and in facilities administered by the commissioner for the purposes of implementing the Americans with Disabilities Act, United States Code, title 42, section 12101 et seq. These policies are exempt from the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 15. Minnesota Statutes 2024, section 84.033, subdivision 1, is amended to read:

Subdivision 1. **Acquisition; designation.** The commissioner of natural resources may acquire by gift, lease, easement, exchange, or purchase, in the manner prescribed under chapter 117, in the name of the state, lands or any interest in lands suitable and desirable for establishing and maintaining scientific and natural areas. The commissioner shall designate any land so acquired as a scientific and natural area by written order published in the State Register and shall administer any land so acquired and designated as provided by section 86A.05. Designations of scientific and natural areas are exempt from the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 16. Minnesota Statutes 2024, section 84.0835, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority to designate employees.** As provided in this section, the commissioner may designate by written order certain employees to enforce laws governing the use of state parks, state monuments, state recreation areas, state waysides, forest subareas, forest lands under the authority of the commissioner when incidental to trail management or normal forestry duties, and game preserves and other lands administered as wildlife management areas. The designation by the commissioner is not subject to rulemaking under chapter 14, and section 14.386 does not apply.

Sec. 17. Minnesota Statutes 2024, section 84.0855, subdivision 3, is amended to read:

Subd. 3. **Exemption from rulemaking and legislative approval.** A fee charged under this section is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The commissioner may establish fees under this section notwithstanding section 16A.1283.

Sec. 18. Minnesota Statutes 2024, section 84.66, subdivision 12, is amended to read:

Subd. 12. **Rulemaking exemption.** Easements agreed to under this section are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 19. Minnesota Statutes 2024, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

(1) owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision;

(2) registered in another state or country that have not been within this state for more than 30 consecutive days;

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;

(4) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass;

(5) operated by a person participating in an event for which the commissioner has issued a ~~special use~~ special-use permit; or

(6) operated on boundary trails and registered in another state or country providing equal reciprocal registration or licensing exemptions for registrants of this state.

Sec. 20. Minnesota Statutes 2024, section 84.791, subdivision 5, is amended to read:

Subd. 5. **Exemption from rulemaking and legislative approval.** The fees provided for under subdivision 2 are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The commissioner may establish the fees under subdivision 2 notwithstanding section 16A.1283.

Sec. 21. Minnesota Statutes 2024, section 84.793, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) A person six years or older but less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.

(b) Except for operation on public road rights-of-way that is permitted under section 84.795, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied by a person 18 years of age or older or participating in an event for which the commissioner has issued a ~~special use~~ special-use permit.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 84.795, subdivision 1, paragraph (a), only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(f) Notwithstanding paragraph (a), a nonresident less than 16 years of age may operate an off-highway motorcycle on public lands or waters if the nonresident youth has in possession evidence of completing an off-road safety course offered by the Motorcycle Safety Foundation or another state as provided in section 84.791, subdivision 4.

Sec. 22. Minnesota Statutes 2024, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **Training and certification programs established.** (a) The commissioner shall establish:

(1) a comprehensive all-terrain vehicle environmental and safety education and training certification program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who

successfully complete the all-terrain vehicle environmental and safety education and training course; and

(2) a voluntary all-terrain vehicle online training program for youth and a parent or guardian, offered at no charge for operators at least six years of age but younger than ten years of age.

(b) A parent or guardian must be present at a training program when the youth is under ten years of age.

(c) For the purpose of administering the program and to defray the expenses of training and certifying vehicle operators, the commissioner shall collect a fee from each person who receives the training for certification under paragraph (a), clause (1). The commissioner shall collect a fee, to include a $1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the programs. In addition to the fee established by the commissioner, instructors may charge each person up to the established fee amount for class materials and expenses.

(d) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the programs established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to the subject matter of the training programs and performance testing that leads to the certification of vehicle operators. The commissioner shall incorporate a riding component in the training certification programs established under this section and may incorporate a riding component in the training program established in paragraph (a), clause (2).

Sec. 23. Minnesota Statutes 2024, section 84A.02, is amended to read:

**84A.02 DEPARTMENT TO MANAGE PRESERVE.**

(a) The Department of Natural Resources shall manage and control the Red Lake Game Preserve. The department may adopt and enforce rules for the care, preservation, protection, breeding, propagation, and disposition of all species of wildlife in the preserve. The department may adopt and enforce rules for the regulation, issuance, sale, and revocation of special licenses or special permits for hunting, fishing, camping, and other uses of this area, consistent with sections 84A.01 to 84A.101. The department may by rule set the terms, conditions, and charges for these licenses and permits.

(b) The rules may specify and control the terms under which wildlife may be taken, captured, or killed in the preserve, and under which fur-bearing animals, or animals and fish otherwise having commercial value, may be taken, captured, trapped, killed, sold, and removed from it. These rules may also provide for:

(1) the afforestation and reforestation of state lands in the preserve~~,~~;

(2) the sale of merchantable timber from these lands when, in the opinion of the department, it can be sold and removed without damage or injury to the further use and development of the land for wildlife and game in the preserve~~,~~; and

(3) the purposes for which the preserve is established by sections 84A.01 to 84A.101.

(c) The department may provide for the policing of the preserve as necessary for its proper development and use for the purposes specified. The commissioner of natural resources may employ and designate individuals according to section 84.0835 to enforce laws governing the use of the preserve.

(d) The department shall also adopt and enforce rules concerning the burning of grass, timber slashings, and other flammable matter, and the clearing, development, and use of lands in the preserve as necessary to prevent forest fires and grass fires that would injure the use and development of this area for wildlife preservation and propagation and to protect its forest and wooded areas.

(e) Lands within the preserve are subject to the rules, whether owned by the state or privately, consistent with the rights of the private owners and with applicable state law. The rules may establish areas and zones within the preserve where hunting, fishing, trapping, or camping is prohibited or specially regulated, to protect and propagate particular wildlife in the preserve.

(f) Rules adopted under sections 84A.01 to 84A.101 must be posted on the boundaries of the preserve.

Sec. 24. Minnesota Statutes 2024, section 84A.33, subdivision 2, is amended to read:

Subd. 2. **Further annual reports.** On or before June 15 in each year after the report, the county auditor shall certify to the commissioner of management and budget a list of lands within the boundaries of a project, except lands within the boundaries of a city, and except lands described in any previous certificate, and upon which taxes are delinquent for three years or more and which have been bid in for the state at any delinquent tax sale and not redeemed or assigned to an actual purchaser. The certificate must contain:

(1) the legal description of each parcel of the land, contained in an earlier certificate upon which all taxes have been redeemed.;

(2) the legal description of each parcel of the lands which, on May 14 of the year when the certificate is furnished, is delinquent for three years or more.; and

(3) the name and number of the ditch and the amount of the principal and interest of each delinquent ditch assessment installment as it appears on the county tax books for all years before the date of the certificate against each parcel of land, together with interest on the amount at an annual rate of six percent since the due date of each installment. The certificate must not contain the delinquent drainage assessment installments included in any certificate furnished earlier.

Sec. 25. Minnesota Statutes 2024, section 84B.03, subdivision 1, is amended to read:

Subdivision 1. **Governor's duties.** (a) Notwithstanding the provisions of any other law to the contrary, the governor, after consulting with the commissioner of natural resources and, in regard to lands forfeited to the state for nonpayment of taxes and held in trust by the state for taxing districts, the commissioner of revenue, shall donate and convey to the United States of America the state's interest in all of the following lands lying within the boundaries of Voyageurs National Park, as described by section 102 of the act of Congress authorizing the establishment of the park:

(1) trust fund lands;

(2) lands forfeited to the state for nonpayment of taxes and held in trust by the state for taxing districts; and

(3) other lands acquired or otherwise owned by the state.

(b) Each conveyance of these lands shall contain the following:

(1) a provision that the lands shall revert to the state of Minnesota if:

~~(a)~~ (i) the secretary of the interior does not establish the park within five years after donation of all state-owned lands~~,~~; or

~~if (b)~~ (ii) the lands so conveyed are no longer used for national park purposes;

(2) a reservation to the state of all minerals and water power rights;

(3) a provision that the conveyance is subject to the rights of any person having an interest in the land on the date of conveyance pursuant to state lease, license, or permit; and

(4) to satisfy the provisions of section 301(c) of the act authorizing the establishment of Voyageurs National Park, ~~each conveyance of these lands also shall contain~~ the covenant required by that section to prohibit mining or water power development.

Sec. 26. Minnesota Statutes 2024, section 84B.03, subdivision 4, is amended to read:

Subd. 4. **Conveyance.** (a) In furtherance of boundary adjustments to Voyageurs National Park authorized by Congress in Public Law 97-405, and notwithstanding any other law to the contrary, the governor, after consulting the commissioner of natural resources, shall donate and convey to the United States of America, for Voyageurs National Park, the state's interest in the following described lands:

(1) Lot 7, Section 4, Township 68 North, Range 18 West;

(2) the area of land commonly referred to as the Kabetogama Forestry Station, consisting of approximately 18.45 acres, and located in Section 21, Township 69 North, Range 21 West; and

(3) land not exceeding 120 acres consisting of a strip of land through that portion of Section 1, Township 68 North, Range 20 West, which is roughly parallel to and 400 feet on each side of the unimproved road extending northward from a point of beginning at the Ash River Trail in the Southeast Quarter of the Southeast Quarter of Section 1 to a point of termination in the Northeast Quarter of the Northwest Quarter in Section 1.

(b) Lands described in paragraph (a), clause (1), shall be donated and conveyed only after $30,000 has been paid by the commissioner of natural resources to the city of Tower in return for a conveyance to the state of all right, title, and interest of the city of Tower in the land. Lands described in paragraph (a), clauses (2) and (3), shall be donated and conveyed only after the lands have been condemned by the commissioner of natural resources in the manner required by subdivision 2, and the time to appeal from the condemnation award has

expired. All conveyances required by this subdivision shall comply with subdivision 1, except for the provision required by ~~clause (1)(a) of that~~ subdivision 1, paragraph (b), clause (1), item (i).

Sec. 27. Minnesota Statutes 2024, section 84D.02, subdivision 3, is amended to read:

Subd. 3. **Management plan.** By December 31, 2023, and every five years thereafter, the commissioner shall prepare a long-term plan, which may include specific plans for individual species and actions, for the statewide management of invasive species of aquatic plants and wild animals. The plan must address:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about invasive species of aquatic plants and wild animals among resource management agencies and organizations;

(3) a coordinated public education and awareness campaign;

(4) coordinated control of selected invasive species of aquatic plants and wild animals on lands and public waters;

(5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;

(6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;

(7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the ~~open water~~ open-water season for control or eradication purposes;

(8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes;

(9) notice to travelers of the penalties for violation of laws relating to invasive species of aquatic plants and wild animals; and

(10) the impacts of climate change on invasive species management.

Sec. 28. Minnesota Statutes 2024, section 85.055, subdivision 1a, is amended to read:

Subd. 1a. **Patron permit fee.** Notwithstanding section 16A.1283, the commissioner of natural resources may, by written order, provide a special patron permit allowing persons to pay an additional amount above the annual permit fee required in subdivision 1. The

additional amount paid under this subdivision is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 29. Minnesota Statutes 2024, section 85.22, subdivision 3, is amended to read:

Subd. 3. **Charges sufficient to defray expenses.** Notwithstanding section 16A.1283, the commissioner of natural resources shall, by written order, adjust the schedule of charges for operating facilities within state parks so as to produce income sufficient to defray all expenses required to provide proper operations of said facilities. An adjustment to the schedule of charges is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 30. Minnesota Statutes 2024, section 85.41, subdivision 3, is amended to read:

Subd. 3. **Exemptions.** (a) Participants in cross-country-ski races and residents of a state or local government operated correctional facility are exempt from the pass requirement in subdivision 1 if a ~~special use~~ special-use permit has been obtained by the organizers of the event or those in an official capacity in advance from the agency with jurisdiction over the cross-country-ski trail. Permits shall require that permit holders return the trail and any associated facility to its original condition if any damage is done by the permittee. Limited permits for special events may be issued and shall require the removal of any trail markers, banners, and other material used in connection with the special event.

(b) Unless otherwise exempted under paragraph (a), students, teachers, and supervising adults engaged in school-sanctioned activities or youth activities sponsored by a nonprofit organization are exempt from the pass requirements in subdivision 1.

(c) A resident that is in the armed forces of the United States, stationed outside of the state, and in the state on leave is exempt from the pass requirement in subdivision 1 if the resident possesses official military leave papers.

(d) A resident who has served at any time during the preceding 24 months in federal active service, as defined in section 190.05, subdivision 5c, outside the United States as a member of the National Guard, or as a reserve component or active duty member of the United Stated armed forces and has been discharged from active service is exempt from the pass requirement in subdivision 1 if the resident possesses official military discharge papers.

Sec. 31. Minnesota Statutes 2024, section 86A.05, subdivision 5, is amended to read:

Subd. 5. **State scientific and natural areas; purpose; resource and site qualifications; administration; designation.** (a) A state scientific and natural area shall be established to

protect and perpetuate in an undisturbed natural state those natural features which possess exceptional scientific or educational value.

(b) No unit shall be authorized as a scientific and natural area unless its proposed location substantially satisfies the following criteria:

(1) embraces natural features of exceptional scientific and educational value, including but not limited to any of the following:

(i) natural formations or features which significantly illustrate geological processes;

(ii) significant fossil evidence of the development of life on earth;

(iii) an undisturbed plant community maintaining itself under prevailing natural conditions typical of Minnesota;

(iv) an ecological community significantly illustrating the process of succession and restoration to natural condition following disruptive change;

(v) a habitat supporting a vanishing, rare, endangered, or restricted species of plant or animal;

(vi) a relict flora or fauna persisting from an earlier period; or

(vii) a seasonal haven for concentrations of birds and animals, or a vantage point for observing concentrated populations, such as a constricted migration route; and

(2) embraces an area large enough to permit effective research or educational functions and to preserve the inherent natural values of the area.

(c) State scientific and natural areas shall be administered by the commissioner of natural resources, in consultation with qualified persons, in a manner which is consistent with the purposes of this subdivision to preserve, perpetuate and protect from unnatural influences the scientific and educational resources within them. Interpretive studies may be provided for the general public. Physical development shall be limited to the facilities absolutely necessary for protection, research, and educational projects, and, where appropriate, for interpretive services.

(d) An area designated as a state scientific and natural area shall not be altered in designation or use without holding a public hearing on the matter at a time and place designated in the notice of the hearing, which shall be published once in a legal newspaper in each county in which the lands are situated at least seven days in advance of the hearing. At the hearing the commissioner shall provide an opportunity for any person to be heard. The commissioner may designate these areas by written order published in the State Register.

Designations are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(e) At the discretion of the managing agency, each scientific and natural area shall be designated as one of the following types:

~~(i)~~ (1) Research unit. Use is limited to programs conducted by qualified scientists and college graduate and postgraduate students.

~~(ii)~~ (2) Educational unit. Permitted uses include all activities specified in ~~paragraph (i) above~~ clause (1) and primary, secondary, and college undergraduate programs.

~~(iii)~~ (3) Public use unit. Permitted uses include all uses permitted in ~~paragraphs (i) and (ii) above~~ clauses (1) and (2) and interpretive programs for the benefit of the general public.

Sec. 32. Minnesota Statutes 2024, section 88.79, subdivision 4, is amended to read:

Subd. 4. **Rulemaking exemption.** The charge for forest management services and cost-sharing conservation practices under this section are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 33. Minnesota Statutes 2024, section 89.018, subdivision 7, is amended to read:

Subd. 7. **Rulemaking exemption.** Designations under subdivisions 1 and 2 are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 34. Minnesota Statutes 2024, section 89.19, subdivision 2, is amended to read:

Subd. 2. **Rulemaking exemption.** Designations of forest trails and changes to the designations by the commissioner shall be by written order published in the State Register. Designations and changes to designations are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. Before designating or changing a designation of forest trails, the commissioner shall hold a public meeting in the county where the largest portion of the forest lands are located to provide information to and receive comment from the public regarding the proposed trail designation or change in designation. Sixty days before the public meeting, notice of the proposed forest trail designation or change in designation shall be published in the legal newspapers that serve the counties in which the lands are located, in a statewide Department of Natural Resources news release, and in the State Register.

Sec. 35. Minnesota Statutes 2024, section 89.21, is amended to read:

**89.21 CAMPGROUNDS; ESTABLISHMENT AND FEES.**

(a) The commissioner is authorized to establish and develop state forest campgrounds and may establish minimum standards not inconsistent with the laws of the state for the care and use of such campgrounds and charge fees for such uses as specified by the commissioner of natural resources.

(b) Notwithstanding section 16A.1283, the commissioner shall, by written order, establish fees providing for the use of state forest campgrounds. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) All fees shall be deposited in an account in the natural resources fund and are appropriated annually to the commissioner.

Sec. 36. Minnesota Statutes 2024, section 89.22, subdivision 1, is amended to read:

Subdivision 1. **Establishing fees.** Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees providing for the use of state forest lands, including motorcycle, snowmobile, and sports car rallies, races, or enduros; orienteering trials; group campouts that do not occur at designated group camps; dog sled races; dog trials; large horse trail rides; and commercial uses. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 37. Minnesota Statutes 2024, section 89.53, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's duties; notice of control measures.** Whenever the commissioner finds that an area in the state is infested or threatened to be infested with forest pests or shade tree pests, the commissioner shall determine whether measures of control are needed, what control measures are to be applied, and the area over which the control measures shall be applied. The commissioner shall prescribe a proposed zone of infestation covering the area in which control measures are to be applied and shall publish notice of the proposal once a week, for two successive weeks in a newspaper having a general circulation in each county located in whole or in part in the proposed zone of infestation. Prescribing zones of infestation and prescribing measures of control are exempt from the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 38. Minnesota Statutes 2024, section 89.551, is amended to read:

**89.551 APPROVED FIREWOOD REQUIRED.**

(a) After the commissioner issues an order under paragraph (b), a person may not possess firewood on land administered by the commissioner of natural resources unless the firewood:

(1) was obtained from a firewood distribution facility located on land administered by the commissioner;

(2) was obtained from a firewood dealer who is selling firewood that is approved by the commissioner under paragraph (b); or

(3) has been approved by the commissioner of natural resources under paragraph (b).

(b) The commissioner of natural resources shall, by written order published in the State Register, approve firewood for possession on lands administered by the commissioner. The order is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) A violation under this section is subject to confiscation of firewood and after May 1, 2008, confiscation and a $100 penalty. A firewood dealer shall be subject to confiscation and assessed a $100 penalty for each sale of firewood not approved under the provisions of this section and sold for use on land administered by the commissioner.

(d) For the purposes of this section, "firewood" means any wood that is intended for use in a campfire, as defined in section 88.01, subdivision 25.

Sec. 39. Minnesota Statutes 2024, section 90.02, is amended to read:

**90.02 CITATION; STATEMENT OF POLICY.**

(a) This chapter may be cited as the "State Timber Act."

(b) It is the intent and desire of the Minnesota legislature to provide equal opportunity for all segments of our society to participate in the sale process; and attempt to prevent the purchase or acquisition of excessive volumes of the state's timber resources by any one individual or corporation.

(c) The commissioner shall establish specific timber sale allocation standards to reach this objective; including provision for sale of all timber species by each method of sale specified in this chapter; and maintaining reasonable proportions of volume in each method of sale. The standards shall be included in each edition of the timber sales manual published

by the commissioner. The standards are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 40. Minnesota Statutes 2024, section 90.041, subdivision 10, is amended to read:

Subd. 10. **Fees.** (a) The commissioner may establish a fee schedule that covers the commissioner's cost of issuing, administering, and processing various permits, permit modifications, transfers, assignments, amendments, and other transactions necessary to the administration of activities under this chapter.

(b) A fee established under this subdivision is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The commissioner may establish fees under this subdivision notwithstanding section 16A.1283.

Sec. 41. Minnesota Statutes 2024, section 90.195, is amended to read:

**90.195 ~~SPECIAL USE~~ SPECIAL-USE AND PRODUCT PERMIT.**

(a) The commissioner may issue a fuelwood permit to salvage or cut not to exceed 12 cords of fuelwood per year for personal use from either or both of the following sources:

(1) dead, down, and damaged trees; or

(2) other trees that are of negative value under good forest management practices.

(b) The fuelwood permits under paragraph (a) may be issued for a period not to exceed one year. The commissioner must charge a fee for the permit as provided under section 90.041, subdivision 10. The fee must not exceed the current market value of fuelwood of similar species, grade, and volume that is being sold in the area where the salvage or cutting is authorized under the permit.

(c) The commissioner may issue a permit for harvesting or collecting incidental volumes of special forest products. The value of the products is the current market value of the products that are being sold in the area. The permit may be issued for a period not to exceed one year, and the commissioner must charge a fee for the permit as provided under section 90.041, subdivision 10.

(d) The commissioner may issue a ~~special use~~ special-use permit for incidental volumes of timber from approved right-of-way road clearing across state land to access a state timber permit. The permit must include the volume and value of timber to be cleared and may be issued for a period not to exceed one year. A presale conference as required under section 90.151, subdivision 6, must be completed before the start of any activities under the permit.

Sec. 42. Minnesota Statutes 2024, section 93.47, subdivision 3, is amended to read:

Subd. 3. **Adopting rules.** (a) Upon completion of the study and survey and consistent with the declared policy of sections 93.44 to 93.51, the commissioner, pursuant to chapter 14, may adopt rules pertaining to that portion of mining operations conducted subsequent to the effective date of such rules and subject to the provisions of any rights existing pursuant to any permit, license, lease or other valid existing authorization issued by the commissioner, the Pollution Control Agency or any other governmental entity, or their predecessors in office, and subject to any applicable mine safety laws or rules now existing or hereafter adopted, in regard to the following:

(1) mine-waste disposal~~,~~;

(2) mining areas, including but not limited to plant facilities and equipment~~,~~; and

(3) permits to mine, as required by section 93.481.

(b) To the greatest extent possible, within the authority possessed by the commissioner, the rules so promulgated shall substantially comply with or exceed any minimum mine land reclamation requirements which may be established pursuant to a federal mine land reclamation act. The rules so promulgated also shall conform with any state and local land use planning program; provided further the commissioner shall develop procedures that will identify areas or types of areas which, if mined, cannot be reclaimed with existing techniques to satisfy the rules promulgated under this subdivision, and the commissioner will not issue permits to mine such areas until the commissioner determines technology is available to satisfy the rules so promulgated.

Sec. 43. Minnesota Statutes 2024, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5), (6), (7), (14), (15), and (16)~~, and (17)~~; 3, paragraph (a), clauses (2), (3), (4), (11), (12), and (13)~~, and (14)~~; and 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

(b) The deer management account is established as an account in the game and fish fund and may be used only for deer habitat improvement or deer management programs, including a computerized licensing system. The following amounts must be credited to the deer management account:

(1) $16 from each annual deer license issued under section 97A.475, subdivisions 2, clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b);

(2) $2 from each annual deer license issued under sections 97A.475, subdivisions 2, clauses (14), (15), and (16), ~~and (17)~~; and 3, paragraph (a), clauses (11), (12), and (13), ~~and (14)~~; and 97B.301, subdivision 4; and

(3) $16 annually from the lifetime fish and wildlife trust fund, established under section 97A.4742, for each license issued to a person 18 years of age or older under section 97A.473, subdivision 4, and $2 annually from the lifetime fish and wildlife trust fund for each license issued to a person under 18 years of age.

(c) $1 from each annual deer license and each bear license and $1 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, must be credited to the deer and bear management account and is appropriated to the commissioner for deer- and bear-management programs, including a computerized licensing system.

(d) Fifty cents from each deer license is credited to the emergency deer feeding and wild Cervidae health-management account and is appropriated for emergency deer feeding and wild Cervidae health management. Money appropriated for emergency deer feeding and wild Cervidae health management is available until expended.

(e) When the unencumbered balance in the appropriation for emergency deer feeding and wild Cervidae health management exceeds $2,500,000 at the end of a fiscal year, the unencumbered balance over $2,500,000 is canceled and is available for deer- and bear-management programs and computerized licensing.

Sec. 44. Minnesota Statutes 2024, section 97A.075, subdivision 7, is amended to read:

Subd. 7. **Wolf licenses; account established.** (a) For purposes of this subdivision, "wolf license" means a license or permit issued under section 97A.475, subdivision 2, clause ~~(22)~~ (21); 3, paragraph (a), clause ~~(18)~~ (17); or 20, paragraph (b).

(b) A wolf management and monitoring account is created in the game and fish fund. Revenue from wolf licenses must be credited to the wolf management and monitoring account and is appropriated to the commissioner only for wolf management, research, damage control, enforcement, and education. Notwithstanding any other law to the contrary, money credited to the account may not be used to pay indirect costs or agency shared services.

Sec. 45. Minnesota Statutes 2024, section 97A.101, subdivision 2, is amended to read:

Subd. 2. **Management designation.** (a) The commissioner may designate, reserve, and manage public waters for wildlife after giving notice and holding a public hearing. The hearing must be held in the county where the major portion of the waters is located. Notice of the hearing must be published in a legal newspaper within each county where the waters are located at least seven days before the hearing. The designation by the commissioner shall be by written order published in the State Register. Designations are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(b) The commissioner may contract with riparian owners for water projects under section 103G.121, subdivision 3, and may acquire land, accept local funding, and construct, maintain, and operate structures to control water levels under section 103G.505 to manage designated waters.

Sec. 46. Minnesota Statutes 2024, section 97A.101, subdivision 4, is amended to read:

Subd. 4. **Restrictions on airboats, watercraft, and recreational vehicles.** (a) The use of airboats is prohibited at all times on lakes designated for wildlife management purposes under this section unless otherwise authorized by the commissioner.

(b) The commissioner may restrict the use of motorized watercraft and recreational vehicles on lakes designated for wildlife management purposes by posting all public access points on the designated lake. To minimize disturbance to wildlife or to protect wildlife habitat, the commissioner may restrict the type of allowable motorized watercraft or recreational vehicle, horsepower or thrust of motor, speed of operation, and season or area of use. Designation of areas, times, and types of restrictions to be posted shall be by written order published in the State Register. Posting of the restrictions is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) Before the commissioner establishes perpetual restrictions under paragraph (b), public comment must be received and a public meeting must be held in the county where the largest portion of the lake is located. Notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. The notice must be published at least once between 30 and 60 days before the public meeting and at least once between seven and 30 days before the meeting. The notices required in this paragraph must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments

received in making a final decision. This paragraph does not apply to temporary restrictions that expire within 90 days of the effective date of the restrictions.

Sec. 47. Minnesota Statutes 2024, section 97A.133, subdivision 3, is amended to read:

Subd. 3. **All-terrain vehicle travel within designated wildlife management areas.** (a) On lands acquired by the state under chapter 84A that are designated after January 1, 1986, as wildlife management areas, the commissioner shall, by January 15, 2004, identify, designate, and sign at least 90 miles of all-terrain vehicle trails, not including public roads that are maintained and open to travel by other noncommercial vehicles, in corridors of disturbance that:

(1) the commissioner determines are appropriate to connect trails, forest roads established under section 89.71, subdivision 1, and public highways to provide reasonable travel for all-terrain vehicles; or

(2) are areas of historic all-terrain vehicle use, including trails that end within a wildlife management area.

The designated trails must be either within or contiguous to the wildlife management areas. The commissioner shall consult with wildlife management area users, including both motorized and nonmotorized trail users, in identifying and designating trails under this paragraph. Trail establishment must be in compliance with other state and federal law. Local governments and other trail sponsors may propose the designation of trails, including the designation as a grant-in-aid trail for the purposes of funding under section 84.927, subdivision 2. Designation of trails by the commissioner, authorized under this subdivision, shall be by written order published in the State Register. Designations are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(b) The following roads shall be open to travel by all-terrain vehicles when the roads are open to other noncommercial vehicles:

(1) the Rapid River Forest Road, beginning at the west boundary of the Red Lake Wildlife Management Area at the southwest corner of Section 7, Township 156 North, Range 35 West, Beltrami County, thence in an easterly and northeasterly direction through the Red Lake Wildlife Management Area to the east boundary of the Red Lake Wildlife Management Area at the southwest corner of Section 7, Township 157 North, Range 33 West, Lake of the Woods County;

(2) the Blanchard Forest Road, beginning at the junction of the North Shore Road along the northern shore of Upper Red Lake and the Blanchard State Forest Road at the west

section line of Section 30, Township 155 North, Range 31 West, Beltrami County, thence in a westerly direction to the west section line of Section 31, Township 155 North, Range 32 West;

(3) the Moose River Forest Road, beginning at the junction of Dick's Parkway State Forest Road and the Moose River State Forest Road at the southwest corner of Section 31, Township 36 West, Range 158 North, thence in a westerly direction along the Moose River State Forest Road to the junction of Beltrami County Road 706; and

(4) the existing west access road to the Moose River dike, which is included in meeting the required all-terrain vehicle trail mileage specified in paragraph (a).

(c) The commissioner shall sign each road and trail designated under this subdivision indicating the motorized uses allowed.

(d) During the regular firearms deer season, on all wildlife management area lands within the area described in paragraph (e), a person licensed to take deer may operate an all-terrain vehicle:

(1) before legal shooting hours;

(2) after legal shooting hours; and

(3) from 11:00 a.m. to 2:00 p.m.

(e) Paragraph (d) applies from where State Highway No. 1 intersects the west boundary of the Red Lake Indian Reservation, then west to State Highway No. 219, then north on State Highway No. 219 to State Highway No. 89, then north on State Highway No. 89 to County Highway No. 6, then east on County Highway No. 6 to County Highway No. 54 and County Highway No. 1 (Beltrami/Marshall county line) then north along the Beltrami/Marshall county line to Roseau county line, then east on Beltrami/Roseau county line to Dick's Parkway, then south on Dick's Parkway to County Road No. 704, Beltrami County, then south to County State-Aid Highway No. 44 to Fourtown, then south on State Highway No. 89 to the north boundary of the Red Lake Indian Reservation, then west and south following the boundary of the Red Lake Indian Reservation to where it intersects State Highway No. 1.

(f) For the purposes of this subdivision, "corridors of disturbance" means rights-of-way such as ditches, ditch banks, transmission lines, pipelines, permanent roads, winter roads, and recreational trails. The existence of a corridor of disturbance eligible for corridor designation may be demonstrated by physical evidence, document recorded in the office of the county recorder or other public official, aerial survey, or other evidence similar to the

above. Cross-country motorized use of land shall not cause that land to be considered a corridor of disturbance.

Sec. 48. Minnesota Statutes 2024, section 97A.445, subdivision 1, is amended to read:

Subdivision 1. **Angling; Take a Kid Fishing Weekends.** (a) A resident age 16 years or older may take fish by angling without an angling license and may take fish by spearing from a dark house without a spearing license and without a fish house or dark house license during one three-day consecutive period of the open-water angling season and one three-day consecutive period of the ice angling season designated by the commissioner if the resident is accompanied by a child who is under age 16. The commissioner may, by written order published in the State Register, establish the three-day consecutive periods. The written order is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(b) The commissioner may designate and publicize the three-day periods as "Take a Kid Fishing Weekend" for the open-water angling season and "Take a Kid Ice Fishing Weekend" for the ice angling season. The commissioner shall announce the date of each three-day weekend at least 30 days in advance of the date it occurs.

Sec. 49. Minnesota Statutes 2024, section 97A.451, subdivision 3b, is amended to read:

Subd. 3b. **Nonresidents age 16 or over and under age 18; small game.** A nonresident age 16 or over and under age 18 may take small game by firearms or archery and may obtain a small-game license at the youth fee under section 97A.475, subdivision 3, paragraph (a), clause ~~(14)~~ (16), if the nonresident possesses a firearms safety certificate or an apprentice-hunter validation as provided under section 97B.022.

Sec. 50. Minnesota Statutes 2024, section 97A.465, subdivision 5, is amended to read:

Subd. 5. **Preference to service members.** (a) For purposes of this subdivision:

(1) "qualified service member or veteran" means a Minnesota resident who:

(i) is currently serving, or has served at any time during the past 24 months, in active service as a member of the United States armed forces, including the National Guard or other military reserves;

(ii) has received a Purple Heart medal for qualifying military service, as shown by official military records; or

(iii) has a service-connected disability rated at 100 percent as defined by the United States Department of Veterans Affairs; and

(2) "active service" means service defined under section 190.05, subdivision 5b or 5c.

(b) Notwithstanding any other provision of this chapter, chapter 97B or 97C, or administrative rules, the commissioner may give first preference to qualified service members or veterans in any drawing or lottery involving the selection of applicants for hunting or fishing licenses, permits, and special permits. This subdivision does not apply to licenses or permits for taking moose, elk, or prairie chickens. Actions of the commissioner under this subdivision are not rules under the Administrative Procedure Act, and section 14.386 does not apply.

Sec. 51. Minnesota Statutes 2024, section 97B.015, subdivision 4, is amended to read:

Subd. 4. **Student fee.** To defray the expense of the course, the Enforcement Division shall collect a fee from each person that takes the firearm safety course. The commissioner shall establish a fee that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fee is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees shall be deposited in the game and fish fund and the amount thereof is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the program. In addition to the fee established by the commissioner, instructors may charge each person up to the established fee amount for class materials and expenses.

Sec. 52. Minnesota Statutes 2024, section 97B.015, subdivision 7, is amended to read:

Subd. 7. **Fee for duplicate certificate.** The commissioner shall collect a fee, to include a $1 issuing fee for licensing agents, for issuing a duplicate firearms safety certificate. The commissioner shall establish a fee that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the service. The fee is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The commissioner may establish the fee notwithstanding section 16A.1283. The duplicate certificate fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the game and fish fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, are appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the firearm safety course program.

Sec. 53. Minnesota Statutes 2024, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. **Stamp required.** (a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person required to possess a small-game license may not hunt pheasants without a pheasant stamp validation.

(b) The following persons are exempt from this subdivision:

(1) residents and nonresidents under age 18 and residents over age 65;

(2) persons hunting on licensed commercial shooting preserves;

(3) resident disabled veterans with a license issued under section 97A.441, subdivision 6a; and

(4) residents and nonresidents hunting on licenses issued under section 97A.475, subdivision 2, clause ~~(20)~~ (19); or 3, paragraph (a), clause ~~(16)~~ (15).

Sec. 54. Minnesota Statutes 2024, section 97B.801, is amended to read:

**97B.801 MINNESOTA MIGRATORY-WATERFOWL STAMP REQUIRED.**

(a) Except as provided in this section or section 97A.405, subdivision 2, a person required to possess a small-game license may not take migratory waterfowl without a migratory-waterfowl stamp validation.

(b) Residents under age 18 or over age 65; resident disabled veterans with a license issued under section 97A.441, subdivision 6a; and persons hunting on their own property are not required to possess a stamp validation under this section.

(c) Residents and nonresidents with licenses issued under section 97A.475, subdivision 2, clause ~~(20)~~ (19); or 3, paragraph (a), clause ~~(16)~~ (15), are not required to possess a stamp validation under this section.

Sec. 55. Minnesota Statutes 2024, section 97C.005, subdivision 3, is amended to read:

Subd. 3. **Seasons, limits, and other rules.** The commissioner may, in accordance with the procedures in subdivision 2, paragraphs (c) and ~~(e)~~ (f), or by rule under chapter 14, establish open seasons, limits, methods, and other requirements for taking fish on special management waters. The commissioner may, by written order published in the State Register, amend daily, possession, or size limits to make midseason adjustments based on available harvest, angling pressure, and population data to manage the fisheries in the 1837 Ceded Territory in compliance with the court orders in *Mille Lacs Band of Chippewa v. Minnesota*, 119 S. Ct. 1187 (1999) and in the state waters of Upper Red Lake. The midseason adjustments

in daily, possession, or size limits are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. Before the written order is effective, the commissioner shall attempt to notify persons or groups of persons affected by the written order by public announcement, posting, and other appropriate means as determined by the commissioner.

Sec. 56. Minnesota Statutes 2024, section 97C.081, subdivision 10, is amended to read:

Subd. 10. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "Permitted fishing contest" means an ~~open water~~ open-water fishing contest or ice fishing contest that requires a permit from the commissioner under subdivision 3.

(2) "Large permitted fishing contest" means an ~~open water~~ open-water fishing contest with more than 50 boats or more than 100 participants that requires a permit from the commissioner under subdivision 3.

(3) "Participant" means a person who is taking part in a fishing contest.

(4) "Permitted fishing contest day" means a day on a water body where a permitted fishing contest is held. Two permitted fishing contests that are held on the same water body on the same day count as two permitted fishing contest days.

(5) "Off-site weigh-in" means a weigh-in of fish from a fishing contest at a location that is not adjacent to the waters listed on the fishing contest permit.

(6) "Prefishing" means fishing by participants of a permitted fishing contest prior to the scheduled dates of the contest on waters listed on the fishing contest permit.

Sec. 57. Minnesota Statutes 2024, section 97C.205, is amended to read:

**97C.205 TRANSPORTING AND STOCKING FISH.**

(a) Except on the water body where taken, a person may not transport a live fish in a quantity of water sufficient to keep the fish alive, unless the fish:

(1) is being transported under an aquaculture license as authorized under sections 17.4985 and 17.4986;

(2) is being transported for a fishing contest weigh-in under section 97C.081;

(3) is a minnow being transported under section 97C.505 or 97C.515;

(4) is being transported by a commercial fishing license holder under section 97C.821; or

(5) is being transported as otherwise authorized in this section or as prescribed for certifiable diseases under sections 17.46 to 17.4999.

(b) The commissioner may adopt rules to allow and regulate:

(1) the transportation of fish and fish eggs; and

(2) the stocking of waters with fish or fish eggs.

(c) The commissioner must allow the possession of fish on special management or experimental waters to be prepared as a meal on the ice or on the shore of that water body if the fish:

(1) were lawfully taken;

(2) have been packaged by a licensed fish packer; and

(3) do not otherwise exceed the statewide possession limits.

(d) The commissioner shall prescribe rules designed to encourage local sporting organizations to propagate game fish by using rearing ponds. The rules must:

(1) prescribe methods to acquire brood stock for the ponds by seining public waters;

(2) allow the sporting organizations to own and use seines and other necessary equipment; and

(3) prescribe methods for stocking the fish in public waters that give priority to the needs of the community where the fish are reared and the desires of the organization operating the rearing pond.

(e) A person age 16 or under may, for purposes of display in a home aquarium, transport largemouth bass, smallmouth bass, yellow perch, rock bass, black crappie, white crappie, bluegill pumpkinseed, green sunfish, orange spotted sunfish, and black, yellow, and brown bullheads taken by angling, except as otherwise ordered by the commissioner upon documentation of an emergency fish disease in Minnesota waters, as defined in section 17.4982, subdivision 9. No more than four of each species may be transported at any one time, and any individual fish can be no longer than ten inches in total length. The commissioner may, by written order published in the State Register, prohibit transportation of live fish under this paragraph to help prevent spread of an emergency fish disease documented to occur in Minnesota waters. The order is exempt from the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 58. Minnesota Statutes 2024, section 97C.342, subdivision 4, is amended to read:

Subd. 4. **Certification fees.** Notwithstanding section 16A.1283, the commissioner may by written order published in the State Register~~,~~ establish fees for the services and testing required to issue health certifications for a water body. The fees must be set in an amount that does not recover significantly more or less than the costs of providing services to health certify a water body. The fees are not subject to the rulemaking provisions of chapter 14, and sections 14.125 and 14.386 do not apply. The services covered under this subdivision include:

(1) cost of collecting the species for testing;

(2) fish health inspection and certification, including initial tissue sample collection, basic fish health assessment, and fish disease testing; and

(3) administrative overhead for tracking and documentation of testing.

Sec. 59. Minnesota Statutes 2024, section 97C.815, subdivision 2, is amended to read:

Subd. 2. **Assignment.** (a) The commissioner shall assign licensed inland commercial fishing operators to commercial fishing areas, and each operator is obligated to fish in the area that the commissioner has assigned to them. The commissioner's assignment is valid as long as the assigned operator continues to purchase a license, continues to provide an adequate removal effort in a good and professional manner, and is not convicted of two or more violations of laws or rules governing inland commercial fishing operations during any one license period. In the operator assignment, the commissioner shall consider the proximity of the operator to the area, the type and quantity of fish gear and equipment possessed, knowledge of the affected waters, and general ability to perform the work well.

(b) Area assignments must not restrict permits and contracts that the commissioner issues to governmental subdivisions and their subcontractors for invasive species control.

Sec. 60. Minnesota Statutes 2024, section 97C.855, is amended to read:

**97C.855 UPPER AND LOWER RED LAKE AND NETT LAKE; TRANSPORTATION, SALE, AND DISPOSAL.**

The commissioner may, by rule, allow the transportation, sale, and disposal of fish taken within the Red Lake Indian Reservation on Upper Red Lake and Lower Red Lake and from waters within the Nett Lake Indian Reservation, also known as Bois Forte Indian Reservation.

Sec. 61. Minnesota Statutes 2024, section 103A.341, is amended to read:

**103A.341 FINDINGS BY BOARD.**

Within 60 days of the close of a hearing, the board must make findings and recommendations based solely on the evidence presented at the public hearing.

Sec. 62. Minnesota Statutes 2024, section 103B.101, subdivision 2, is amended to read:

Subd. 2. **Voting members.** (a) The members are:

(1) three county commissioners;

(2) three soil and water conservation district supervisors;

(3) three watershed district or watershed management organization representatives;

(4) three citizens who are not employed by, or the appointed or elected officials of, a state governmental office, board, or agency;

(5) one township officer;

(6) two elected city officials, one of whom must be from a city located in the metropolitan area, as defined under section 473.121, subdivision 2;

(7) the commissioner of agriculture;

(8) the commissioner of health;

(9) the commissioner of natural resources;

(10) the commissioner of the Pollution Control Agency; and

(11) the director of the University of Minnesota Extension Service.

(b) Members in paragraph (a), clauses (1) to (6), must be distributed across the state with at least four members but not more than six members from the metropolitan area, as defined by section 473.121, subdivision 2.

(c) Members in paragraph (a), clauses (1) to (6), are appointed by the governor. In making the appointments, the governor may consider persons recommended by the Association of Minnesota Counties, the Minnesota Association of Townships, the League of Minnesota Cities, the Minnesota Association of Soil and Water Conservation Districts, and ~~the~~ Minnesota ~~Association of Watershed Districts~~ Watersheds. The list submitted by an association must contain at least three nominees for each position to be filled.

(d) The membership terms, compensation, removal of members and filling of vacancies on the board for members in paragraph (a), clauses (1) to (6), are as provided in section 15.0575, except that a member may be compensated at the rate of up to $125 a day.

Sec. 63. Minnesota Statutes 2024, section 103B.215, subdivision 4, is amended to read:

Subd. 4. **Decision on petition.** (a) If a timely request for hearing is not received, the board shall make a decision on the petition without a hearing within 30 days after the last publication of the notice.

(b) If one or more timely requests for hearing are received, the board shall hold a hearing on the petition and shall follow the procedures in chapter 103D regarding notice and conduct of hearings.

(c) After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

(1) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition;

(2) the change is consistent with the purposes and requirements of sections 103B.205 to 103B.255; and

(3) the change can be accomplished in conformance with section 103B.225.

(d) The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to section 103B.225. The order making the change may amend the order prescribing the distribution of managers of the district.

Sec. 64. Minnesota Statutes 2024, section 103B.311, subdivision 4, is amended to read:

Subd. 4. **Water plan requirements.** (a) A local water management plan must:

(1) cover the entire area within a county;

(2) address water problems in the context of watershed units and groundwater systems;

(3) be based upon principles of sound hydrologic management of water, effective environmental protection, and efficient management;

(4) be consistent with local water management plans prepared by counties and watershed management organizations wholly or partially within a single watershed unit or groundwater system; and

(5) ~~the local water management plan must~~ specify the period covered by the local water management plan and must extend at least five years but no more than ten years from the date the board approves the local water management plan. Local water management plans that contain revision dates inconsistent with this section must comply with that date, provided it is not more than ten years beyond the date of board approval.

(b) Existing water and related land resources plans, including plans related to agricultural land preservation programs developed pursuant to chapter 40A, must be fully utilized in preparing the local water management plan. Duplication of the existing plans is not required.

Sec. 65. Minnesota Statutes 2024, section 103B.314, subdivision 4, is amended to read:

Subd. 4. **Implementation program for priority concerns.** (a) For the measurable goals identified in subdivision 3, each plan must include an implementation program that includes the items described in paragraphs (b) to (e).

(b) An implementation program may include actions involving, but not limited to, data collection programs, educational programs, capital improvement projects, project feasibility studies, enforcement strategies, amendments to existing official controls, and adoption of new official controls. If the local government finds that no actions are necessary to address the goals and objectives identified in subdivision 3, it must explain why actions are not needed. Staff and financial resources available or needed to carry out the local water management plan must be stated.

(c) The implementation schedule must state the time in which each of the actions contained in the implementation program will be taken.

(d) If a local government unit has made any agreement for the implementation of the plan or portions of a plan by another local unit of government, that local unit must be specified, the responsibility indicated, and a description included indicating how and when the implementation will happen.

(e) If capital improvement projects are proposed to implement the local water management plan, the projects must be described in the plan. The description of a proposed capital improvement project must include the following information:

(1) the physical components of the project, including their approximate size, configuration, and location;

(2) the purposes of the project and relationship to the objectives in the plan;

(3) the proposed schedule for project construction;

(4) the expected federal, state, and local costs;

(5) the types of financing proposed, such as special assessments, ad valorem taxes, and grants; and

(6) the sources of local financing proposed.

Sec. 66. Minnesota Statutes 2024, section 103C.201, subdivision 8, is amended to read:

Subd. 8. **Application by supervisors to secretary of state.** (a) The district shall be a governmental subdivision of this state and a public body corporate and politic after the actions in this subdivision are taken.

(b) If the state board determines that the operation of the proposed district within the defined boundaries is administratively feasible, the state board must appoint supervisors to act as the district board within 30 days after the district is established. A majority of the supervisors' terms must expire after the next general election following the supervisors' appointments, and the remaining supervisors' terms expire after the second general election following the supervisors' appointments.

(c) The appointed supervisors shall sign and present an application to the secretary of state with the following recitals:

(1) a petition for the establishment of a district was filed with the state board;

(2) the proper proceedings were taken relating to the petition;

(3) the application is being filed to complete the organization of the district as a governmental subdivision and a public body, corporate or politic;

(4) the state board has appointed the signers as supervisors;

(5) the name and official residence of each supervisor, with a certified copy of the supervisor's appointment;

(6) the term of office of each supervisor;

(7) the name proposed for the district; and

(8) the location of the principal office of the district board.

(d) The application shall be subscribed and sworn to by each supervisor before an officer authorized by state law to take oaths. The officer shall certify upon the application that the officer has personal knowledge of the supervisors, that they are the supervisors named in the application, and that each supervisor has signed the application in the officer's presence.

Sec. 67. Minnesota Statutes 2024, section 103C.211, is amended to read:

**103C.211 CONSOLIDATING DISTRICTS.**

(a) One or more districts may petition the state board for a consolidation. The state board shall take action on the petition if signed by a majority of the supervisors of each of the affected districts.

(b) The petition must:

(1) describe with particularity the change requested, the territory affected, and the reasons for the change;

(2) illustrate that the change is consistent with the purpose and requirements of sections 103C.201 to 103C.335;

(3) identify the proposed name for the consolidated district;

(4) identify the location of the principal office of the consolidated district;

(5) identify potential changes to supervisor districts;

(6) identify changes in supervisors that would result from the proposed consolidation;

(7) provide a list of nominees for vacant supervisor positions; and

(8) be accompanied by resolutions of support signed by each district board affected by the change.

(c) Upon the filing of a valid petition, the state board shall give notice that the petition has been filed. The notice must:

(1) be made by publication in a legal newspaper in each county affected by the petition;

(2) be made by mail to the auditor of each county affected by the petition;

(3) describe the actions proposed by the petition;

(4) invite written comments on the petition for the consideration by the state board;

(5) state that a person who objects to the actions proposed in the petition may submit a written request for hearing to the state board within 30 days of the last publication of the notice under this paragraph. The request must contain 25 or more signatures from resident owners residing in the affected districts; and

(6) state that if a timely request for hearing is not received, the state board may make a decision on the petition at a future meeting of the state board.

(d) If one or more timely requests for hearing are received, the state board must hold a hearing on the petition.

(e) The state board must establish the proposed consolidation, by order, if the board determines the consolidation promotes public health and welfare and the proposed consolidation would advance the purposes of this chapter.

(f) When districts are consolidated, the corporate existence and terms of office of the officers of the old districts expire upon the issuance and recording by the secretary of state of a certificate of organization of the new district. Upon consolidation, the rights, assets, and liabilities of the consolidating districts shall be assumed by the consolidated district.

(g) If nomination districts are changed, the state board shall appoint supervisors to fill vacancies resulting from the consolidation within 30 days after the action is taken. A majority of the supervisors' terms must expire after the next general election following their appointments, and the remaining supervisors' terms must expire after the second general election following their appointments.

(h) No sooner than two years after the date of consolidation, the affected districts may petition the state board to have the action reversed through the same procedure outlined in paragraphs (a) to (f). When a consolidation is reversed, the state board shall order the appointments and distribution or transfer of assets and liabilities.

Sec. 68. Minnesota Statutes 2024, section 103C.601, subdivision 4, is amended to read:

Subd. 4. **Recommendation to establish.** (a) The district board may, by resolution, recommend the establishment of an improvement work unit and a program for works of improvement in the work unit to the boards of county commissioners of the counties where the affected land is located if the district board determines the proposed works of improvement:

(1) are feasible;

(2) will be of public utility and benefit;

(3) will promote the public health, safety, and welfare; and

(4) will further the authorized purposes and best interests of the district.

(b) The district board shall by resolution give the improvement work unit an appropriate name or number, which may be different from the one proposed in the initial project request.

(c) The resolution shall recommend definite boundaries for the improvement work unit, which may be those proposed in the request or modified as the district board deems advisable.

(d) In the resolution the district board may also enlarge, reduce, or otherwise modify the proposed objectives of the program, but not make a substantial change in its main purposes as stated in the initial project request unless consented to in writing by the signers of the request.

(e) At any time before further action is taken on the project as provided in section 103C.605, the district board may amend the resolution, subject to the foregoing limitations.

Sec. 69. Minnesota Statutes 2024, section 103C.611, subdivision 3, is amended to read:

Subd. 3. **Delegating duties to district.** The county board or joint county board may delegate its duties and powers under this section to the district board or joint district board, but the district board or joint district board may not exercise the power of eminent domain.

Sec. 70. Minnesota Statutes 2024, section 103D.271, subdivision 1, is amended to read:

Subdivision 1. **Procedure.** A watershed district may be terminated under this section, and a watershed district entirely within the metropolitan area may also be terminated under sections 103B.221 and 103B.225.

Sec. 71. Minnesota Statutes 2024, section 103D.335, subdivision 19, is amended to read:

Subd. 19. **Open space and greenbelts.** (a) The managers may prepare an open space and greenbelt map of the lands of the watershed district that should be preserved and included in the open space and greenbelt land areas of the watershed district. The map must be made available to the counties and local municipalities for inclusion in floodplain and shoreland ordinances.

(b) The managers may control the use and development of land in the floodplain and the greenbelt and open space areas of the watershed district.

(c) The managers may adopt, amend, or repeal rules to control encroachments, the changing of land contours, the placement of fill and structures, and the placement of encumbrances or obstructions, and may require a landowner to remove fill, structures, encumbrances, or other obstructions and restore the previously existing land contours and vegetation. The managers may by rule provide a procedure for the watershed district to do the work required and assess its cost against the affected property as a special assessment. The rules apply only in the absence of county or municipal ordinances regulating the items set forth in this subdivision.

(d) The rules must be adopted in accordance with section 103D.341. Except as provided in section 103D.345, subdivision 3, rules adopted under this subdivision apply to the state.

Sec. 72. Minnesota Statutes 2024, section 103D.335, subdivision 21, is amended to read:

Subd. 21. **Contracts.** (a) The managers may make contracts or other arrangements with the federal government, persons, railroads or other corporations, political subdivisions, and the state or other states, with drainage authorities, flood control, soil conservation, or other improvement districts in this state or other states, for cooperation or assistance in constructing, maintaining, and operating the projects of the watershed district, or for the control of its waters, or for making surveys and investigations or reports on them.

(b) Property acquired for flood damage reduction purposes by the watershed district may be operated or leased by the district for agricultural purposes during periods the property is not needed for flood control, provided it remains subject to use by the watershed district as necessary for flood control purposes. Notwithstanding section 16A.695, revenue received by the watershed district from the operation or lease of state-bond-financed property acquired for flood control purposes shall be retained by the district in a separate project-specific account and used solely for flood control operation, maintenance, and replacement purposes within the related project area and, if the district determines that the account contains adequate reserves for future operation, maintenance, and replacement, any excess may be used for the construction, operation, maintenance, or replacement of other flood control projects as approved by the commissioner.

Sec. 73. Minnesota Statutes 2024, section 103D.405, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) The managers must revise the watershed management plan for the watershed district at least once every ten years after the original watershed management plan is approved. The revised watershed management plan of the district must conform closely with adopted watershed management plan guidelines of the board.

(b) The managers must include the following items in the revised watershed management plan:

(1) updates and supplements of the existing hydrological and other statistical data of the watershed district;

(2) specific projects and programs to be considered for implementation;

(3) a statement of the extent that the purposes for which the watershed district had been established have been accomplished;

(4) a description of problems requiring future action by the watershed district;

(5) a summary of completed studies on active or planned projects, including financial data; and

(6) an analysis of the effectiveness of the watershed district's rules and permits in achieving its water management objectives in the watershed district.

~~(c) A revised watershed management plan must be transmitted, reviewed, recommended, and approved as provided in subdivisions 2 to 4 and 6.~~

Sec. 74. Minnesota Statutes 2024, section 103D.905, subdivision 2, is amended to read:

Subd. 2. **Organizational expense fund.** (a) An organizational expense fund, consisting of an ad valorem tax levy, shall not exceed 0.01596 percent of estimated market value, or $60,000, whichever is less. The money in the fund shall be used for organizational expenses and preparation of the watershed management plan for projects.

(b) The managers may borrow from the affected counties up to 75 percent of the anticipated funds to be collected from the organizational expense fund levy, and the counties affected may make the advancements.

(c) The advancement of anticipated funds shall be apportioned among affected counties in the same ratio as the net tax capacity of the area of the counties within the watershed district bears to the net tax capacity of the entire watershed district. If a watershed district is enlarged, an organizational expense fund may be levied against the area added to the watershed district in the same manner as provided in this subdivision.

(d) Unexpended funds collected for the organizational expense may be transferred to the administrative fund and used for the purposes of the administrative fund.

Sec. 75. Minnesota Statutes 2024, section 103E.215, subdivision 3, is amended to read:

Subd. 3. **Limit of extension.** An improvement may only extend a drainage system downstream to a more adequate outlet, and the extension may not exceed one mile.

Sec. 76. Minnesota Statutes 2024, section 103E.291, is amended to read:

**103E.291 FILING DETAILED SURVEY REPORT.**

The engineer must file the detailed survey report with the auditor where the proceedings are pending, and the auditor must deliver a copy of the detailed survey report to the

commissioner. The engineer must also file copies of the detailed survey report with the auditors of any affected counties.

Sec. 77. Minnesota Statutes 2024, section 103E.325, subdivision 2, is amended to read:

Subd. 2. **Notice.** (a) The final hearing notice must state:

(1) that the petition is pending;

(2) that the detailed survey report is filed;

(3) that the viewers' report is filed;

(4) the time and place set for the final hearing;

(5) a brief description of the proposed drainage project and affected drainage system, giving in general terms the starting point, terminus, and general course of the main ditch and branches;

(6) a description of property benefited and damaged, and the names of the owners of the property; and

(7) the municipal and other corporations affected by the proposed drainage project as shown by the detailed survey report and viewers' report.

(b) Names may be listed in a narrative form, and property affected may be separately listed in narrative form by governmental sections or otherwise.

(c) For a joint county proceeding, separate notice may be prepared for each county affected, showing the portion of the proposed drainage project and the names and descriptions of affected property in the county.

Sec. 78. Minnesota Statutes 2024, section 103G.287, subdivision 4, is amended to read:

Subd. 4. **Groundwater management areas.** (a) The commissioner may designate groundwater management areas and limit total annual water appropriations and uses within a designated area to ensure sustainable use of groundwater that protects ecosystems, water quality, and the ability of future generations to meet their own needs. Water appropriations and uses within a designated management area must be consistent with a groundwater management area plan approved by the commissioner that addresses water conservation requirements and water allocation priorities established in section 103G.261. At least 30 days prior to implementing or modifying a groundwater management area plan under this subdivision, the commissioner shall consult with the advisory team established in paragraph (c).

(b) Notwithstanding section 103G.271, subdivision 1, paragraph (b), and Minnesota Rules, within designated groundwater management areas, the commissioner may require general permits as specified in section 103G.271, subdivision 1, paragraph (c), for water users using less than 10,000 gallons per day or 1,000,000 gallons per year and water suppliers serving less than 25 persons for domestic purposes. The commissioner may waive the requirements under section 103G.281 for general permits issued under this paragraph, and the fee specified in section 103G.301, subdivision 2, paragraph (c), does not apply to general permits issued under this paragraph.

(c) When designating a groundwater management area, the commissioner shall assemble an advisory team to assist in developing a groundwater management area plan for the area. The advisory team members shall be selected from public and private entities that have an interest in the water resources affected by the groundwater management area. A majority of the advisory team members shall be public and private entities that currently hold water-use permits for water appropriations from the affected water resources. The commissioner shall consult with the League of Minnesota Cities, the Association of Minnesota Counties, ~~the~~ Minnesota ~~Association of Watershed Districts~~ Watersheds, and the Minnesota Association of Townships in appointing the local government representatives to the advisory team. The advisory team may also include representatives from the University of Minnesota, the Minnesota State Colleges and Universities, other institutions of higher learning in Minnesota, political subdivisions with jurisdiction over water issues, nonprofits with expertise in water, and federal agencies.

Sec. 79. Minnesota Statutes 2024, section 103G.412, is amended to read:

**103G.412 STREAM GAUGE DATA.**

The commissioner of natural resources shall provide an easily accessible link to the Department of Natural Resources' and the Pollution Control Agency's cooperative ~~stream gauging~~ stream-gauging data, including lake level information for existing stations, including White Bear Lake and Turtle Lake, on the department's website.

Sec. 80. Minnesota Statutes 2024, section 103H.105, is amended to read:

**103H.105 CONSERVATION EASEMENTS TO PROTECT SENSITIVE AREAS.**

(a) Agricultural land within a sensitive area identified in section 103H.101, subdivision 2, or by the Board of Water and Soil Resources and land in or immediately surrounding a sinkhole is marginal agricultural land for purposes of section 103F.515, subdivision 2, and is eligible for the reinvest in Minnesota reserve program under section 103F.515.

(b) Notwithstanding section 103F.515, subdivision 2, paragraph (c), ~~clauses~~ clause (1) ~~and (4)~~, and subdivision 4, the Board of Water and Soil Resources may authorize acquisition of hillside easements that restrict hillside pasturing or grazing of livestock.

Sec. 81. Minnesota Statutes 2024, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner is given and charged with the following powers and duties:

(1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as ~~it~~ the commissioner may deem advisable;

(3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as ~~it~~ the commissioner shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(5) to adopt, issue, reissue, modify, deny, revoke, reopen, enter into, or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as ~~it~~ the commissioner may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(i) requiring the discontinuance of the discharge of sewage, industrial waste, or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the ~~agency~~ commissioner determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the ~~agency~~ commissioner of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the ~~agency~~ commissioner shall prescribe, and providing such other information as the ~~agency~~ commissioner may reasonably require;

(viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the ~~agency~~ commissioner determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the ~~agency~~ commissioner shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(ix) modifying, in ~~its~~ the commissioner's discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants;

(x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater; and

(xi) when appropriate, requiring parties who enter into a negotiated agreement to settle an enforcement matter with the agency to reimburse the agency for oversight costs. The

~~agency~~ commissioner may recover oversight costs only if the agency's costs exceed $25,000. If oversight costs exceed $25,000, the ~~agency~~ commissioner may recover all the oversight costs incurred by the agency that are associated with implementing the negotiated agreement. Oversight costs may include but are not limited to any costs associated with inspections, sampling, monitoring, modeling, risk assessment, permit writing, engineering review, economic analysis and review, and other record or document review. Estimates of anticipated oversight costs must be disclosed in the negotiated agreement, and estimates must be periodically updated and disclosed to the parties to the negotiated agreement. The agency's legal and litigation costs are not recoverable under this clause. In addition to settlement agreements, the commissioner has discretion as to whether to apply this clause in cases when the agency is using schedules of compliance to bring a class of regulated parties into compliance;

(6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon ~~it~~ the commissioner by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which ~~it~~ the commissioner may deem advisable for the discharge of ~~its~~ the commissioner's duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by ~~it~~ the commissioner to conduct such investigations or, issue such notices and hold such hearings;

(9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(10) to train water pollution control personnel and charge training fees as are necessary to cover the agency's costs. All such fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs not to exceed $350. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

(12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

(14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit;

(15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the ~~agency~~ commissioner to pay expenses related to training; and

(16) to encourage practices that enable the recovery and use of waste heat from wastewater treatment operations.

(b) The information required in paragraph (a), clause (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the ~~agency~~ commissioner in this subdivision also apply to permits issued under chapter 114C.

Sec. 82. Minnesota Statutes 2024, section 115A.03, subdivision 37, is amended to read:

Subd. 37. **Waste rendered nonhazardous.** "Waste rendered nonhazardous" means (1) waste excluded from regulation as a hazardous waste under the delisting requirements of United States Code, title 42, section 6921, and any federal and state delisting rules, and (2) other nonhazardous residual waste from the processing of hazardous waste.

Sec. 83. Minnesota Statutes 2024, section 115A.64, subdivision 4, is amended to read:

Subd. 4. **Review procedures.** (a) Upon receipt of the petition, the commissioner shall determine whether the petition conforms in form and substance to the requirements of law and rule.

(b) If the petition does not conform to the requirements, the commissioner shall return it immediately to the petitioners with a statement describing the deficiencies and the amendments necessary to rectify them.

(c) If the petition does conform to the requirements, and if comments have been received objecting to the establishment or alteration of the district as proposed, the commissioner shall request the Office of Administrative Hearings to conduct a hearing on the petition. The hearing shall be conducted in the proposed district in the manner provided in chapter 14 for contested cases. If no comments have been received objecting to the establishment of the district as proposed, the commissioner may proceed to grant or deny the petition without the necessity of conducting a contested case hearing.

(d) If the petition conforms to the requirements of law and rule, the commissioner shall also immediately submit the petition to the solid waste and the technical advisory councils for review and recommendation and shall prepare a report containing recommendations on the disposition of the petition. The commissioner's report shall contain at least the commissioner's findings and conclusions on whether the proposed boundaries, purposes, powers, and management plans of the district or alteration thereto serve the purposes of waste resource districts, are appropriately related to the waste generation, collection, processing, and disposal patterns in the area, and are generally consistent with the purposes of the agency's regulatory program.

Sec. 84. Minnesota Statutes 2024, section 115A.64, subdivision 6, is amended to read:

Subd. 6. **Order.** (a) After considering the reports of the administrative law judge, if a contested case hearing has been held, and the recommendations of the advisory councils, the commissioner shall make a final decision on the petition.

(b) If the commissioner finds and determines that the establishment or alteration of a district as proposed in the petition would not be in the public interest and would not serve the purposes of sections 115A.62 to 115A.72, the commissioner shall give notice to the petitioners of intent to deny the petition. If a contested case hearing has not been held, the petitioners may request a hearing within 30 days of the notice of intent to deny the petition. The request shall be granted. Following the hearing and the report of the administrative law judge, the commissioner shall make a final decision on the petition and mail a copy of the decision to the governing body of each affected political subdivision.

(c) If the commissioner finds and determines that the establishment or alteration of a district as proposed in the petition would be in the public interest and would serve the purposes of sections 115A.62 to 115A.72, the commissioner shall, by order, establish the district, define its boundaries, and give it a corporate name by which, in all proceedings, it shall thereafter be known. The order shall include articles of incorporation stating the powers of the district and the location of its registered office.

(d) Upon the filing of a certified copy of the order of the commissioner with the secretary of state, the district shall become a political subdivision of the state and a public corporation, with the authority, power, and duties prescribed in sections 115A.62 to 115A.72 and the order of the commissioner. At the time of filing, a copy of the order shall be mailed by the commissioner to the governing body of each political subdivision wholly or partly within the district or affected by the alteration of the district.

Sec. 85. Minnesota Statutes 2024, section 117.025, subdivision 10, is amended to read:

Subd. 10. **Public service corporation.** "Public service corporation" means a utility, as defined by section ~~216E.01, subdivision 10~~ 216I.02, subdivision 19; gas, electric, telephone, or cable communications company; cooperative association; natural gas pipeline company; crude oil or petroleum products pipeline company; municipal utility; municipality when operating its municipally owned utilities; joint venture created pursuant to section 452.25 or 452.26; or municipal power or gas agency. Public service corporation also means a municipality or public corporation when operating an airport under chapter 360 or 473, a common carrier, a watershed district, or a drainage authority.

Sec. 86. Minnesota Statutes 2024, section 120B.024, subdivision 2, is amended to read:

Subd. 2. **Credit equivalencies.** (a) A one-half credit of economics taught in a school's agricultural, food, and natural resources education or business education program or

department may fulfill a one-half credit in social studies under subdivision 1, paragraph (a), clause ~~(5)~~ (4), if the credit is sufficient to satisfy all of the academic standards in economics.

(b) An agriculture science or career and technical education credit may fulfill the elective science credit required under subdivision 1, paragraph (a), clause ~~(4)~~ (3), if the credit meets the state physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under subdivision 1, paragraph (a), clause ~~(4)~~ (3), if the credit meets the state chemistry or physics academic standards as approved by the district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, paragraph (a), clause ~~(4)~~ (3).

(c) A career and technical education credit may fulfill a mathematics or arts credit requirement under subdivision 1, paragraph (a), clause (2) or ~~(6)~~ (5).

(d) An agricultural, food, and natural resources education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 2, item B, to meet the credit equivalency requirements of paragraph (b) above.

(e) A computer science credit may fulfill a mathematics credit requirement under subdivision 1, paragraph (a), clause (2), if the credit meets state academic standards in mathematics.

(f) A Project Lead the Way credit may fulfill a science or mathematics credit requirement under subdivision 1, paragraph (a), clause (2) or ~~(4)~~ (3), if the credit meets the state academic standards in science or mathematics.

(g) An ethnic studies course may fulfill a social studies, language arts, arts, math, or science credit if the course meets the applicable state academic standards. An ethnic studies course may fulfill an elective credit if the course meets applicable local standards or other requirements.

Sec. 87. Minnesota Statutes 2024, section 120B.23, subdivision 3, is amended to read:

Subd. 3. **Grant awards.** (a) The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed $3 per resident pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.

(b) School districts and charter schools may accept funds from private and other public sources for child sexual abuse prevention programs developed and implemented under sections 120B.021, subdivision 1, paragraph ~~(d)~~ (c), and 120B.234, including federal funding under the Every Student Succeeds Act.

Sec. 88. Minnesota Statutes 2024, section 121A.15, subdivision 8, is amended to read:

Subd. 8. **Report.** The administrator or other person having general control and supervision of the elementary or secondary school shall file a report with the commissioner on all persons enrolled in the school. The superintendent of each district shall file a report with the commissioner for all persons within the district receiving instruction in a home school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving instruction in a home school shall submit the statements as required by subdivisions 1, 2, 3, 4, and 12 to the superintendent of the district in which the person resides by October 1 of the first year of their homeschooling in Minnesota and the grade 7 year. The school report must be prepared on forms developed jointly by the commissioner of health and the commissioner of education and be distributed to the local districts by the commissioner of health. The school report must state the number of persons attending the school, the number of persons who have not been immunized according to subdivision 1 or 2, and the number of persons who received an exemption under subdivision 3, ~~clause~~ paragraph (c) or (d). The school report must be filed with the commissioner of education within 60 days of the commencement of each new school term. Upon request, a district must be given a 60-day extension for filing the school report. The commissioner of education shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to community health boards as defined in section 145A.02, subdivision 5. The administrator or other person having general control and supervision of the child care facility shall file a report with the commissioner of children, youth, and families on all persons enrolled in the child care facility. The child care facility report must be prepared on forms developed jointly by the commissioner of health and the commissioner of children, youth, and families and be distributed to child care facilities by the commissioner of health. The child care facility report must state the number of persons enrolled in the facility, the number of persons with no immunizations, the number of persons who received an exemption under subdivision 3, ~~clause~~ paragraph (c) or (d), and the number of persons with partial or full immunization histories. The child care facility report must be filed with the commissioner of children, youth, and families by November 1 of each year. The commissioner of children, youth, and families shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to community health boards as defined in section 145A.02,

subdivision 5. The report required by this subdivision is not required of a family child care or group family child care facility, for prekindergarten children enrolled in any elementary or secondary school provided services according to sections 125A.03 and 125A.06, nor for child care facilities in which at least 75 percent of children in the facility participate on a onetime only or occasional basis to a maximum of 45 hours per child, per month.

Sec. 89. Minnesota Statutes 2024, section 122A.18, subdivision 1, is amended to read:

Subdivision 1. **Authority to license.** (a) The Professional Educator Licensing and Standards Board must issue the following teacher licenses to applicants who meet the qualifications prescribed by this chapter:

(1) Tier 1 license under section 122A.181;

(2) Tier 2 license under section 122A.182;

(3) Tier 3 license under section 122A.183; and

(4) Tier 4 license under section 122A.184.

(b) The Board of School Administrators must license supervisory personnel as defined in section 122A.15, subdivision 2, except for athletic coaches.

(c) The Professional Educator Licensing and Standards Board and the Department of Education must enter into a data sharing agreement to share:

(1) educational data at the E-12 level for the limited purpose of program approval and improvement for teacher education programs. The program approval process must include targeted redesign of teacher preparation programs to address identified E-12 student areas of concern; and

(2) data in the staff automated reporting system for the limited purpose of managing and processing funding to school districts and other entities. The board has authority to collect and retain nonlicensed staff data on behalf of the Department of Education. The board must share licensed and nonlicensed staff data with the department as outlined in the data sharing agreement required under ~~section 122A.18, subdivision 1,~~ paragraph (d). The department may access and use the data as required under federal or state law and for the purposes outlined in the data sharing agreement.

(d) The Board of School Administrators and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for education administration programs. The

program approval process must include targeted redesign of education administration preparation programs to address identified E-12 student areas of concern.

(e) For purposes of the data sharing agreements under paragraphs (c) and (d), the Professional Educator Licensing and Standards Board, Board of School Administrators, and Department of Education may share private data, as defined in section 13.02, subdivision 12, on teachers and school administrators. The data sharing agreements must not include educational data, as defined in section 13.32, subdivision 1, but may include summary data, as defined in section 13.02, subdivision 19, derived from educational data.

Sec. 90. Minnesota Statutes 2024, section 122A.26, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A person who teaches in a community education program that qualifies for aid pursuant to section 124D.52 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program that is offered through a community education program and that qualifies for community education aid pursuant to section ~~142D.11~~ 124D.20 or early childhood and family education aid pursuant to section ~~124D.135~~ 142D.11 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course that is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher.

(b) A person who teaches a driver training course that is offered through a community education program to persons under 18 years of age shall be licensed by the Professional Educator Licensing and Standards Board or be subject to section 171.35. A license that is required for an instructor in a community education program pursuant to this paragraph shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, paragraph (a).

Sec. 91. Minnesota Statutes 2024, section 122A.76, subdivision 6, is amended to read:

Subd. 6. **Report required.** ~~(a) The Northwest Regional Partnership must submit a report by January 15, 2018, on the progress of its activities to the legislature, commissioner of education, and Board of Trustees of the Minnesota State Colleges and Universities. The report shall contain a financial report for the preceding year.~~

~~(b) If established,~~ The State Partnership must submit an annual joint report to the legislature and the Office of Higher Education by January 15 of each year on the progress of its activities. The report must include the number of teachers participating in the program, the geographic location of the teachers, the number of credits earned, and the subject areas

of the courses in which participants earned credit. The report must include a financial report for the preceding year.

Sec. 92. Minnesota Statutes 2024, section 123A.26, subdivision 1, is amended to read:

Subdivision 1. **General prohibition.** Unless specifically permitted in the provision authorizing an aid or a levy, cooperative units of government defined in section 123A.24, subdivision 2, are prohibited from making a property tax levy or qualifying for or receiving any form of state aid except as provided in ~~subdivisions~~ subdivision 2 ~~and 3~~.

Sec. 93. Minnesota Statutes 2024, section 123B.09, subdivision 5b, is amended to read:

Subd. 5b. **Appointments to fill vacancies; special elections.** (a) Any vacancy on the board, other than a vacancy described in subdivision 4, must be filled by board appointment at a regular or special meeting. The appointment shall be evidenced by a resolution entered in the minutes and shall be effective 30 days following adoption of the resolution, subject to paragraph ~~(d)~~ (e). If the appointment becomes effective, it shall continue for the remainder of the unexpired term or until an election is held under this subdivision, as applicable. All elections to fill vacancies shall be for the unexpired term. A special election to fill the vacancy must be held no later than the first Tuesday after the first Monday in November following the vacancy. If the vacancy occurs less than 90 days prior to the first Tuesday after the first Monday in November in the year in which the vacancy occurs, the special election must be held no later than the first Tuesday after the first Monday in November of the following calendar year.

(b) Notwithstanding paragraph (a), if the vacancy occurs less than two years prior to the expiration of the term, no special election is required and the appointee of the board shall serve for the remainder of the unexpired term, subject to paragraph (d).

(c) Notwithstanding paragraph (a), if the vacancy occurs less than 90 days prior to the expiration of the term, the board may, but is not required to, fill the vacancy by board appointment at a regular or special meeting.

(d) Notwithstanding paragraphs (a) and (b), if the vacancy occurs because a school board member was removed pursuant to section 123B.09, subdivision 9, a special election must be held to fill the vacancy as soon as possible on a uniform election date. This paragraph does not apply if the vacancy occurs after candidate filing begins under section 205A.06 in the year preceding the end of the term.

(e) An appointment made under paragraph (a) shall not be effective if a petition to reject the appointee is filed with the school district clerk. To be valid, a petition to reject an appointee must be signed by a number of eligible voters residing in the district equal to at least five percent of the total number of voters voting in the district at the most recent state general election, and must be filed within 30 days of the board's adoption of the resolution making the appointment. If a valid petition is filed according to the requirements of this paragraph, the appointment by the school board is ineffective and the board must name a new appointee as provided in paragraph (a).

Sec. 94. Minnesota Statutes 2024, section 124D.09, subdivision 19, is amended to read:

Subd. 19. **Fees; textbooks; materials.** A postsecondary institution that receives reimbursement for a pupil under subdivision 13 may not charge that pupil for fees, textbooks, materials, support services as defined in section ~~135A.16~~ 135A.163, or other necessary costs of the course or program in which the pupil is enrolled if the charge would be prohibited under section 123B.37, except for equipment purchased by the pupil that becomes the property of the pupil. An institution may require the pupil to pay for fees, textbooks, and materials for a course taken for postsecondary credit.

Sec. 95. Minnesota Statutes 2024, section 124D.42, subdivision 8, is amended to read:

Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps program is established to provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills, including evidence-based literacy instruction under sections 120B.118 to 120B.124, to children age 3 to grade 3 and interventions for children in kindergarten to grade 3.

(b) Literacy programs under this subdivision must comply with the provisions governing literacy program goals and data use under section 142D.12, subdivision 3, paragraph (b).

(c) Literacy programs under this subdivision must use evidence-based reading instruction and interventions focused on structured literacy. ServeMinnesota must demonstrate to the department that the training AmeriCorps members receive meets or exceeds the requirements of section 120B.124, subdivision 4, for volunteers. Minnesota Reading Corps AmeriCorps members are not required to complete the training under section ~~120B.24~~ 120B.124, subdivision 4.

(d) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.

Sec. 96. Minnesota Statutes 2024, section 124D.475, is amended to read:

**124D.475 CREDIT FOR EMPLOYMENT WITH HEALTH CARE PROVIDERS.**

Consistent with the career and technical pathways program, a student in grade 11 or 12 who is employed by an institutional long-term care or licensed assisted living facility, a home and community-based services and supports provider, a hospital or health system clinic, or a child care center may earn up to two elective credits each year toward graduation under section 120B.024, subdivision 1, paragraph (a), clause ~~(7)~~ (8), at the discretion of the enrolling school district or charter school. A student may earn one elective credit for every 350 hours worked, including hours worked during the summer. A student who is employed by an eligible employer must submit an application, in the form or manner required by the school district or charter school, for elective credit to the school district or charter school in order to receive elective credit. The school district or charter school must verify the hours worked with the employer before awarding elective credit.

Sec. 97. Minnesota Statutes 2024, section 124E.16, subdivision 3, is amended to read:

Subd. 3. **Public accounting and reporting CMO and EMO agreements.** (a) A charter school that enters into a management agreement with a CMO or EMO must:

(1) publish on the charter school website for at least 20 business days the proposed final agreement for public review and comment before the school board may adopt the contract or agreement. Any changes made to the posted agreement during the public review period or any proposed amendments to the agreement once adopted must be posted for 20 business days before the board may adopt the amendments to the contract;

(2) annually publish on the charter school website a statement of assurance that no member of the school board, staff, or any agent of the school has been promised or received any form of compensation or gifts from the CMO or EMO and that no board member, employee, or agent of the CMO or EMO or any of the organization affiliates or providers serve on the charter school board; and

(3) conduct an independent review and evaluation of the services provided by the CMO or EMO and publish the evaluation on the school's website at least 30 business days before the end of the current contract.

(b) A management agreement with a CMO or EMO must contain the following:

(1) the term of the contract, not to exceed five years;

(2) the total dollar value of the contract including the annual projected costs of services;

(3) a description and terms of the services to be provided during the term of the contract;

(4) notice that a charter school closure during the term of the contract by action of the authorizer or the school's board results in the balance of the current contract becoming null and void;

(5) an annual statement of assurance to the charter school board that the CMO or EMO provided no compensation or gifts to any charter school board member, staff member, or agent of the charter school;

(6) an annual statement of assurance that no ~~charter school~~ board member, employee, contractor, or agent of the CMO or EMO or any affiliated organization is a board member of the charter school or any other charter school;

(7) the policies and protocols that meet federal and state laws regarding student and personnel data collection, usage, access, retention, disclosure and destruction, and indemnification and warranty provisions in case of data breaches by the CMO or EMO; and

(8) an annual assurance that all assets purchased on behalf of the charter school using public funds remain assets of the school.

(c) The CMO or EMO must annually provide the charter school board a financial report by July 31 that accounts for income and expenditures for the previous fiscal year using the account categories in uniform financial accounting and reporting standards.

(d) Any agreement with a CMO or EMO containing any of the following provisions is null and void:

(1) restrictions on the charter school's ability to operate a school upon termination of the agreement;

(2) restrictions on the annual or total amount of the school's operating surplus or fund balance;

(3) authorization to allow a CMO or EMO to withdraw funds from a charter school account; or

(4) authorization to allow a CMO or EMO to loan funds to the charter school.

(e) A CMO or EMO or its affiliates, employees, or agents may not contract with, be employed by, or serve on the board of an authorizer. An authorizer or its affiliates, employees, or agents may not contract with, be employed by, serve as a paid consultant for, or serve as a board member of a CMO or EMO.

Sec. 98. Minnesota Statutes 2024, section 125A.63, subdivision 5, is amended to read:

Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a) The coordinator shall:

(1) collaborate with the early hearing detection and intervention coordinator for the Department of Health, deaf and hard-of-hearing state specialist, and the Department of Health Early Hearing Detection and Intervention Advisory Council;

(2) coordinate and support Department of Education and Department of Children, Youth, and Families early hearing detection and intervention teams;

(3) leverage resources by serving as a liaison between interagency early intervention committees; part C coordinators from the Departments of Education, Health, and Human Services; Department of Education regional low-incidence facilitators; service coordinators from school districts; Minnesota children with special health needs in the Department of Health; public health nurses; child find; Department of Human Services Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard of Hearing State Services Division; and others as appropriate;

(4) identify, support, and promote culturally appropriate and evidence-based early intervention practices for infants with hearing loss, and provide training, outreach, and use of technology to increase consistency in statewide service provision;

(5) identify culturally appropriate specialized reliable and valid instruments to assess and track the progress of children with hearing loss and promote their use;

(6) ensure that early childhood providers, parents, and members of the individual family service and intervention plan are provided with child progress data resulting from specialized assessments;

(7) educate early childhood providers and teachers of the deaf and hard-of-hearing to use developmental data from specialized assessments to plan and adjust individual family service plans; and

(8) make recommendations that would improve educational outcomes to the early hearing detection and intervention committee, the commissioners of education; children, youth, and

families; and health, the Commission of the Deaf, DeafBlind and Hard of Hearing, and the advisory council for the deaf and hard-of-hearing.

(b) The Department of Education and Department of Children, Youth, and Families must provide aggregate data regarding outcomes of deaf and hard-of-hearing children who receive early intervention services within the state in accordance with the state performance plan.

Sec. 99. Minnesota Statutes 2024, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** For fiscal year 2015 and later, a district's general education aid equals:

(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue; plus

(2) operating capital aid under section 126C.10, subdivision 13b; plus

(3) equity aid under section 126C.10, subdivision 30; plus

(4) transition aid under section 126C.10, subdivision 33; plus

(5) shared time aid under section 126C.01, subdivision 7; plus

(6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus

(7) online learning aid under section 124D.096; plus

(8) local optional aid according to section 126C.10, subdivision 2e, paragraph (f).

Sec. 100. Minnesota Statutes 2024, section 127A.20, subdivision 2, is amended to read:

Subd. 2. **Goals.** Each applicant for a grant awarded by the commissioner of education must include in the grant application a statement of the goals of the education program and grant funds. To the extent practicable, the goals must be aligned to the state of Minnesota's ~~world's best workforce~~ comprehensive achievement and civic readiness and the federally required Every Student Succeeds Act accountability systems.

Sec. 101. Minnesota Statutes 2024, section 127A.21, subdivision 5, is amended to read:

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate temporary sanctions, including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General if:

(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;

(2) there has been a criminal, civil, or administrative adjudication of fraud, waste, or abuse against the program participant in Minnesota or in another state or jurisdiction;

(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or

(4) the program participant has a pattern of noncompliance with an investigation.

(c) If an investigation finds, by a preponderance of the evidence, fraud, waste, or abuse by a program participant, the inspector general may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph ~~(e)~~ (f).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General determines there is insufficient evidence of fraud, waste, or abuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Sec. 102. Minnesota Statutes 2024, section 127A.41, subdivision 8, is amended to read:

Subd. 8. **Appropriation transfers.** (a) If a direct appropriation from the general fund to the department for any education aid or grant authorized in this chapter and chapters 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under sections ~~124D.135, 124D.16,~~ 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56, exceeds the amount required, the commissioner may transfer the excess to any education aid or grant appropriation that is insufficient. However, section 126C.20 applies to a deficiency in the direct appropriation for general education aid. Excess appropriations must be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of management and budget shall make the necessary transfers among appropriations according to the determinations of the commissioner. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

(b) Transfers for aids paid under section 127A.45, subdivisions 12 and 13, shall be made during the fiscal year after the fiscal year of the entitlement. Transfers for aids paid under section 127A.45, subdivisions 11 and 12a, shall be made during the fiscal year of the appropriation.

Sec. 103. Minnesota Statutes 2024, section 127A.41, subdivision 9, is amended to read:

Subd. 9. **Appropriation transfers for community education programs.** If a direct appropriation from the general fund to the Department of Education for an education aid or grant authorized under section ~~124D.135, 124D.16,~~ 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, or 124D.56 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficiently funded under these sections. Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of management and budget shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 104. Minnesota Statutes 2024, section 127A.85, is amended to read:

**127A.85 INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN.**

**ARTICLE I**

**PURPOSE**

It is the purpose of this compact to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents by:

A. facilitating the timely enrollment of children of military families and ensuring that they are not placed at a disadvantage due to difficulty in the transfer of education records from the previous school district(s) or variations in entrance/age requirements.

B. Facilitating the student placement process through which children of military families are not disadvantaged by variations in attendance requirements, scheduling, sequencing, grading, course content, or assessment.

C. Facilitating the qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities.

D. Facilitating the on-time graduation of children of military families.

E. Providing for the promulgation and enforcement of administrative rules implementing the provisions of this compact.

F. Providing for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

G. Promoting coordination between this compact and other compacts affecting military children.

H. Promoting flexibility and cooperation between the educational system, parents, and the student in order to achieve educational success for the student.

**ARTICLE II**

**DEFINITIONS**

As used in this compact, unless the context clearly requires a different construction:

A. "Active duty" means: full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, chapters 1209 and 1211.

B. "Children of military families" means: a school-aged child(ren), enrolled in kindergarten through grade 12, in the household of an active duty member.

C. "Compact commissioner" means: the voting representative of each compacting state appointed pursuant to Article VIII of this compact.

D. "Deployment" means: the period one month prior to the service members' departure from their home station on military orders through six months after return to their home station.

E. "Education(al) records" means: those official records, files, and data directly related to a student and maintained by the school or local education agency, including but not limited to records encompassing all the material kept in the student's cumulative folder, such as general identifying data, records of attendance and of academic work completed, records of achievement and results of evaluative tests, health data, disciplinary status, test protocols, and individualized education programs.

F. "Extracurricular activities" means: a voluntary activity sponsored by the school or local education agency or an organization sanctioned by the local education agency. Extracurricular activities include, but are not limited to, preparation for and involvement in public performances, contests, athletic competitions, demonstrations, displays, and club activities.

G. "Interstate Commission on Educational Opportunity for Military Children" means: the commission that is created under Article IX of this compact, which is generally referred to as Interstate Commission.

H. "Local education agency" means: a public authority legally constituted by the state as an administrative agency to provide control of and direction for kindergarten through grade 12 public educational institutions.

I. "Member state" means: a state that has enacted this compact.

J. "Military installation" means: a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility, which is located within any of the several states, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other United States territory. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

K. "Nonmember state" means: a state that has not enacted this compact.

L. "Receiving state" means: the state to which a child of a military family is sent, brought, or caused to be sent or brought.

M. "Rule" means: a written statement by the Interstate Commission promulgated pursuant to Article XII of this compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the Compact, or an organizational, procedural, or practice requirement of the Interstate Commission, and has the force and effect of statutory law in a member state, and includes the amendment, repeal, or suspension of an existing rule.

N. "Sending state" means: the state from which a child of a military family is sent, brought, or caused to be sent or brought.

O. "State" means: a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other United States territory.

P. "Student" means: the child of a military family for whom the local education agency receives public funding and who is formally enrolled in kindergarten through grade 12.

Q. "Transition" means: (1) the formal and physical process of transferring from school to school or (2) the period of time in which a student moves from one school in the sending state to another school in the receiving state.

R. "Uniformed service(s)" means: the Army, Navy, Air Force, Marine Corps, Coast Guard as well as the commissioned Corps of the National Oceanic and Atmospheric Administration, and Public Health Services.

S. "Veteran" means: a person who served in the uniformed services and who was discharged or released there from under conditions other than dishonorable.

**ARTICLE III**

**APPLICABILITY**

A. Except as otherwise provided in Section B, this compact shall apply to the children of:

1. active duty members of the uniformed services as defined in this compact, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, ~~sections~~ chapters 1209 and 1211;

2. members or veterans of the uniformed services who are severely injured and medically discharged or retired for a period of one year after medical discharge or retirement; and

3. members of the uniformed services who die on active duty or as a result of injuries sustained on active duty for a period of one year after death.

B. The provisions of this interstate compact shall only apply to local education agencies as defined in this compact.

C. The provisions of this compact shall not apply to the children of:

1. inactive members of the National Guard and military reserves;

2. members of the uniformed services now retired, except as provided in Section A;

3. veterans of the uniformed services, except as provided in Section A; and

4. other United States Department of Defense personnel and other federal agency civilian and contract employees not defined as active duty members of the uniformed services.

**ARTICLE IV**

**EDUCATIONAL RECORDS AND ENROLLMENT**

A. Unofficial or "hand-carried" education records - In the event that official education records cannot be released to the parents for the purpose of transfer, the custodian of the records in the sending state shall prepare and furnish to the parent a complete set of unofficial educational records containing uniform information as determined by the Interstate Commission. Upon receipt of the unofficial education records by a school in the receiving

state, the school shall enroll and appropriately place the student based on the information provided in the unofficial records pending validation by the official records, as quickly as possible.

B. Official education records/transcripts - Simultaneous with the enrollment and conditional placement of the student, the school in the receiving state shall request the student's official education record from the school in the sending state. Upon receipt of this request, the school in the sending state will process and furnish the official education records to the school in the receiving state within ten days or within such time as reasonably determined under rules promulgated by the Interstate Commission.

C. Immunizations - Compacting states shall give 30 days from the date of enrollment or within such time as is reasonably determined under the rules promulgated by the Interstate Commission, for students to obtain any immunization(s) required by the receiving state. For a series of immunizations, initial vaccinations must be obtained within 30 days or within such time as is reasonably determined under the rules promulgated by the Interstate Commission.

D. Kindergarten and first grade entrance age - Students shall be allowed to continue their enrollment at grade level in the receiving state commensurate with their grade level (including kindergarten) from a local education agency in the sending state at the time of transition, regardless of age. A student that has satisfactorily completed the prerequisite grade level in the local education agency in the sending state shall be eligible for enrollment in the next highest grade level in the receiving state, regardless of age. A student transferring after the start of the school year in the receiving state shall enter the school in the receiving state on their validated level from an accredited school in the sending state.

## ARTICLE V

## PLACEMENT AND ATTENDANCE

A. Course placement - When the student transfers before or during the school year, the receiving state school shall initially honor placement of the student in educational courses based on the student's enrollment in the sending state school and/or educational assessments conducted at the school in the sending state if the courses are offered. Course placement includes but is not limited to Honors, International Baccalaureate, Advanced Placement, vocational, technical, and career pathways courses. Continuing the student's academic program from the previous school and promoting placement in academically and career challenging courses should be paramount when considering placement. This does not

preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement and continued enrollment of the student in the course(s).

B. Educational program placement - The receiving state school shall initially honor placement of the student in educational programs based on the current educational assessments conducted at the school in the sending state or participation/placement in like programs in the sending state. Such programs include, but are not limited to: (1) gifted and talented programs; and (2) English as a second language (ESL). This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

C. Special education services - (1) in compliance with the federal requirements of the Individuals with Disabilities Education Act (IDEA), United States Code Annotated, title 20, section 1400 et seq., the receiving state shall initially provide comparable services to a student with disabilities based on his/her current Individualized Education Program (IEP); and (2) in compliance with the requirements of Section 504 of the Rehabilitation Act, United States Code Annotated, title 29, section 794, and with Title II of the Americans with Disabilities Act, United States Code Annotated, title 42, sections 12131 to 12165, the receiving state shall make reasonable accommodations and modifications to address the needs of incoming students with disabilities, subject to an existing 504 or Title II Plan, to provide the student with equal access to education. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

D. Placement flexibility - Local education agency administrative officials shall have flexibility in waiving course/program prerequisites, or other preconditions for placement in courses/programs offered under the jurisdiction of the local education agency.

E. Absence as related to deployment activities - A student whose parent or legal guardian is an active duty member of the uniformed services, as defined by the compact, and has been called to duty for, is on leave from, or immediately returned from deployment to a combat zone or combat support posting, shall be granted additional excused absences at the discretion of the local education agency superintendent to visit with his or her parent or legal guardian relative to such leave or deployment of the parent or guardian.

## ARTICLE VI

## ELIGIBILITY

A. Eligibility for enrollment

1. Special power of attorney, relative to the guardianship of a child of a military family and executed under applicable law shall be sufficient for the purposes of enrollment and all other actions requiring parental participation and consent.

2. A local education agency shall be prohibited from charging local tuition to a transitioning military child placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent.

3. A transitioning military child, placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent, may continue to attend the school in which he/she was enrolled while residing with the custodial parent.

B. Eligibility for extracurricular participation - State and local education agencies shall facilitate the opportunity for transitioning military children's inclusion in extracurricular activities, regardless of application deadlines, to the extent they are otherwise qualified.

## ARTICLE VII

## GRADUATION

In order to facilitate the on-time graduation of children of military families, states and local education agencies shall incorporate the following procedures:

A. Waiver requirements - Local education agency administrative officials shall waive specific courses required for graduation if similar coursework has been satisfactorily completed in another local education agency or shall provide reasonable justification for denial. Should a waiver not be granted to a student who would qualify to graduate from the sending school, the local education agency shall provide an alternative means of acquiring required coursework so that graduation may occur on time.

B. Exit exams - States shall accept: (1) exit or end-of-course exams required for graduation from the sending state, (2) national norm-referenced achievement tests, or (3) alternative testing, in lieu of testing requirements for graduation in the receiving state. In the event the above alternatives cannot be accommodated by the receiving state for a student transferring in his or her senior year, then the provisions of Article VII, Section C shall apply.

C. Transfers during senior year - Should a military student transferring at the beginning or during his or her senior year be ineligible to graduate from the receiving local education agency after all alternatives have been considered, the sending and receiving local education agencies shall ensure the receipt of a diploma from the sending local education agency, if

the student meets the graduation requirements of the sending local education agency. In the event that one of the states in question is not a member of this compact, the member state shall use best efforts to facilitate the on-time graduation of the student in accordance with Sections A and B of this Article.

## ARTICLE VIII

## STATE COORDINATION

A. Each member state shall, through the creation of a State Council or use of an existing body or board, provide for the coordination among its agencies of government, local education agencies, and military installations concerning the state's participation in, and compliance with, this compact and Interstate Commission activities. While each member state may determine the membership of its own State Council, its membership must include at least: the state superintendent of education, superintendent of a school district with a high concentration of military children, representative from a military installation, one representative each from the legislative and executive branches of government, and other offices and stakeholder groups the State Council deems appropriate. A member state that does not have a school district deemed to contain a high concentration of military children may appoint a superintendent from another school district to represent local education agencies on the State Council.

B. The State Council of each member state shall appoint or designate a military family education liaison to assist military families and the state in facilitating the implementation of this compact.

C. The compact commissioner responsible for the administration and management of the state's participation in the compact shall be appointed by the governor or as otherwise determined by each member state.

D. The compact commissioner and the military family education liaison designated herein shall be ex-officio members of the State Council, unless either is already a full voting member of the State council.

## ARTICLE IX

## INTERSTATE COMMISSION ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN

The member states hereby create the "Interstate Commission on Educational Opportunity for Military Children." The activities of the Interstate Commission are the formation of public policy and are a discretionary state function. The Interstate Commission shall:

A. Be a body corporate and joint agency of the member states and shall have all the responsibilities, powers, and duties set forth herein, and such additional powers as may be conferred upon it by a subsequent concurrent action of the respective legislatures of the member states in accordance with the terms of this compact.

B. Consist of one Interstate Commission voting representative from each member state who shall be that state's compact commissioner.

1. Each member state represented at a meeting of the Interstate Commission is entitled to one vote.

2. A majority of the total member states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Interstate Commission.

3. A representative shall not delegate a vote to another member state. In the event the compact commissioner is unable to attend a meeting of the Interstate Commission, the Governor or State Council may delegate voting authority to another person from their state for a specified meeting.

4. The bylaws may provide for meetings of the Interstate Commission to be conducted by telecommunication or electronic communication.

C. Consist of ex-officio, nonvoting representatives who are members of interested organizations. Such ex-officio members, as defined in the bylaws, may include, but not be limited to, members of the representative organizations of military family advocates, local education agency officials, parent and teacher groups, the United States Department of Defense, the Education Commission of the States, the Interstate Agreement on the Qualification of Educational Personnel, and other interstate compacts affecting the education of children of military members.

D. Meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a simple majority of the member states, shall call additional meetings.

E. Establish an executive committee, whose members shall include the officers of the Interstate Commission and such other members of the Interstate Commission as determined by the bylaws. Members of the executive committee shall serve a one-year term. Members of the executive committee shall be entitled to one vote each. The executive committee shall have the power to act on behalf of the Interstate Commission, with the exception of rulemaking, during periods when the Interstate Commission is not in session. The executive committee shall oversee the day-to-day activities of the administration of the compact,

including enforcement and compliance with the provisions of the compact, its bylaws and rules, and other such duties as deemed necessary. The U.S. Department of Defense, shall serve as an ex-officio, nonvoting member of the executive committee.

F. Establish bylaws and rules that provide for conditions and procedures under which the Interstate Commission shall make its information and official records available to the public for inspection or copying. The Interstate Commission may exempt from disclosure information or official records to the extent they would adversely affect personal privacy rights or proprietary interests.

G. Public notice shall be given by the Interstate Commission of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The Interstate Commission and its committees may close a meeting, or portion thereof, where it determines by two-thirds vote that an open meeting would be likely to:

1. Relate solely to the Interstate Commission's internal personnel practices and procedures;

2. Disclose matters specifically exempted from disclosure by federal and state statute;

3. Disclose trade secrets or commercial or financial information which is privileged or confidential;

4. Involve accusing a person of a crime, or formally censuring a person;

5. Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

6. Disclose investigative records compiled for law enforcement purposes; or

7. Specifically relate to the Interstate Commission's participation in a civil action or other legal proceeding.

H. For a meeting, or a portion of a meeting, closed pursuant to this provision, the Interstate Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exemptible provision. The Interstate Commission shall keep minutes which shall fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed and the record of a roll call vote. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Interstate Commission.

I. The Interstate Commission shall collect standardized data concerning the educational transition of the children of military families under this compact as directed through its rules which shall specify the data to be collected, the means of collection, and data exchange and reporting requirements. Such methods of data collection, exchange, and reporting shall, insofar as is reasonably possible, conform to current technology and coordinate its information functions with the appropriate custodian of records as identified in the bylaws and rules.

J. The Interstate Commission shall create a process that permits military officials, education officials, and parents to inform the Interstate Commission if and when there are alleged violations of the compact or its rules or when issues subject to the jurisdiction of the compact or its rules are not addressed by the state or local education agency. This section shall not be construed to create a private right of action against the Interstate Commission or any member state.

## ARTICLE X

## POWERS AND DUTIES OF THE INTERSTATE COMMISSION

The Interstate commission shall have the following powers:

A. To provide for dispute resolution among member states.

B. To promulgate rules and take all necessary actions to effect the goals, purposes, and obligations as enumerated in this compact. The rules shall have the force and effect of statutory law and shall be binding in the compact states to the extent and in the manner provided in this compact.

C. To issue, upon request of a member state, advisory opinions concerning the meaning or interpretation of the interstate compact, its bylaws, rules, and actions.

D. To enforce compliance with the compact provisions, the rules promulgated by the Interstate Commission, and the bylaws, using all necessary and proper means, including but not limited to the use of judicial process.

E. To establish and maintain offices which shall be located within one or more of the member states.

F. To purchase and maintain insurance and bonds.

G. To borrow, accept, hire, or contract for services of personnel.

H. To establish and appoint committees including, but not limited to, an executive committee as required by Article IX, Section E, which shall have the power to act on behalf of the Interstate Commission in carrying out its powers and duties hereunder.

I. To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties, and determine their qualifications; and to establish the Interstate Commission's personnel policies and programs relating to conflicts of interest, rates of compensation, and qualifications of personnel.

J. To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of it.

K. To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.

L. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.

M. To establish a budget and make expenditures.

N. To adopt a seal and bylaws governing the management and operation of the Interstate Commission.

O. To report annually to the legislatures, governors, judiciary, and State Councils of the member states concerning the activities of the Interstate Commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the Interstate Commission.

P. To coordinate education, training, and public awareness regarding the compact, its implementation and operation for officials and parents involved in such activity.

Q. To establish uniform standards for the reporting, collecting, and exchanging of data.

R. To maintain corporate books and records in accordance with the bylaws.

S. To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

T. To provide for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

## ARTICLE XI

## ORGANIZATION AND OPERATION OF THE INTERSTATE COMMISSION

A. The Interstate Commission shall, by a majority of the members present and voting, within 12 months after the first Interstate Commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact, including, but not limited to:

1. Establishing the fiscal year of the Interstate Commission;

2. Establishing an executive committee, and such other committees as may be necessary;

3. Providing for the establishment of committees and for governing any general or specific delegation of authority or function of the Interstate Commission;

4. Providing reasonable procedures for calling and conducting meetings of the Interstate Commission, and ensuring reasonable notice of each such meeting;

5. Establishing the titles and responsibilities of the officers and staff of the Interstate Commission;

6. Providing a mechanism for concluding the operations of the Interstate Commission and the return of surplus funds that may exist upon the termination of the compact after the payment and reserving of all of its debts and obligations;

7. Providing "start up" rules for initial administration of the compact.

B. The Interstate Commission shall, by a majority of the members, elect annually from among its members a chairperson, a vice-chairperson, and a treasurer, each of whom shall have such authority and duties as may be specified in the bylaws. The chairperson or, in the chairperson's absence or disability, the vice-chairperson, shall preside at all meetings of the Interstate Commission. The officers so elected shall serve without compensation or remuneration from the Interstate Commission; provided that, subject to the availability of budgeted funds, the officers shall be reimbursed for ordinary and necessary costs and expenses incurred by them in the performance of their responsibilities as officers of the Interstate Commission.

C. Executive Committee, Officers and Personnel

1. The executive committee shall have such authority and duties as may be set forth in the bylaws, including but not limited to:

a. Managing the affairs of the Interstate Commission in a manner consistent with the bylaws and purposes of the Interstate Commission;

b. Overseeing an organizational structure within, and appropriate procedures for, the Interstate Commission to provide for the creation of rules, operating procedures, and administrative and technical support functions; and

c. Planning, implementing, and coordinating communications and activities with other state, federal, and local government organizations in order to advance the goals of the Interstate Commission.

2. The executive committee may, subject to the approval of the Interstate Commission, appoint or retain an executive director for such period, upon such terms and conditions and for compensation, as the Interstate Commission may deem appropriate. The executive director shall serve as secretary to the Interstate Commission, but shall not be a member of the Interstate Commission. The executive director shall hire and supervise such other persons as may be authorized by the Interstate Commission.

D. The Interstate Commission's executive director and its employees shall be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to an actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred, within the scope of Interstate Commission employment, duties, or responsibilities; provided that such person shall not be protected from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

1. The liability of the Interstate Commission's executive director and employees or Interstate Commission representatives, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state may not exceed the limits of liability set forth under the Constitution and laws of that state for state officials, employees, and agents. The Interstate Commission is considered to be an instrumentality of the states for the purposes of any such action. Nothing in this subsection shall be construed to protect such person from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

2. The Interstate Commission shall defend the executive director and its employees and, subject to the approval of the attorney general or other appropriate legal counsel of the member state represented by an Interstate Commission representative, shall defend such Interstate Commission representative in any civil action seeking to impose liability arising out of an actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties or responsibilities, or that the defendant had a reasonable

basis for believing occurred within the scope of the Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

3. To the extent not covered by the state involved, member state, or the Interstate Commission, the representatives or employees of the Interstate Commission shall be held harmless in the amount of a settlement or judgment, including attorney fees and costs, obtained against such persons arising out of an actual or alleged act, error, or omission that occurred within the scope of the Interstate Commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

**ARTICLE XII**

**RULEMAKING FUNCTIONS OF THE INTERSTATE COMMISSION**

A. Rulemaking Authority - The Interstate Commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of this Compact. Notwithstanding the foregoing, in the event the Interstate Commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this Act, or the powers granted hereunder, then such an action by the Interstate Commission shall be invalid and have no force or effect.

B. Rulemaking Procedure - Rules shall be made pursuant to a rulemaking process that substantially conforms to the "Model State Administrative Procedure Act," of 1981 Act, Uniform Laws Annotated, Vol. 15, p.1 (2000) as amended, as may be appropriate to the operations of the Interstate Commission.

C. Not later than 30 days after a rule is promulgated, any person may file a petition for judicial review of the rule; provided that the filing of such a petition shall not stay or otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court shall give deference to the actions of the Interstate Commission consistent with applicable law and shall not find the rule to be unlawful if the rule represents a reasonable exercise of the Interstate Commission's authority.

D. If a majority of the legislatures of the compacting states reject a Rule by enactment of a statute or resolution in the same manner used to adopt the compact, then such rule shall have no further force and effect in any compacting state.

## ARTICLE XIII

## OVERSIGHT, ENFORCEMENT, AND DISPUTE RESOLUTION

A. Oversight

1. The executive, legislative, and judicial branches of state government in each member state shall enforce this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law.

2. All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the Interstate Commission.

3. The Interstate Commission shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the Interstate Commission shall render a judgment or order void as to the Interstate Commission, this compact, or promulgated rules.

B. Default, Technical Assistance, Suspension, and Termination - If the Interstate Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact, or the bylaws or promulgated rules, the Interstate Commission shall:

1. Provide written notice to the defaulting state and other member states of the nature of the default, the means of curing the default, and any action taken by the Interstate Commission. The Interstate Commission shall specify the conditions by which the defaulting state must cure its default.

2. Provide remedial training and specific technical assistance regarding the default.

3. If the defaulting state fails to cure the default, the defaulting state shall be terminated from the compact upon an affirmative vote of a majority of the member states and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of the default.

4. Suspension or termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Interstate Commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

5. The state which has been suspended or terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of suspension or termination, including obligations, the performance of which extends beyond the effective date of suspension or termination.

6. The Interstate Commission shall not bear any costs relating to any state that has been found to be in default or which has been suspended or terminated from the compact, unless otherwise mutually agreed upon in writing between the Interstate Commission and the defaulting state.

7. The defaulting state may appeal the action of the Interstate Commission by petitioning the United States District Court for the District of Columbia or the federal district where the Interstate Commission has its principle offices. The prevailing party shall be awarded all costs of such litigation including reasonable attorney fees.

C. Dispute Resolution

1. The Interstate Commission shall attempt, upon the request of a member state, to resolve disputes which are subject to the compact and which may arise among member states and between member and nonmember states.

2. The Interstate Commission shall promulgate a rule providing for both mediation and nonbinding dispute resolution for disputes as appropriate.

D. Enforcement

1. The Interstate Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

2. The Interstate Commission may, by majority vote of the members, initiate legal action in the United States District Court for the District of Columbia or, at the discretion of the Interstate Commission, in the federal district where the Interstate Commission has its principal offices, to enforce compliance with the provisions of the compact, its promulgated rules and bylaws, against a member state in default. The relief sought may include both injunctive relief and damages.

3. The remedies herein shall not be the exclusive remedies of the Interstate Commission. The Interstate Commission may avail itself of any other remedies available under state law or the regulation of a profession.

## ARTICLE XIV

## FINANCING OF THE INTERSTATE COMMISSION

A. The Interstate Commission shall pay, or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

B. The Interstate Commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the Interstate Commission and its staff which must be in a total amount sufficient to cover the Interstate Commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Interstate Commission, which shall promulgate a rule binding upon all member states.

C. The Interstate Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Interstate Commission pledge the credit of any of the member states, except by and with the authority of the member state.

D. The Interstate Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Interstate Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Interstate Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Interstate Commission.

## ARTICLE XV

## MEMBER STATES, EFFECTIVE DATE, AND AMENDMENT

A. Any state is eligible to become a member state.

B. The compact shall become effective and binding upon legislative enactment of the compact into law by no less than ten of the states. The effective date shall be no earlier than December 1, 2007. Thereafter, it shall become effective and binding as to any other member state upon enactment of the compact into law by that state. The governors of nonmember states or their designees shall be invited to participate in the activities of the Interstate Commission on a nonvoting basis prior to the adoption of the compact by all states.

C. The Interstate Commission may propose amendments to the compact for enactment by the member states. No amendment shall become effective and binding upon the Interstate Commission and the member states unless and until it is enacted into law by unanimous consent of the member states.

## ARTICLE XVI

## WITHDRAWAL AND DISSOLUTION

A. Withdrawal

1. Once effective, the compact shall continue in force and remain binding upon each and every member state; provided that a member state may withdraw from the compact specifically repealing the statute, which enacted the compact into law.

2. Withdrawal from this compact shall be by the enactment of a statute repealing the same, but shall not take effect until one year after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other member jurisdiction.

3. The withdrawing state shall immediately notify the chairperson of the Interstate Commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The Interstate Commission shall notify the other member states of the withdrawing state's intent to withdraw within 60 days of its receipt thereof.

4. The withdrawing state is responsible for all assessments, obligations and liabilities incurred through the effective date of withdrawal, including obligations, the performance of which extend beyond the effective date of withdrawal.

5. Reinstatement following withdrawal of a member state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the Interstate Commission.

B. Dissolution of Compact

1. This compact shall dissolve effective upon the date of the withdrawal or default of the member state which reduces the membership in the compact to one member state.

2. Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the Interstate Commission shall be concluded and surplus funds shall be distributed in accordance with the bylaws.

**ARTICLE XVII**

**SEVERABILITY AND CONSTRUCTION**

A. The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

B. The provisions of this compact shall be liberally construed to effectuate its purposes.

C. Nothing in this compact shall be construed to prohibit the applicability of other interstate compacts to which the states are members.

**ARTICLE XVIII**

**BINDING EFFECT OF COMPACT AND OTHER LAWS**

A. Other Laws

Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with this compact.

B. Binding Effect of the Compact

1. All lawful actions of the Interstate Commission, including all rules and bylaws promulgated by the Interstate Commission, are binding upon the member states.

2. All agreements between the Interstate Commission and the member states are binding in accordance with their terms.

3. In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any member state, such provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

Sec. 105. Minnesota Statutes 2024, section 142A.03, subdivision 1, is amended to read:

Subdivision 1. **General.** The department is under the administrative control of the commissioner. The commissioner is appointed by the governor with the advice and consent of the senate. The commissioner has the general powers provided in section 15.06, subdivision 6. The commissioner's salary must be ~~established according to the procedure in~~ determined by the Compensation Council under section ~~15A.0815, subdivision 5~~ 15A.082, in the same range as specified for the commissioner of management and budget.

Sec. 106. Minnesota Statutes 2024, section 142A.609, subdivision 5, is amended to read:

Subd. 5. **Alternate rates for preschool entry and certain transitioned children.** A child who entered the Northstar kinship assistance or adoption assistance components of Northstar Care for Children while under the age of six shall receive 50 percent of the amount the child would otherwise be entitled to under subdivisions 3 and 4. The commissioner may also use the 50 percent rate for a child who was transitioned into those components through declaration of the commissioner under section ~~256N.28, subdivision 7~~ 142A.612.

Sec. 107. Minnesota Statutes 2024, section 142D.05, subdivision 3, is amended to read:

Subd. 3. **Application and reporting requirements.** (a) A school readiness program provider must include a biennial plan in the district's comprehensive achievement and civic

readiness plan under section 120B.11, describing how the school readiness program meets the program requirements under subdivision ~~3~~ 2.

(b) Programs receiving school readiness funds annually must submit a report to the department of education for transfer to the department of children, youth, and families.

Sec. 108. Minnesota Statutes 2024, section 142D.06, subdivision 1, is amended to read:

Subdivision 1. **Amount of aid.** (a) A district is eligible to receive school readiness aid for eligible prekindergarten pupils enrolled in a school readiness program under section 142D.05 if the biennial plan required by section 142D.05, subdivision ~~3a~~ 3, has been approved by the commissioner.

(b) A district must receive school readiness aid equal to:

(1) the number of four-year-old children in the district on October 1 for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of four-year-old children reported to the commissioner for the previous school year; plus

(2) the number of pupils enrolled in the school district from families eligible for the free or reduced-price meals program for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced-price meals program for the previous school year.

(c) The total school readiness aid entitlement equals $23,558,000 for fiscal year 2016 and $33,683,000 for fiscal year 2017 and later.

Sec. 109. Minnesota Statutes 2024, section 142D.11, subdivision 3, is amended to read:

Subd. 3. **Early childhood family education levy.** By September 30 of each year, the commissioner of education shall establish a tax rate for early childhood family education revenue that raises $22,135,000 in each fiscal year. After consulting with the commissioner of children, youth, and families, if the commissioner of education determines that the amount of the early childhood family education levy would exceed the early childhood family education revenue, then the early childhood family education levy must equal the early childhood family education revenue. A district may not certify an early childhood family education levy unless it has met the annual program data reporting requirements under section ~~142D.11~~ 142D.10, subdivision 13.

Sec. 110. Minnesota Statutes 2024, section 142D.11, subdivision 4, is amended to read:

Subd. 4. **Early childhood family education aid.** If a district complies with the provisions of section ~~142D.11~~ 142D.10, it must receive early childhood family education aid equal to the difference between the early childhood family education revenue and the early childhood family education levy. If the district does not levy the entire amount permitted, the early childhood family education aid must be reduced in proportion to the actual amount levied.

Sec. 111. Minnesota Statutes 2024, section 142D.11, subdivision 6, is amended to read:

Subd. 6. **Home visiting revenue.** (a) A district that is eligible to levy for early childhood family education under subdivision 3 and that enters into a collaborative agreement to provide education services and social services to families with young children is eligible for home visiting revenue.

(b) Total home visiting revenue for a district equals $3 times the number of people under five years of age residing in the district on September 1 of the last school year. Revenue under this subdivision must not be included as revenue under subdivision 1. The revenue must be used for home visiting programs under section ~~142D.11~~ 142D.10, subdivision 4.

Sec. 112. Minnesota Statutes 2024, section 142D.12, subdivision 1, is amended to read:

Subdivision 1. **Department of Children, Youth, and Families.** The Department of Children, Youth, and Families is the state agency responsible for administering the Head Start program. The commissioner of children, youth, and families shall allocate funds according to the formula in section ~~119A.52~~ 142D.121 to public or private nonprofit agencies for the purpose of providing supplemental funds for the federal Head Start program.

Sec. 113. Minnesota Statutes 2024, section 142D.25, subdivision 4, is amended to read:

Subd. 4. **Administration.** (a) The commissioner shall establish a schedule of tiered per-child scholarship amounts based on the results of the rate survey conducted under section 142E.02, subdivision 7, the cost of providing high-quality early care and learning to children in varying circumstances, a family's income, and geographic location.

(b) Notwithstanding paragraph (a), a program that has a four-star rating under section 142D.13 must receive, for each scholarship recipient who meets the criteria in subdivision 3, paragraph (b) or (c), an amount not less than the cost to provide full-time care at the 75th percentile of the most recent market rate survey under section 142E.02, subdivision 7.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within three months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. An extension may be requested if a program is unavailable for the child within the three-month timeline. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development screening under sections 142D.09 to 142D.093 must complete that screening within 90 days of first attending an eligible program or within 90 days after the child's third birthday if awarded a scholarship under the age of three.

(f) A school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner. This paragraph expires upon implementation of the processes required under paragraph (g).

(g) Beginning January 1, 2026, to the extent funding is available under subdivision 7, paragraph (f), the commissioner must:

(1) make scholarship payments to eligible programs in advance of or at the beginning of the delivery of services based on an approved scholarship recipient's enrollment; and

(2) implement a process for transferring scholarship awards between eligible programs, when initiated by a scholarship recipient. Under the process, the commissioner:

(i) may adjust scholarship payment schedules for eligible programs to account for changes in a scholarship recipient's enrollment; and

(ii) must specify a period of time for which scholarship payments must continue to an eligible program for a scholarship recipient who transfers to a different eligible program.

(h) By January 1, 2026, to the extent funding is available under subdivision 6, paragraph (f), the commissioner must have information technology systems in place that prioritize efficiency and usability for families and early childhood programs and that support the following:

(1) the ability for a family to apply for a scholarship through an online system that allows the family to upload documents that demonstrate scholarship eligibility;

(2) the administration of scholarships, including but not limited to verification of family and child eligibility, identification of programs eligible to accept scholarships, management of scholarship awards and payments, and communication with families and eligible programs; and

(3) making scholarship payments to eligible programs in advance of or at the beginning of the delivery of services for an approved scholarship recipient.

(i) In creating the information technology systems and functions under paragraph (h), the commissioner must consider the requirements for and the potential transition to the great start scholarships program under section ~~142D.44~~ 142A.44.

Sec. 114. Minnesota Statutes 2024, section 142E.01, subdivision 26, is amended to read:

Subd. 26. **Student parent.** "Student parent" means a person who is:

(1) under 21 years of age and has a child;

(2) pursuing a high school diploma or commissioner of education-selected high school equivalency certification;

(3) residing within a county that has a basic sliding fee waiting list under section ~~119B.03, subdivision 4~~ 142E.04, subdivision 4; and

(4) not an MFIP participant.

Sec. 115. Minnesota Statutes 2024, section 142G.01, subdivision 3, is amended to read:

Subd. 3. **Relationship to other statutes and rules.** ~~MFIP-S~~ MFIP replaces eligibility for families with children and pregnant women under the general assistance program,

governed by sections 256D.01 to 256D.21 and Minnesota Rules, parts 9500.1200 to 9500.1261.

Sec. 116. Minnesota Statutes 2024, section 142G.01, subdivision 4, is amended to read:

Subd. 4. **Changes to waivers.** The commissioner of children, youth, and families may negotiate and obtain changes in the federal waivers and terms and conditions contained in MFIP~~, MFIP-R, and MFIP-S~~. The commissioner may also terminate federal waivers by directing so in the applicable state plan.

Sec. 117. Minnesota Statutes 2024, section 142G.38, is amended to read:

**142G.38 AGING OF CASH BENEFITS.**

Cash benefits under chapters 142F, 142G, and 256K, except Supplemental Nutrition Assistance Program (SNAP) benefits under chapter ~~256D~~ 142F, by warrants or electronic benefit transfer that have not been accessed within 90 days of issuance shall be canceled. Cash benefits may be replaced after they are canceled, for up to one year after the date of issuance, if failure to do so would place the client or family at risk. For purposes of this section, "accessed" means cashing a warrant or making at least one withdrawal from benefits deposited in an electronic benefit account.

Sec. 118. Minnesota Statutes 2024, section 144.291, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of sections 144.291 to 144.298, the following terms have the meanings given.

(a) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

(b) "Health information exchange" means a legal arrangement between health care providers and group purchasers to enable and oversee the business and legal issues involved in the electronic exchange of health records between the entities for the delivery of patient care.

(c) "Health record" means any information, whether oral or recorded in any form or medium, that relates to the past, present, or future physical or mental health or condition of a patient; the provision of health care to a patient; or the past, present, or future payment for the provision of health care to a patient.

(d) "Identifying information" means the patient's name, address, date of birth, gender, parent's or guardian's name regardless of the age of the patient, and other nonclinical data which can be used to uniquely identify a patient.

(e) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

(f) "Medical emergency" means medically necessary care which is immediately needed to preserve life, prevent serious impairment to bodily functions, organs, or parts, or prevent placing the physical or mental health of the patient in serious jeopardy.

(g) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient appoints in writing as a representative, including a health care agent acting according to chapter 145C, unless the authority of the agent has been limited by the principal in the principal's health care directive. Except for minors who have received health care services under sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(h) "Patient information service" means a service providing the following query options: a record locator service as defined in paragraph (j) or a master patient index or clinical data repository as defined in section 62J.498, subdivision 1.

(i) "Provider" means:

(1) any person who furnishes health care services and is regulated to furnish the services under chapter 147, 147A, 147B, 147C, 147D, 148, 148B, ~~148D~~ 148E, 148F, 150A, 151, 153, or 153A;

(2) a home care provider licensed under section 144A.471;

(3) a health care facility licensed under this chapter or chapter 144A; and

(4) an assisted living facility licensed under chapter 144G~~; and~~.

~~(5) a physician assistant registered under chapter 147A.~~

(j) "Record locator service" means an electronic index of patient identifying information that directs providers in a health information exchange to the location of patient health records held by providers and group purchasers.

(k) "Related health care entity" means an affiliate, as defined in section 144.6521, subdivision 3, paragraph (b), of the provider releasing the health records.

Sec. 119. Minnesota Statutes 2024, section 144.966, subdivision 2, is amended to read:

Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner of health shall establish a Newborn Hearing Screening Advisory Committee to advise and assist the Department of Health; Department of Children, Youth, and Families; and the Department of Education in:

(1) developing protocols and timelines for screening, rescreening, and diagnostic audiological assessment and early medical, audiological, and educational intervention services for children who are deaf or hard-of-hearing;

(2) designing protocols for tracking children from birth through age three that may have passed newborn screening but are at risk for delayed or late onset of permanent hearing loss;

(3) designing a technical assistance program to support facilities implementing the screening program and facilities conducting rescreening and diagnostic audiological assessment;

(4) designing implementation and evaluation of a system of follow-up and tracking; and

(5) evaluating program outcomes to increase effectiveness and efficiency and ensure culturally appropriate services for children with a confirmed hearing loss and their families.

(b) The commissioner of health shall appoint at least one member from each of the following groups with no less than two of the members being deaf or hard-of-hearing:

(1) a representative from a consumer organization representing culturally deaf persons;

(2) a parent with a child with hearing loss representing a parent organization;

(3) a consumer from an organization representing oral communication options;

(4) a consumer from an organization representing cued speech communication options;

(5) an audiologist who has experience in evaluation and intervention of infants and young children;

(6) a speech-language pathologist who has experience in evaluation and intervention of infants and young children;

(7) two primary care providers who have experience in the care of infants and young children, one of which shall be a pediatrician;

(8) a representative from the early hearing detection intervention teams;

(9) a representative from the Department of Education resource center for the deaf and hard-of-hearing or the representative's designee;

(10) a representative of the Commission of the Deaf, DeafBlind and Hard of Hearing;

(11) a representative from the Department of Human Services Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard of Hearing State Services Division;

(12) one or more of the Part C coordinators from the Department of Education; the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services or the department's designees;

(13) the Department of Health early hearing detection and intervention coordinators;

(14) two birth hospital representatives from one rural and one urban hospital;

(15) a pediatric geneticist;

(16) an otolaryngologist;

(17) a representative from the Newborn Screening Advisory Committee under this subdivision;

(18) a representative of the Department of Education regional low-incidence facilitators;

(19) a representative from the deaf mentor program; and

(20) a representative of the Minnesota State Academy for the Deaf from the Minnesota State Academies staff.

The commissioner must complete the initial appointments required under this subdivision by September 1, 2007, and the initial appointments under clauses (19) and (20) by September 1, 2019.

(c) The Department of Health member shall chair the first meeting of the committee. At the first meeting, the committee shall elect a chair from its membership. The committee shall meet at the call of the chair, at least four times a year. The committee shall adopt written bylaws to govern its activities. The Department of Health shall provide technical and administrative support services as required by the committee. These services shall include technical support from individuals qualified to administer infant hearing screening, rescreening, and diagnostic audiological assessments.

Members of the committee shall receive no compensation for their service, but shall be reimbursed as provided in section 15.059 for expenses incurred as a result of their duties as members of the committee.

(d) By February 15, 2015, and by February 15 of the odd-numbered years after that date, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and data privacy on the activities of the committee that have occurred during the past two years.

(e) This subdivision expires June 30, 2025.

Sec. 120. Minnesota Statutes 2024, section 144A.43, subdivision 28, is amended to read:

Subd. 28. **Social worker.** "Social worker" means a person who is licensed under chapter ~~148D or~~ 148E.

Sec. 121. Minnesota Statutes 2024, section 144E.101, subdivision 14, is amended to read:

Subd. 14. **Trauma triage and transport guidelines.** ~~By July 1, 2010,~~ A licensee shall have written age appropriate trauma triage and transport guidelines consistent with the criteria issued by the Trauma Advisory Council established under section 144.608 and approved by the director. The director may approve a licensee's requested deviations to the guidelines due to the availability of local or regional trauma resources if the changes are in the best interest of the patient's health.

Sec. 122. Minnesota Statutes 2024, section 144E.28, subdivision 5, is amended to read:

Subd. 5. **Denial, suspension, revocation.** (a) The director may deny certification or take any action authorized in subdivision 4 against an individual who the director determines:

(1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, or an order that the director issued or is otherwise authorized or empowered to enforce, or an agreement for corrective action;

(2) misrepresents or falsifies information on an application form for certification;

(3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol;

(4) is actually or potentially unable to provide emergency medical services with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition;

(5) engages in unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of the public;

(6) maltreats or abandons a patient;

(7) violates any state or federal controlled substance law;

(8) engages in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(9) provides emergency medical services under lapsed or nonrenewed credentials;

(10) is subject to a denial, corrective, disciplinary, or other similar action in another jurisdiction or by another regulatory authority;

(11) engages in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

(12) makes a false statement or knowingly provides false information to the director or fails to cooperate with an investigation of the director as required by section 144E.30; or

(13) fails to engage with the health professionals services program or diversion program required under section 144E.287 after being referred to the program, violates the terms of the program participation agreement, or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

(b) Before taking action under paragraph (a), the director shall give notice to an individual of the right to a contested case hearing under chapter 14. If an individual requests a contested case hearing within 30 days after receiving notice, the director shall initiate a contested case hearing according to chapter 14 and no disciplinary action shall be taken at that time.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The director shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the director's decision to deny, revoke, place conditions on, or refuse renewal of an individual's certification for disciplinary action, the individual shall have the opportunity to apply to the director for reinstatement.

Sec. 123. Minnesota Statutes 2024, section 144E.50, subdivision 6, is amended to read:

Subd. 6. **Audits.** (a) Each regional emergency medical services board designated by the director shall be audited either annually or biennially by an independent auditor who is either a state or local government auditor or a certified public accountant who meets the independence standards specified by the General Accounting Office for audits of governmental organizations, programs, activities, and functions. The audit shall cover all funds received by the regional board, including but not limited to, funds appropriated under this section, section 144E.52, and section 169.686, subdivision 3. Expenses associated with the audit are the responsibility of the regional board.

(b) A biennial audit specified in paragraph (a) shall be performed following the close of the biennium. Copies of the audit and any accompanying materials shall be filed by October 1 of each odd-numbered year~~, beginning in 1999,~~ with the director, the legislative auditor, and the state auditor.

(c) An annual audit specified in paragraph (a) shall be performed following the close of the regional emergency medical services board's fiscal year. Copies of the audit and any accompanying materials shall be filed within 150 days following the close of the regional emergency medical services board's fiscal year~~, beginning in the year 2000,~~ with the director, the legislative auditor, and the state auditor.

(d) If the audit is not conducted as required in paragraph (a) or copies filed as required in paragraph (b) or (c), or if the audit determines that funds were not spent in accordance with this chapter, the director shall immediately reduce funding to the regional emergency medical services board as follows:

(1) if an audit was not conducted or if an audit was conducted but copies were not provided as required, funding shall be reduced by up to 100 percent; and

(2) if an audit was conducted and copies provided, and the audit identifies expenditures made that are not in compliance with this chapter, funding shall be reduced by the amount in question plus ten percent.

A funding reduction under this paragraph is effective for the fiscal year in which the reduction is taken and the following fiscal year.

(e) The director shall distribute any funds withheld from a regional board under paragraph (d) to the remaining regional boards on a pro rata basis.

Sec. 124. Minnesota Statutes 2024, section 144G.08, subdivision 64, is amended to read:

Subd. 64. **Social worker.** "Social worker" means a person who is licensed under chapter ~~148D or~~ 148E.

Sec. 125. Minnesota Statutes 2024, section 147.02, subdivision 6a, is amended to read:

Subd. 6a. **Exception to publication requirement.** The publication requirement does not apply to disciplinary measures by the board which are based exclusively upon grounds listed in section 147.091, subdivision 1, ~~clause~~ paragraph (l) or (r).

Sec. 126. Minnesota Statutes 2024, section 147.09, is amended to read:

**147.09 EXEMPTIONS.**

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board, provided the student has a residency permit issued by the board under section 147.0391.

(6) A person employed in a scientific, sanitary, or teaching capacity by the state university, the Department of Education, a public or private school, college, or other bona fide educational institution, a nonprofit organization, which has tax-exempt status in

accordance with the Internal Revenue Code, section 501(c)(3), and is organized and operated primarily for the purpose of conducting scientific research directed towards discovering the causes of and cures for human diseases, or the state Department of Health, whose duties are entirely of a research, public health, or educational character, while engaged in such duties; provided that if the research includes the study of humans, such research shall be conducted under the supervision of one or more physicians licensed under this chapter.

(7) Physician assistants licensed in this state.

(8) A doctor of osteopathic medicine duly licensed by the state Board of Osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health-related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including psychological practitioners with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A person who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

(12) A physician licensed to practice medicine in another state who is in this state for the sole purpose of providing medical services at a competitive athletic event. The physician may practice medicine only on participants in the athletic event. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to adopt the contents of the form by rule. The physician shall provide evidence satisfactory to the board of a current unrestricted license in another state. The board shall charge a fee of $50 for the registration.

(13) A psychologist licensed under section 148.907 or a social worker licensed under chapter ~~148D~~ 148E who uses or supervises the use of a penile or vaginal plethysmograph in assessing and treating individuals suspected of engaging in aberrant sexual behavior and sex offenders.

(14) Any person issued a training course certificate or credentialed by the director of the Office of Emergency Medical Services established in chapter 144E, provided the person confines activities within the scope of training at the certified or credentialed level.

(15) An unlicensed complementary and alternative health care practitioner practicing according to chapter 146A.

Sec. 127. Minnesota Statutes 2024, section 147.091, subdivision 1, is amended to read:

Subdivision 1. **Grounds listed.** The board may refuse to grant a license, may refuse to grant registration to perform interstate telehealth services, or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathic medicine. Conviction as used in this subdivision shall include a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 604.201, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical or improper conduct, including but not limited to:

(1) conduct likely to deceive or defraud the public;

(2) conduct likely to harm the public;

(3) conduct that demonstrates a willful or careless disregard for the health, welfare, or safety of a patient;

(4) medical practice that is professionally incompetent; and

(5) conduct that may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Failure to provide proper supervision, including but not limited to supervision of a:

(1) licensed or unlicensed health care provider; and

(2) physician under any agreement with the board.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority.

(j) Adjudication by a court of competent jurisdiction, within or outside this state, as:

(1) mentally incompetent;

(2) mentally ill;

(3) developmentally disabled;

(4) a chemically dependent person;

(5) a person dangerous to the public;

(6) a sexually dangerous person; or

(7) a person who has a sexual psychopathic personality.

Such adjudication shall automatically suspend a license for the duration of the adjudication unless the board orders otherwise.

(k) Conduct that departs from or fails to conform to the minimal standards of acceptable and prevailing medical practice in which case proof of actual injury need not be established.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of the following, including but not limited to:

(1) illness;

(2) intoxication;

(3) use of drugs, narcotics, chemicals, or any other type of substance;

(4) mental condition;

(5) physical condition;

(6) diminished cognitive ability;

(7) loss of motor skills; or

(8) deterioration through the aging process.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathic medicine to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathic medicine, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a medical record or report required by law.

(p) Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in sections 144.291 to 144.298 in which the referring physician has a "financial or economic interest," as defined in section 144.6521, subdivision 3, unless the physician has disclosed the physician's financial or economic interest in accordance with section 144.6521; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Inappropriate prescribing of or failure to properly prescribe a drug or device, including prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

(v) Knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.

(w) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(1) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(2) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(3) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(4) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

(x) Practice of a board-regulated profession under lapsed or nonrenewed credentials.

(y) Failure to repay a state or federally secured student loan in accordance with the provisions of the loan.

(z) Providing interstate telehealth services other than according to section 147.032.

Sec. 128. Minnesota Statutes 2024, section 147.091, subdivision 6, is amended to read:

Subd. 6. **Mental examination; access to medical data.** (a) If the board has probable cause to believe that a regulated person comes under subdivision 1, paragraph (1), it may direct the person to submit to a mental or physical examination. For the purpose of this subdivision every regulated person is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a regulated person to submit to an examination when directed constitutes an admission of the allegations against the person, unless the failure was due to circumstance beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A regulated person affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the person can resume the competent practice of the regulated profession with reasonable skill and safety to the public.

In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a regulated person in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a regulated person or applicant without the person's or applicant's consent if the board has probable cause to believe that a regulated person comes under subdivision 1, paragraph (1). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i)~~,~~; an insurance company~~,~~; or a government agency, including the Department of Human Services. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written

request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

Sec. 129. Minnesota Statutes 2024, section 147.111, subdivision 6, is amended to read:

Subd. 6. **Courts.** The court administrator of district court or any other court of competent jurisdiction shall report to the board any judgment or other determination of the court which adjudges or includes a finding that a physician is mentally ill, mentally incompetent, guilty of a felony, ~~or~~ guilty of a violation of federal or state narcotics laws or controlled substances act, or guilty of an abuse or fraud under Medicare or Medicaid~~,~~; appoints a guardian of the physician pursuant to sections 524.5-101 to 524.5-502; or commits a physician pursuant to chapter 253B.

Sec. 130. Minnesota Statutes 2024, section 147A.01, subdivision 20, is amended to read:

Subd. 20. **Prescribe.** "Prescribe" means to direct, order, or designate by means of a prescription the preparation of, use of, or manner of using a drug or medical device.

Sec. 131. Minnesota Statutes 2024, section 147A.09, subdivision 3, is amended to read:

Subd. 3. **Practice agreement review.** A physician assistant shall have a practice agreement at the practice level that describes the practice of the physician assistant. The practice agreement must be reviewed on an annual basis by a licensed physician within the same clinic, hospital, health system, or other facility as the physician assistant and who has knowledge of the physician assistant's practice to ensure that the physician assistant's medical practice is consistent with the practice agreement. A document stating that the review occurred must be maintained at the practice level and made available to the board, upon request.

Sec. 132. Minnesota Statutes 2024, section 147A.13, subdivision 4, is amended to read:

Subd. 4. **Temporary suspension of license.** (a) In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the license of a physician assistant if the board finds that the physician assistant has violated a statute or rule which the board is empowered to enforce and continued practice by the physician assistant would create a serious risk of harm to the public. The suspension shall take effect upon written notice to the physician assistant, specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order in the matter after a hearing. At the time

it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act.

(b) The physician assistant shall be provided with at least 20 days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

Sec. 133. Minnesota Statutes 2024, section 147A.13, subdivision 6, is amended to read:

Subd. 6. **Mental examination; access to medical data.** (a) If the board has probable cause to believe that a physician assistant comes under subdivision 1, clause (1), it may direct the physician assistant to submit to a mental or physical examination. For the purpose of this subdivision, every physician assistant licensed under this chapter is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a physician assistant to submit to an examination when directed constitutes an admission of the allegations against the physician assistant, unless the failure was due to circumstance beyond the physician assistant's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A physician assistant affected under this subdivision shall at reasonable intervals be given an opportunity to demonstrate that the physician assistant can resume competent practice with reasonable skill and safety to patients. In any proceeding under this subdivision, neither the record of proceedings nor the orders entered by the board shall be used against a physician assistant in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding sections 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a physician assistant comes under subdivision 1, clause (1).

(c) The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the

provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under chapter 13.

Sec. 134. Minnesota Statutes 2024, section 147A.13, subdivision 7, is amended to read:

Subd. 7. **Tax clearance certificate.** (a) In addition to the provisions of subdivision 1, the board may not issue or renew a license if the commissioner of revenue notifies the board and the licensee or applicant for licensure that the licensee or applicant owes the state delinquent taxes in the amount of $500 or more. The board may issue or renew the license only if:

(1) the commissioner of revenue issues a tax clearance certificate; and

(2) the commissioner of revenue, the licensee, or the applicant forwards a copy of the clearance to the board.

(b) The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

~~(b)~~ (c) For purposes of this subdivision, the following terms have the meanings given:

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes, and

(2) "Delinquent taxes" do not include a tax liability if:

(i) an administrative or court action that contests the amount or validity of the liability has been filed or served;

(ii) the appeal period to contest the tax liability has not expired; or

(iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

~~(c)~~ (d) When a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the Office of Administrative Hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the registrant or applicant. The notice may be served personally or by mail.

~~(d)~~ (e) The board shall require all licensees or applicants to provide their Social Security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants, including their names and addresses, Social Security numbers, and business identification numbers. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year.

Sec. 135. Minnesota Statutes 2024, section 147A.14, subdivision 6, is amended to read:

Subd. 6. **Courts.** The court administrator of district court or any other court of competent jurisdiction shall report to the board any judgment or other determination of the court which adjudges or includes a finding that a physician assistant is mentally ill, mentally incompetent, guilty of a felony, guilty of a violation of federal or state narcotics laws or controlled substances act, or guilty of an abuse or fraud under Medicare or Medicaid~~,~~; appoints a guardian of the physician assistant pursuant to sections 524.5-101 to 524.5-502~~,~~; or commits a physician assistant pursuant to chapter 253B.

Sec. 136. Minnesota Statutes 2024, section 147A.17, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** (a) The board shall maintain and keep current a file containing the reports and complaints filed against physician assistants in the state. Each complaint filed with the board pursuant to section 214.10, subdivision 1, shall be investigated according to section 214.10, subdivision 2.

(b) Whenever the files maintained by the board show that a medical malpractice settlement or award to the plaintiff has been made against a physician assistant as reported by insurers pursuant to this chapter, the executive director of the board shall notify the board and the board may authorize a review of the physician assistant's practice.

Sec. 137. Minnesota Statutes 2024, section 147B.02, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** Except as provided under subdivision 4, it is unlawful for any person to engage in the practice of acupuncture without a valid license ~~after June 30, 1997~~. Each licensed acupuncture practitioner shall conspicuously display the license in the place of practice.

Sec. 138. Minnesota Statutes 2024, section 147B.02, subdivision 7, is amended to read:

Subd. 7. **Licensure requirements.** (a) An applicant for licensure must:

(1) submit a completed application for licensure on forms provided by the board, which must include the applicant's name and address of record, which shall be public;

(2) unless licensed under subdivision ~~5 or~~ 6, submit evidence satisfactory to the board of current NCCAOM certification;

(3) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) submit with the application all fees required; and

(5) sign a waiver authorizing the board to obtain access to the applicant's records in this state or any state in which the applicant has engaged in the practice of acupuncture.

(b) The board may ask the applicant to provide any additional information necessary to ensure that the applicant is able to practice with reasonable skill and safety to the public.

(c) The board may investigate information provided by an applicant to determine whether the information is accurate and complete. The board shall notify an applicant of action taken on the application and the reasons for denying licensure if licensure is denied.

Sec. 139. Minnesota Statutes 2024, section 147B.02, subdivision 9, is amended to read:

Subd. 9. **Renewal.** (a) To renew a license an applicant must:

(1) annually, or as determined by the board, complete a renewal application on a form provided by the board;

(2) submit the renewal fee;

(3) provide documentation of current and active NCCAOM certification; or

(4) if licensed under subdivision ~~5 or~~ 6, meet the same NCCAOM professional development activity requirements as those licensed under subdivision 7.

(b) An applicant shall submit any additional information requested by the board to clarify information presented in the renewal application. The information must be submitted within 30 days after the board's request, or the renewal request is nullified.

(c) An applicant must maintain a correct mailing address with the board for receiving board communications, notices, and license renewal documents. Placing the license renewal application in first-class United States mail, addressed to the applicant at the applicant's last known address with postage prepaid, constitutes valid service. Failure to receive the renewal documents does not relieve an applicant of the obligation to comply with this section.

(d) The name of an applicant who does not return a complete license renewal application, annual license fee, or late application fee, as applicable, within the time period required by this section shall be removed from the list of individuals authorized to practice during the current renewal period. If the applicant's license is reinstated, the applicant's name shall be placed on the list of individuals authorized to practice.

Sec. 140. Minnesota Statutes 2024, section 147B.06, subdivision 4, is amended to read:

Subd. 4. **Scope of practice.** The scope of practice of acupuncture includes, but is not limited to, the following:

(1) using Oriental medical theory to assess and diagnose a patient; and

(2) using Oriental medical theory to develop a plan to treat a patient. The treatment techniques that may be chosen include:

(i) insertion of sterile acupuncture needles through the skin;

(ii) acupuncture stimulation including, but not limited to, electrical stimulation or the application of heat;

(iii) cupping;

(iv) dermal friction;

(v) acupressure;

(vi) herbal therapies;

(vii) dietary counseling based on traditional Chinese medical principles;

(viii) breathing techniques;

(ix) exercise according to Oriental medical principles; or

(x) Oriental massage.

Sec. 141. Minnesota Statutes 2024, section 147E.10, subdivision 1, is amended to read:

Subdivision 1. **Designation.** (a) No individual may use the title "registered naturopathic doctor," "naturopathic doctor," "doctor of naturopathic medicine," or use, in connection with the individual's name, the letters "R.N.D." or "N.M.D.," or any other titles, words, letters, abbreviations, or insignia indicating or implying that the individual is a registered naturopathic doctor unless the individual has been registered as a registered naturopathic doctor according to this chapter.

(b) ~~After July 1, 2009,~~ Individuals who are registered under this chapter and who represent themselves as practicing naturopathic medicine by use of a term in paragraph (a) shall conspicuously display the registration in the place of practice.

Sec. 142. Minnesota Statutes 2024, section 147E.15, subdivision 11, is amended to read:

Subd. 11. **Cancellation due to nonrenewal.** The board shall not renew, reissue, reinstate, or restore a registration that has lapsed and has not been renewed within two annual registration renewal cycles ~~starting January 2009~~. A registrant whose registration is canceled for nonrenewal must obtain a new registration by applying for registration and fulfilling all requirements then in existence for initial registration as a registered naturopathic doctor.

Sec. 143. Minnesota Statutes 2024, section 147E.40, subdivision 1, is amended to read:

Subdivision 1. **Fees.** (a) Fees are as follows:

(1) registration application fee, $200;

(2) renewal fee, $150;

(3) late fee, $75;

(4) inactive status fee, $50;

(5) temporary permit fee, $25;

(6) naturopathic doctor certification fee, $25;

~~(7) naturopathic doctor duplicate license fee, $20;~~

~~(8)~~ (7) naturopathic doctor emeritus registration fee, $50;

~~(9)~~ (8) naturopathic doctor certification fee, $25;

~~(10)~~ (9) duplicate license or registration fee, $20;

~~(11)~~ (10) certification letter fee, $25;

~~(12)~~ (11) verification fee, $25;

~~(13)~~ (12) education or training program approval fee, $100; and

~~(14)~~ (13) report creation and generation fee, $60 per hour billed in quarter-hour increments with a quarter-hour minimum.

(b) The revenue generated from the fees must be deposited in an account in the state government special revenue fund.

Sec. 144. Minnesota Statutes 2024, section 147F.05, subdivision 2, is amended to read:

Subd. 2. **Unlicensed practice prohibited.** ~~Effective January 1, 2018,~~ No individual may practice genetic counseling unless the individual is licensed as a genetic counselor under this chapter except as otherwise provided under this chapter.

Sec. 145. Minnesota Statutes 2024, section 148E.285, subdivision 4, is amended to read:

Subd. 4. **Failure to report.** ~~On or after August 1, 2012,~~ Any person, institution, or organization that fails to report as required under subdivisions 1 and 2 shall be subject to civil penalties for failing to report as required by law.

Sec. 146. Minnesota Statutes 2024, section 150A.055, subdivision 1, is amended to read:

Subdivision 1. **Practice of dentistry.** A person licensed to practice dentistry under sections 150A.01 to 150A.14 shall be deemed to be practicing dentistry while participating in the administration of an influenza ~~or COVID-19~~ vaccine. ~~The authority under this section to administer COVID-19 vaccines expires June 1, 2022.~~

Sec. 147. Minnesota Statutes 2024, section 150A.06, subdivision 12, is amended to read:

Subd. 12. **Licensure by credentials; dental therapist.** (a) Any dental therapist may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record. The applicant may be interviewed by the board to determine if the applicant:

(1) graduated with a baccalaureate or master's degree from a dental therapy program accredited by the Commission on Dental Accreditation;

(2) provided evidence of successfully completing the board's jurisprudence examination;

(3) actively practiced at least 2,000 hours within 36 months of the application date or passed a board-approved reentry program within 36 months of the application date;

(4) either:

(i) is currently licensed in another state or Canadian province and not subject to any pending or final disciplinary action; or

(ii) was previously licensed in another state or Canadian province in good standing and not subject to any final or pending disciplinary action at the time of surrender;

(5) passed a board-approved English proficiency test if English is not the applicant's primary language required at the board's discretion; and

(6) met all curriculum equivalency requirements regarding dental therapy scope of practice in Minnesota.

(b) The 2,000 practice hours required by paragraph (a), clause (3), may count toward the 2,000 practice hours required for consideration for advanced dental therapy certification, provided that all other requirements of section 150A.106, subdivision 1, are met.

(c) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(d) The board must license an applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 1d to practice the applicant's profession.

(e) The board must deny the application if the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 1d. If licensure is denied, the board may notify the applicant of any specific remedy the applicant could take to qualify for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 1d.

(f) A candidate may appeal a denied application to the board according to subdivision 4a.

Sec. 148. Minnesota Statutes 2024, section 154.19, is amended to read:

**154.19 VIOLATIONS.**

(a) Each of the following constitutes a misdemeanor:

(1) the violation of any of the provisions of section 154.01;

(2) permitting any person in one's employ, supervision, or control to practice as a registered barber unless that person has a certificate of registration as a registered barber;

(3) obtaining or attempting to obtain a certificate of registration for money other than the required fee, or any other thing of value, or by fraudulent misrepresentation;

(4) practicing or attempting to practice by fraudulent misrepresentation;

(5) the willful failure to display a certificate of registration as required by section 154.14;

(6) the use of any room or place for barbering which is also used for residential or business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles, cigars, tobacco, candies in original package, and such commodities as are used and sold in barber shops, and except that shoeshining and an agency for the reception and delivery of

laundry, or either, may be conducted in a barber shop without the same being construed as a violation of this section, unless a substantial partition of ceiling height separates the portion used for residential or business purposes, and where a barber shop is situated in a residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store, hardware store, or soft drink parlor, there must be an outside entrance leading into the barber shop independent of any entrance leading into such business establishment, except that this provision as to an outside entrance shall not apply to barber shops in operation at the time of the passage of this section and except that a barber shop and cosmetology salon may be operated in conjunction, without the same being separated by partition of ceiling height;

(7) the failure or refusal of any barber or other person in charge of any barber shop, or any person in barber schools or colleges doing barber service work, to use separate and clean towels for each customer or patron, or to discard and launder each towel after once being used; or

(8) the failure or refusal by any barber or other person in charge of any barber shop or barber school or barber college to supply clean hot and cold water in such quantities as may be necessary to conduct such shop, or the barbering service of such school or college, in a sanitary manner, or the failure or refusal of any such person to have water and sewer connections from such shop, or barber school or college, with municipal water and sewer systems where the latter are available for use, or the failure or refusal of any such person to maintain a receptacle for hot water of a capacity of not less than five gallons;.

~~(9)~~ (b) For the purposes of this section, barbers, students, or the proprietor or manager of a barber shop, or barber school or barber college, shall be responsible for all violations of the sanitation and disinfection provisions of this section. If any barber workstation in any barber shop, or barber school or barber college, upon inspection, shall be found to be in an unsanitary condition, the person making such inspection shall immediately issue an order to place the barber shop, or barber school, or barber college, in a sanitary condition, in a manner and within a time satisfactory to the Board of Barber Examiners, and for the failure to comply with such order the board shall immediately file a complaint for the arrest of the persons upon whom the order was issued, and any registered barber who shall fail to comply with the rules adopted by the Board of Barber Examiners, with the approval of the state commissioner of health, or the violation or commission of any of the offenses described in this section and section 154.161, subdivision 4, paragraph (a), clauses (1), (3), and (4) to (12), shall be fined not less than $10 or imprisoned for ten days and not more than $100 or imprisoned for 90 days.

Sec. 149. Minnesota Statutes 2024, section 161.125, subdivision 3, is amended to read:

Subd. 3. **Sound-abatement measures.** (a) For the purpose of this section, sound-abatement measures include but are not limited to the following:

(1) traffic-management measures, including reduced speed limits or exclusion and rerouting of excessively noisy vehicles;

(2) design and construction measures, including use of sound-absorbing road surface materials, landscaping and planning, acquisition of buffer zones or noise insulation of buildings on abutting property;

(3) enforcement of the motor vehicle source noise limits of the Pollution Control Agency and of the Federal ~~Bureau of~~ Motor Carrier Safety Administration; and

(4) other measures designed for the purpose of reducing motor vehicle source noise or reducing the effects of that noise.

(b) The commissioner of public safety shall cooperate with the commissioner of transportation in implementing any sound-abatement measures that include law enforcement activities.

Sec. 150. Minnesota Statutes 2024, section 161.45, subdivision 4, is amended to read:

Subd. 4. **High voltage transmission; placement in right-of-way.** (a) For purposes of this subdivision and subdivisions 5 to 7, "high voltage transmission line" has the meaning given in section ~~216E.01, subdivision 4~~ 216I.02, subdivision 8.

(b) Notwithstanding subdivision 1, paragraph (a), high voltage transmission lines under the laws of this state or the ordinance of any city or county may be constructed, placed, or maintained across or along any trunk highway, including an interstate highway and a trunk highway that is an expressway or a freeway, except as deemed necessary by the commissioner of transportation to protect public safety or ensure the proper function of the trunk highway system.

(c) If the commissioner denies a high voltage electric line colocation request, the reasons for the denial must be submitted for review within 90 days of the commissioner's denial to the chairs and ranking minority members of the legislative committees with jurisdiction over energy and transportation, the Public Utilities Commission executive secretary, and the commissioner of commerce.

Sec. 151. Minnesota Statutes 2024, section 161.46, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Utility" means all publicly, privately, and cooperatively owned systems for supplying power, light, gas, telegraph, telephone, water, pipeline, or sewer service if such systems be authorized by law to use public highways for the location of its facilities.

(c) "Cost of relocation" means the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

(d) "High voltage transmission line" has the meaning given in section ~~216E.01, subdivision 4~~ 216I.02, subdivision 8.

Sec. 152. Minnesota Statutes 2024, section 162.09, subdivision 4, is amended to read:

Subd. 4. **Federal census is conclusive.** (a) In determining whether any city has a population of 5,000 or more, the last federal census shall be conclusive, except as otherwise provided in this subdivision.

(b) The governing body of a city may contract with the United States Bureau of the Census to take a special census. A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under this chapter ~~162~~. The special census shall remain in effect until the next federal census is completed and filed. The expense of taking the special census shall be paid by the city.

(c) If an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next federal census.

(d) The population of a city created by the consolidation of two or more previously incorporated cities shall be determined by the most recent population estimate of the Metropolitan Council or state demographer, until the first federal decennial census or special census taken after the consolidation.

(e) The population of a city that is not receiving a municipal state-aid street fund apportionment shall be determined, upon request of the city, by the most recent population

estimate of the Metropolitan Council or state demographer. A municipal state-aid street fund apportionment received by the city must be based on this population estimate until the next federal decennial census or special census.

(f) A city that is found in the most recent federal decennial census to have a population of less than 5,000 is deemed for the purposes of this chapter and the Minnesota Constitution, article XIV, to have a population of 5,000 or more under the following circumstances: (1) immediately before the most recent federal decennial census, the city was receiving municipal state-aid street fund distributions; and (2) the population of the city was found in the most recent federal decennial census to be less than 5,000. Following the end of the first calendar year that ends in "5" after the decennial census and until the next decennial census, the population of any city must be determined under paragraphs (a) to (e).

Sec. 153. Minnesota Statutes 2024, section 163.161, is amended to read:

**163.161 IMPASSABLE CITY THOROUGHFARE.**

When a written complaint signed by five or more landowners of a statutory city of not more than 5,000 population is presented to the county board stating that a city thoroughfare located outside an urban ~~area~~ district as defined in section 169.011, subdivision 90, has not been properly maintained and because of the improper maintenance is not reasonably passable, the county board shall consider and act upon the complaint in the same manner provided for a complaint under section 163.16.

Sec. 154. Minnesota Statutes 2024, section 168.012, subdivision 13, is amended to read:

Subd. 13. **Vehicles registered by certain veterans.** (a) A passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle registered by a veteran with a total service-connected disability, as defined in section 171.01, subdivision 51, is not subject to:

(1) registration taxes under this chapter;

(2) administrative fees imposed under subdivision 1c;

(3) filing fees and surcharges imposed under section 168.33, subdivision 7; or

(4) plate and validation sticker fees imposed under this chapter, including but not limited to:

(i) fees under section 168.12, subdivision 5;

(ii) fees identified in any section authorizing special plates; and

(iii) transfer fees.

(b) The exemptions under this subdivision apply to a motor vehicle that is jointly registered by a qualifying veteran and a spouse or domestic partner.

(c) The fees identified under paragraph (a), clause (4), do not include:

(1) a fee for personalized plates under section 168.12, subdivision 2a; or

(2) a required contribution or donation for a special plate, including but not limited to a contribution under sections 168.1255, subdivision 1, clause (6); 168.1258, subdivision 1, clause (4); 168.1259, subdivision 2, paragraph (a), clause (5); 168.1287, subdivision 1, clause (5); 168.129, subdivision 1, clause (5); 168.1295, subdivision 1, paragraph (a), clause (5); 168.1296, subdivision 1, paragraph (a), clause (5); and 168.1299, subdivision 1, clause (3).

(d) A qualifying veteran may register no more than two motor vehicles at the same time with the exemptions under this subdivision. Nothing in this paragraph prevents registration of additional motor vehicles as otherwise provided in this chapter.

Sec. 155. Minnesota Statutes 2024, section 168.10, subdivision 1c, is amended to read:

Subd. 1c. **Collector's vehicle, collector plate.** (a) The owner of any self-propelled motor vehicle, including any truck, (1) that is (i) at least 20 model years old, or (ii) at least ten model years old and with a body or engine style of which not more than 500 were manufactured in or imported into the United States in any model year, (2) that was manufactured after 1935, and (3) that is owned and operated solely as a collector's vehicle, shall list the vehicle for taxation and registration as provided in paragraph (b).

(b) The owner shall execute an affidavit stating (1) the name and address of the person from whom purchased and of the new owner, (2) the make of the motor vehicle, (3) the year and number of the model, (4) the manufacturer's identification number, (5) in the case of a vehicle described in paragraph (a), clause ~~(1)(ii)~~ (1), item (ii), that the vehicle has a body or engine style of which not more than 500 were manufactured or imported into the United States in any model year, and (6) that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes.

(c) The owner shall provide a statement of the manufacturer or importer regarding the number of vehicles manufactured or imported during the model year.

(d) The owner shall also prove that the owner also has one or more vehicles with regular license plates.

(e) If the commissioner is satisfied that the affidavit is true and correct and the owner pays a $25 tax and the plate fee authorized under section 168.12, the commissioner shall list the vehicle for taxation and registration and shall issue a single number plate.

(f) The number plate issued shall bear the inscription "Collector," "Minnesota," and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plate is valid without renewal as long as the vehicle is in existence in Minnesota. The commissioner has the power to revoke the plate for failure to comply with this subdivision.

Sec. 156. Minnesota Statutes 2024, section 168.1291, subdivision 5, is amended to read:

Subd. 5. **Applicability.** This section does not apply to a special motorcycle plate designed by the commissioner under section 168.123, subdivision 1, paragraph (a), clause (2).

Sec. 157. Minnesota Statutes 2024, section 168.187, subdivision 17, is amended to read:

Subd. 17. **Trip permit.** Subject to agreements or arrangements made or entered into pursuant to subdivision 7, the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours ~~in compliance with rules promulgated pursuant to subdivision 23~~. The fee for the trip permit is calculated as one-twelfth of the amount determined under section 168.013, subdivision 1e, rounded to the nearest whole dollar. For the purposes of this subdivision, "on an occasional basis" means no more than one permit per vehicle within a 30-day period, which begins the day a permit is effective.

Sec. 158. Minnesota Statutes 2024, section 168.27, subdivision 2, is amended to read:

Subd. 2. **New motor vehicle dealer.** (a) A new motor vehicle dealer licensee may sell, broker, wholesale, or auction and solicit and advertise the sale, brokerage, wholesale, or auction of new motor vehicles covered by the franchise and any used motor vehicles, and may lease and solicit and advertise the lease of new motor vehicles and any used motor vehicles. New motor vehicle dealer sales or leases may be either for consumer use at retail or for resale to a dealer. A new motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a new motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance company, or its agent unless the dealer is also licensed as a used vehicle parts dealer or licensed as a scrap metal processor. Nothing in this subdivision requires an applicant for a dealer license who proposes to deal

in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.002, subdivision ~~27~~ 17, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona fide contract or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a disabled person to use the vehicle.

(c) A new motor vehicle dealer shall not deliver a manufacturer's or importer's certificate of origin for a passenger automobile, pickup truck, or van requiring a certificate of title according to chapter 168A to any person in conjunction with the sale of a vehicle except to the department, another new motor vehicle dealer licensed to sell the same line or make, or a person whose primary business is picking up and delivering motor vehicle title documents.

(d) If a new motor vehicle dealer agrees to sell or lease a new motor vehicle using the services of a motor vehicle broker, the new motor vehicle dealer may not refuse to deliver possession of the vehicle to the buyer or lessee. This paragraph does not require delivery unless all arrangements have been properly completed for payment, insurance required by law, titling, transfer, and registration of the new vehicle and any trade-in vehicle. Delivery may take place at or away from the dealership.

Sec. 159. Minnesota Statutes 2024, section 168.327, subdivision 6, is amended to read:

Subd. 6. **Review and audit of subscription services.** Each subscriber under subdivision 4 or 5a must annually engage an independent professional organization to audit its uses of data and its information technology security procedures, including: (1) the methods and practices employed in the processing and use of driver and vehicle services data; and (2) compliance with the certification required under section 171.12, subdivision 7b, paragraph ~~(d)~~ (e). Within 30 days of the date of the audit report, each subscriber must submit each report to the legislative auditor and the commissioner.

Sec. 160. Minnesota Statutes 2024, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** (a) The commissioner may not furnish information about ~~registered owners of~~ motor vehicle lessees under a lease for a term of 180 days or more to any person except:

(1) the owner of the vehicle;

(2) the lessee;

(3) personnel of law enforcement agencies;

(4) trade associations performing a member service under section 604.15, subdivision 4a;

(5) licensed dealers in connection with a vehicle sale or lease;

(6) federal, state, and local governmental units; and

(7) at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls.

(b) The commissioner may release information about motor vehicle lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 161. Minnesota Statutes 2024, section 168A.01, subdivision 18, is amended to read:

Subd. 18. **Secured party.** "Secured party" means a secured party as defined in section ~~336.9-102(a)(73)~~ 336.9-102, paragraph (a), clause (73), having a security interest in a vehicle.

Sec. 162. Minnesota Statutes 2024, section 168A.01, subdivision 19, is amended to read:

Subd. 19. **Security agreement.** "Security agreement" means a security agreement as defined in section ~~336.9-102(a)(74)~~ 336.9-102, paragraph (a), clause (74).

Sec. 163. Minnesota Statutes 2024, section 168A.01, subdivision 20, is amended to read:

Subd. 20. **Security interest.** "Security interest" means a security interest as defined in section ~~336.1-201(b)(35)~~ 336.1-201, paragraph (b), clause (35). A security interest is "perfected" when it is valid against third parties generally, subject only to specific statutory exception.

Sec. 164. Minnesota Statutes 2024, section 168A.14, subdivision 1a, is amended to read:

Subd. 1a. **New certificate after security interest filed.** The department, upon receipt of an affidavit as provided in section ~~524.3-1201(a)~~ 524.3-1201, paragraph (a), an application for a new certificate of title, and any required fee, shall issue a new certificate of title in the name of the successor as owner, listing any secured party on it. The department shall deliver the certificate to the successor and shall issue any secured party a notification that the security interest has been filed.

Sec. 165. Minnesota Statutes 2024, section 169.345, subdivision 3c, is amended to read:

Subd. 3c. **Fees; organization, temporary, and short-term certificates.** The commissioner may charge a fee of $5 for issuance of each organization certificate, each temporary certificate, and each short-term certificate and a fee of $5 for a duplicate to replace a lost, stolen, or damaged organization, temporary, or short-term certificate. The commissioner shall not issue more than three duplicate certificates for lost, stolen, or canceled certificates within any six-year period without the approval of the Minnesota ~~State~~ Council on Disability.

Sec. 166. Minnesota Statutes 2024, section 169.345, subdivision 4, is amended to read:

Subd. 4. **Unauthorized use or noncompliance; cancellation; misdemeanor.** (a) If a peace officer, authorized parking enforcement employee or agent of a statutory or home rule charter city or town, representative of the Minnesota ~~State~~ Council on Disability, or an authorized agent of a citizen enforcement program under section 169.346, subdivision 4, finds that a certificate, permit, or disability plate is being improperly used, or the applicant is no longer eligible, the officer, municipal employee, representative, or agent shall report the violation or situation to the commissioner. The commissioner may cancel the certificate, permit, or disability plates issued under section 168.021 on determining that:

(1) the certificate, permit, or plates were used improperly;

(2) the certificate, permit, or plates were fraudulently obtained;

(3) the certificate, permit, or plates were issued in error;

(4) the person who was issued the certificate, permit, or plates is deceased;

(5) the person who was issued the certificate, permit, or plates no longer maintains a Minnesota address; or

(6) the person or organization has failed to comply with the requirements of this section.

(b) A person who uses a certificate, permit, or disability plates in violation of this section is guilty of a misdemeanor and is subject to a fine of $500.

Sec. 167. Minnesota Statutes 2024, section 169.58, subdivision 5, is amended to read:

Subd. 5. **Transportation network company vehicle.** (a) For purposes of this subdivision, the definitions in section 65B.472, subdivision 1, apply except that "transportation network company vehicle" has the meaning given to "personal vehicle" in section 65B.472, subdivision 1, paragraph ~~(c)~~ (h).

(b) A transportation network company vehicle may be equipped with no more than two removable, interior-mounted, trade dress identifying devices as provided by the transportation network company that are designed to assist riders in identifying and communicating with drivers. The identifying device may be illuminated and emit a steady beam of solid colored light in any direction when the driver is logged into the digital network. The identifying device must not: (1) display the colors red, amber, or blue; (2) project a flashing, oscillating, alternating, or rotating light; or (3) project a glaring or dazzling light.

Sec. 168. Minnesota Statutes 2024, section 169.781, subdivision 3, is amended to read:

Subd. 3. **Inspector certification; suspension and revocation; hearing.** (a) An inspection required by this section may be performed only by:

(1) an employee of the Department of Public Safety or Transportation who has been certified by the commissioner after having received training provided by the State Patrol; or

(2) another person who has been certified by the commissioner after having received training provided by the State Patrol or other training approved by the commissioner.

(b) A person who is not an employee of the Department of Public Safety or Transportation may be certified by the commissioner if the person is:

(1) an owner, or employee of the owner, of one or more commercial motor vehicles that are power units;

(2) a dealer licensed under section 168.27 and engaged in the business of buying and selling commercial motor vehicles, or an employee of the dealer;

(3) engaged in the business of repairing and servicing commercial motor vehicles; or

(4) employed by a governmental agency that owns commercial vehicles.

(c) Certification of persons described in paragraph (b), clauses (1) to (4), is effective for two years from the date of certification. The commissioner may require biennial retraining of persons holding a certificate under paragraph (b) as a condition of renewal of the certificate. The commissioner may charge a fee of not more than $10 for each certificate issued and renewed. A certified person described in paragraph (b), clauses (1) to (4), may charge a reasonable fee for each inspection of a vehicle not owned by the person or the person's employer.

(d) Except as otherwise provided in subdivision 5, the standards adopted by the commissioner for commercial motor vehicle inspections under sections 169.781 to 169.783 must be the standards prescribed in Code of Federal Regulations, title 49, section 396.17, and ~~in chapter III, subchapter B,~~ Appendix A to part 396-Minimum Periodic Inspection Standards.

(e) The commissioner may classify types of vehicles for inspection purposes and may issue separate classes of inspector certificates for each class.

(f) The commissioner, after notice and an opportunity for a hearing, may suspend a certificate issued under paragraph (b) for failure to meet annual certification requirements prescribed by the commissioner or failure to inspect commercial motor vehicles in accordance with inspection procedures established by the State Patrol. The commissioner shall revoke a certificate issued under paragraph (b) if the commissioner determines after notice and an opportunity for a hearing that the certified person issued an inspection decal for a commercial motor vehicle when the person knew or reasonably should have known that the vehicle was in such a state of repair that it would have been declared out of service if inspected by an employee of the State Patrol. Suspension and revocation of certificates under this subdivision are not subject to sections 14.57 to 14.69.

Sec. 169. Minnesota Statutes 2024, section 169.81, subdivision 3, is amended to read:

Subd. 3. **Length of vehicle combinations.** (a) Statewide, except on the highways identified under provisions in paragraph (c), no combination of vehicles may exceed a total length of 75 feet.

(b) However, the total length limitation does not apply to combinations of vehicles transporting:

(1) telephone poles, electric light and power poles, piling, or pole-length pulpwood; or

(2) pipe or other objects by a public utility when required for emergency or repair of public service facilities or when operated under special permits as provided in section 169.86.

These combinations of vehicles must be equipped with sufficient clearance markers, or lamps for night transportation, on both sides and upon the extreme ends of a projecting load to clearly mark the dimensions of the load.

(c) The following combination of vehicles regularly engaged in the transportation of commodities, property, or equipment may operate only on divided highways having four or more lanes of travel, and on other highways as may be designated by the commissioner of transportation subject to section 169.87, subdivision 1, and subject to the approval of the authority having jurisdiction over the highway, for the purpose of providing reasonable access between the divided highways of four or more lanes of travel and terminals, facilities for food, fuel, repair, and rest, and points of loading and unloading for household goods carriers, livestock carriers, or for the purpose of providing continuity of route:

(1) a truck-tractor and semitrailer exceeding 75 feet in length;

(2) a combination of vehicles including a truck-tractor and semitrailer drawing one additional semitrailer which may be equipped with an auxiliary dolly;

(3) a combination of vehicles including a truck-tractor and semitrailer drawing one full trailer;

(4) a truck-tractor and semitrailer designed and used exclusively for the transportation of motor vehicles or boats and exceeding an overall length of 75 feet including the load; and

(5) a truck or truck-tractor transporting similar vehicles by having the front axle of the transported vehicle mounted onto the center or rear part of the preceding vehicle, defined in Code of Federal Regulations, title 49, sections 390.5 and 393.5 as drive-away saddlemount combinations or drive-away saddlemount vehicle transporter combinations, when the overall length exceeds 75 feet but does not exceed 97 feet.

(d) Vehicles operated under the provisions of this section must conform to the standards for those vehicles prescribed by the United States Department of Transportation, Federal ~~Highway Administration, Bureau of~~ Motor Carrier Safety Administration, as amended.

Sec. 170. Minnesota Statutes 2024, section 171.017, subdivision 2, is amended to read:

Subd. 2. **Procedure.** (a) The commissioner must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals specified in subdivision 1. A request under this section must be accompanied by an executed criminal history consent form, including fingerprints, signed by the agent or the current or prospective employee being investigated.

(b) After receiving a request under paragraph (a), the superintendent of the Bureau of Criminal Apprehension shall perform the background check required under subdivision 1. The superintendent shall retrieve criminal history data as defined in section 13.87, conduct a search of the national criminal records repository, and provide wants and warrant information from federal and state repositories. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall return the results of the background checks to the commissioner to determine whether:

(1) the agent, employee, or applicant for employment specified in subdivision 1, clause (1) or (2), has committed a disqualifying crime under Code of Federal Regulations, title 49, section 1572.103; or

(2) the employee or applicant for employment specified in subdivision 1, clause (3), has a conviction of the type specified by Code of Federal Regulations, title 49, section ~~384.228(j)~~ 384.228, paragraph (h).

(c) The superintendent shall recover the bureau's background check cost for the person on whom the background check is performed through a fee charged to the commissioner or the driver's license agent who requested the background check.

Sec. 171. Minnesota Statutes 2024, section 171.06, subdivision 6, is amended to read:

Subd. 6. **Compliance with selective service system registration requirements.** (a) By applying for an original, duplicate, or renewal instruction permit, provisional driver's license, driver's license, enhanced driver's license, commercial driver's license, state identification card, or enhanced identification card, an applicant under the age of 26, who is a United States citizen or resident, consents to registration in compliance with the requirements of the Military Selective Service Act, United States Code, title 50, ~~appendix~~ chapter 49, section ~~453~~ 3802. The application form must state that submission of the application constitutes consent to registration with the selective service system, if required by federal law.

(b) The commissioner shall forward to the selective service system in an electronic format the necessary personal information required for registration of an applicant described in paragraph (a). If the applicant is under the age of 18, and the license or card to be issued will expire after the applicant's 18th birthday, then the commissioner shall forward the necessary information to the selective service system when the applicant reaches the age of 18.

Sec. 172. Minnesota Statutes 2024, section 171.0605, subdivision 3, is amended to read:

Subd. 3. **Evidence; lawful status.** Only a form of documentation identified under subdivision 2, paragraph (a), clauses (2) to ~~(10)~~ (13), or a document issued by a federal agency that demonstrates the applicant's lawful status are satisfactory evidence of an applicant's lawful status under section 171.06, subdivision 3, paragraph (b), clause (2).

Sec. 173. Minnesota Statutes 2024, section 171.12, subdivision 7, is amended to read:

Subd. 7. **Privacy of data.** (a) Data on individuals provided to obtain a driver's license or Minnesota identification card shall be treated as provided by United States Code, title 18, section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted by that section. The commissioner shall disclose the data in bulk form upon request to an authorized recipient under United States Code, title 18, section 2721. For any disclosure of data on individuals related to a noncompliant driver's license or identification card, the commissioner must require a certification pursuant to subdivision 7b, paragraph ~~(d)~~ (e).

(b) An applicant for a driver's license or a Minnesota identification card may consent, in writing, to the commissioner to disclose the applicant's personal information exempted by United States Code, title 18, section 2721, to any person who makes a request for the personal information. If the applicant so authorizes disclosures, the commissioner shall implement the request and the information may be used.

(c) If authorized by an applicant for a driver's license or a Minnesota identification card, as indicated in paragraph (b), the applicant's personal information may be used, rented, or sold solely for bulk distribution by organizations for business purposes, including surveys, marketing, or solicitation.

(d) An applicant for a driver's license, instruction permit, or Minnesota identification card may request that the applicant's residence address be classified as "private data on individuals," as defined in section 13.02, subdivision 12. The commissioner shall grant the classification on receipt of a signed statement by the individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner shall use the service for process mailing address in place of the residence address in all documents and notices pertaining to the driver's license, instruction permit, or Minnesota identification card. The residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518A.26, subdivision 18.

Sec. 174. Minnesota Statutes 2024, section 171.301, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a reintegration driver's license to any person:

(1) who is 18 years of age or older;

(2) who has been released from a period of at least 180 consecutive days of confinement or incarceration in:

(i) an adult correctional facility under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021;

(ii) a federal correctional facility for adults; or

(iii) an adult correctional facility operated under the control or supervision of any other state; and

(3) whose license has been suspended or revoked under the circumstances listed in section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred before the individual was incarcerated for the period described in clause (2).

(b) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner.

(c) If the person's driver's license or permit to drive has been suspended under section 171.186, the commissioner may only issue a reintegration driver's license to the person after the commissioner receives notice of a court order provided pursuant to section 518A.65, paragraph ~~(e)~~ (h), showing that the person's driver's license or operating privileges should no longer be suspended.

(d) If the person's driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1), the commissioner may only issue a reintegration driver's license to the person after the person has completed the applicable revocation period.

(e) The commissioner must not issue a reintegration driver's license:

(1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or (11);

(2) to any person described in section 169A.55, subdivision 5;

(3) if the person has committed a violation after the person was released from custody that results in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1; or

(4) if the issuance would conflict with the requirements of the nonresident violator compact.

(f) The commissioner must not issue a class A, class B, or class C reintegration driver's license.

Sec. 175. Minnesota Statutes 2024, section 174.02, subdivision 5, is amended to read:

Subd. 5. **Cooperation.** To facilitate the development of a unified and coordinated intrastate and interstate transportation system:

(1) the commissioner shall maintain close liaison, coordination, and cooperation with the private sectors of transportation, the ~~Upper~~ Great Lakes St. Lawrence Seaway Development ~~Commission~~ Corporation, and any multistate organization involved in transportation issues affecting the state;

(2) the commissioner shall participate in the planning, regulation, and development of the port authorities of the state;

(3) the commissioner or the commissioner's designee is a nonvoting member of the Metropolitan Airports Commission, as organized and established under sections 473.601 to 473.679;

(4) the commissioner shall cooperate with all federal agencies for the purpose of harmonizing state rules and federal regulations within the state to the extent and in the manner deemed advisable;

(5) the commissioner may conduct joint hearings with any federal agency within or outside the state and, to the extent allowed under federal law or regulation, may approve and establish freight rates and charges that depart from the distance principle required by any state law; and

(6) the commissioner may nominate members to any joint board as provided by federal acts.

Sec. 176. Minnesota Statutes 2024, section 174.22, subdivision 7, is amended to read:

Subd. 7. **Public transportation.** "Public transportation" means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income. Public transportation does not include:

(1) intercity passenger rail transportation provided by the entity described in United States Code, title 49, ~~section~~ chapter 243, or a successor entity;

(2) intercity bus service;

(3) charter bus service;

(4) school bus service;

(5) sightseeing service;

(6) courtesy shuttle service for patrons of one or more specific establishments; or

(7) intraterminal or intrafacility shuttle services.

Sec. 177. Minnesota Statutes 2024, section 174.24, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit investment plan.** (a) The commissioner must develop a greater Minnesota transit investment plan that contains a goal of meeting at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025.

(b) The plan must include, but is not limited to, the following:

(1) an analysis of ridership and total transit service needs throughout greater Minnesota;

(2) a calculation of the level and type of service required to meet total transit service needs, for the transit system classifications as provided under subdivision 3b, paragraph ~~(c)~~ (b), of large urbanized area, small urbanized area, rural area, elderly and disabled service, and complementary paratransit service (ADA);

(3) an analysis of costs and revenue options;

(4) a plan to reduce total transit service needs as specified in this subdivision; and

(5) identification of the operating and capital costs necessary to meet 100 percent of the greater Minnesota transit targeted and projected bus service hours, as identified in the greater Minnesota transit plan, for 2010, 2015, 2020, 2025, and 2030.

(c) The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide fixed route public transportation service without charge for disabled veterans in accordance with subdivision 7.

Sec. 178. Minnesota Statutes 2024, section 174.29, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purpose of sections 174.29 and 174.30 "special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed exclusively or primarily to serve individuals who are elderly or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144E.001, subdivision 3. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, taxis, and volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph ~~(h)~~ (p), using private automobiles. Special transportation service also means those nonemergency medical transportation services under section 256B.0625, subdivision 17, that are subject to the operating standards for special transportation service under sections 174.29 to 174.30 and Minnesota Rules, chapter 8840.

Sec. 179. Minnesota Statutes 2024, section 174.30, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The operating standards for special transportation service adopted under this section do not apply to special transportation provided by:

(1) a public transit provider receiving financial assistance under sections 174.24 or 473.371 to 473.449;

(2) a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph ~~(h)~~ (p), using a private automobile;

(3) a school bus as defined in section 169.011, subdivision 71; or

(4) an emergency ambulance regulated under chapter 144E.

(b) The operating standards adopted under this section only apply to providers of special transportation service who receive grants or other financial assistance from either the state or the federal government, or both, to provide or assist in providing that service; except that the operating standards adopted under this section do not apply to any nursing home licensed under section 144A.02, to any board and care facility licensed under section 144.50, or to any day training and habilitation services, day care, or group home facility licensed under sections 245A.01 to 245A.19 unless the facility or program provides transportation to

nonresidents on a regular basis and the facility receives reimbursement, other than per diem payments, for that service under rules promulgated by the commissioner of human services.

(c) Notwithstanding paragraph (b), the operating standards adopted under this section do not apply to any vendor of services licensed under chapter 245D that provides transportation services to consumers or residents of other vendors licensed under chapter 245D and transports 15 or fewer persons, including consumers or residents and the driver.

Sec. 180. Minnesota Statutes 2024, section 174.30, subdivision 10, is amended to read:

Subd. 10. **Background studies.** (a) Providers of special transportation service regulated under this section must initiate background studies in accordance with chapter 245C on the following individuals:

(1) each person with a direct or indirect ownership interest of five percent or higher in the transportation service provider;

(2) each controlling individual as defined under section 245A.02;

(3) managerial officials as defined in section 245A.02;

(4) each driver employed by the transportation service provider;

(5) each individual employed by the transportation service provider to assist a passenger during transport; and

(6) all employees of the transportation service agency who provide administrative support, including those who:

(i) may have face-to-face contact with or access to passengers, their personal property, or their private data;

(ii) perform any scheduling or dispatching tasks; or

(iii) perform any billing activities.

(b) The transportation service provider must initiate the background studies required under paragraph (a) using the online NETStudy system operated by the commissioner of human services.

(c) The transportation service provider shall not permit any individual to provide any service or function listed in paragraph (a) until the transportation service provider has received notification from the commissioner of human services indicating that the individual:

(1) is not disqualified under chapter 245C; or

(2) is disqualified, but has received a set-aside of that disqualification according to sections 245C.22 and 245C.23 related to that transportation service provider.

(d) When a local or contracted agency is authorizing a ride under section 256B.0625, subdivision 17, by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph ~~(h)~~ (p), and the agency authorizing the ride has reason to believe the volunteer driver has a history that would disqualify the individual or that may pose a risk to the health or safety of passengers, the agency may initiate a background study to be completed according to chapter 245C using the commissioner of human services' online NETStudy system, or through contacting the Department of Human Services background study division for assistance. The agency that initiates the background study under this paragraph shall be responsible for providing the volunteer driver with the privacy notice required under section 245C.05, subdivision 2c, and payment for the background study required under section 245C.10, subdivision ~~11~~ 13, before the background study is completed.

Sec. 181. Minnesota Statutes 2024, section 181.953, subdivision 5a, is amended to read:

Subd. 5a. **Oral fluid testing.** (a) When drug and alcohol testing or cannabis testing is otherwise authorized under section 181.951, an employer may request an employee or job applicant to undergo oral fluid testing according to the procedures under this subdivision as an alternative to using the services of a testing laboratory under subdivision 1.

(b) The employee must be informed of the test result at the time of the oral fluid test. Within 48 hours of an oral fluid test that indicates a positive test result or that is inconclusive or invalid, the employee or job applicant may request drug or alcohol testing or cannabis testing at no cost to the employee or job applicant using the services of a testing laboratory under subdivision 1, and according to the existing laboratory testing standards in subdivisions 1 to 5. The rights, notice, and limitations in subdivision 6, paragraph (b), and subdivisions 7 to 8 and 10 to 11 apply to an employee or job applicant and a laboratory test conducted pursuant to this paragraph.

(c) If the laboratory test under paragraph (b) indicates a positive result, any subsequent confirmatory retest, if requested by the employee or job applicant, must be conducted following the retest procedures provided in subdivision 6, paragraph (c), and subdivision 9 at the employee's or job applicant's own expense.

(d) Nothing in this subdivision is intended to modify the existing requirements for drug and alcohol testing or cannabis testing in the workplace under sections 181.950 to ~~18.957~~ 181.957, unless stated otherwise.

Sec. 182. Minnesota Statutes 2024, section 216B.023, subdivision 3, is amended to read:

Subd. 3. **Separate billing for natural gas.** (a) A landlord who submeters natural gas service must bill tenants according to the methodology described in subdivision 2, paragraph (b), and comply with:

(1) subdivision 1, paragraph (c);

(2) section 216B.022; and

(3) applicable provisions of section ~~504.216~~ 504B.216.

(b) A landlord who submeters or apportions natural gas service (1) must comply with subdivisions 4 to 8, and (2) is subject to section 216B.024.

Sec. 183. Minnesota Statutes 2024, section 216B.1691, subdivision 2h, is amended to read:

Subd. 2h. **Distributed solar energy standard.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "capacity" has the meaning given in section 216B.164, subdivision 2a;

(2) "industrial customer" means a retail electricity customer:

(i) whose numerical classification under the North American Industry Classification System begins with the numbers 31, 32, or 33;

(ii) that is a pipeline, as defined in section 216G.01, subdivision 3; or

(iii) that is an iron mining extraction and processing facility, including a scram mining facility, as defined in Minnesota Rules, part 6130.0100, subpart 16; and

(3) "solar energy generating system" has the meaning given in Minnesota Statutes Supplement 2023, section 216E.01, subdivision 9a.

(b) In addition to the other requirements of this section, by the end of 2030, the following proportions of a public utility's total retail electric sales in Minnesota must be generated from solar energy generating systems:

(1) for a public utility with at least 200,000 retail electric customers in Minnesota, at least three percent;

(2) for a public utility with at least 100,000 but fewer than 200,000 retail electric customers in Minnesota, at least three percent; and

(3) for a public utility with fewer than 100,000 retail electric customers in Minnesota, at least one percent.

For a public utility subject to clause (2) or (3), sales to industrial customers in Minnesota must be subtracted from the utility's total retail electric sales for the purpose of calculating total retail electric sales in Minnesota.

(c) To be counted toward a public utility's standard established in paragraph (a), a solar energy generating system must:

(1) have a capacity of ten megawatts or less;

(2) be connected to the public utility's distribution system;

(3) be located in the Minnesota service territory of the public utility; and

(4) be constructed or procured after August 1, 2023.

(d) A solar energy generating system with a capacity of 100 kilowatts or more does not count toward compliance with the standard established in paragraph (a) unless the public utility verifies that construction trades workers who constructed the solar energy generating system were all paid no less than the prevailing wage rate, as defined in section 177.42, and whose employer participated in an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

(e) A public utility shall select projects to satisfy the standard established under this subdivision through a competitive bidding process approved by the commission.

(f) The commission may modify or delay the implementation of the standard established under this subdivision in accordance with the provisions of subdivision 2b.

Sec. 184. Minnesota Statutes 2024, section 216B.241, subdivision 5a, is amended to read:

Subd. 5a. **Qualifying solar energy project.** (a) A utility or association may include in its conservation plan programs for the installation of qualifying solar energy projects as defined by section 216B.2411 to the extent of the spending allowed for generation projects by section 216B.2411. The cost-effectiveness of a qualifying solar energy project may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines it is in the public interest to do so to encourage solar energy projects. Energy savings from qualifying solar energy projects may not be counted toward the minimum energy-savings goal of at least one percent for energy conservation improvements required under subdivision 1c, but may, if the conservation plan is approved:

(1) be counted toward energy savings above that minimum percentage; and

(2) be eligible for a performance incentive under subdivision 2c or section 216B.16, subdivision 6c, ~~or 216B.241, subdivision 2c,~~ that is distinct from the incentive for energy conservation and is based on the competitiveness and cost-effectiveness of solar projects in relation to other potential solar projects available to the utility.

(b) Qualifying solar energy projects may not be considered when establishing demand-side management targets under section 216B.2422, 216B.243, or any other section of this chapter.

Sec. 185. Minnesota Statutes 2024, section 216C.377, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Cooperative electric association" means a cooperative association organized under chapter 308A for the purpose of providing rural electrification at retail.

(c) "Developer" means an entity that installs and may own, maintain, or decommission a solar energy generating system on a public building awarded a grant under this section.

(d) "Local unit of government" means:

(1) a county, statutory or home rule charter city, town, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375; or

(2) a federally recognized Indian Tribe in Minnesota.

(e) "Municipal electric utility" means a utility that (1) provides electric service to retail customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

(f) "Public building" means:

(1) a building owned and operated by a local unit of government; or

(2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary purpose is Tribal government operations.

(g) "Solar energy generating system" has the meaning given in Minnesota Statutes Supplement 2023, section 216E.01, subdivision 9a.

Sec. 186. Minnesota Statutes 2024, section 216C.379, is amended to read:

**216C.379 ENERGY STORAGE INCENTIVE PROGRAM.**

(a) The public utility subject to section 116C.779 must develop and operate a program to provide a grant to customers to reduce the cost to purchase and install an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). The public utility subject to this section must file a plan with the commissioner to operate the program no later than November 1, 2023. The public utility must not operate the program until the program is approved by the commissioner. Any change to an operating program must be approved by the commissioner.

(b) In order to be eligible to receive a grant under this section, an energy storage system must:

(1) have a capacity no greater than 50 kilowatt hours; and

(2) be located within the electric service area of the public utility subject to this section.

(c) An owner of an energy storage system is eligible to receive a grant under this section if:

(1) a solar energy generating system is operating at the same site as the proposed energy storage system; or

(2) the owner has filed an application with the public utility subject to this section to interconnect a solar energy generating system at the same site as the proposed energy storage system.

(d) The amount of a grant awarded under this section must be based on the number of watt-hours that reflects the duration of the energy storage system at the system's rated capacity, up to a maximum of $5,000.

(e) The commissioner must annually review and may adjust the amount of grants awarded under this section, but must not increase the amount over that awarded in previous years unless the commissioner demonstrates in writing that an upward adjustment is warranted by market conditions.

(f) A customer who receives a grant under this section is eligible to receive financial assistance under programs operated by the state or the public utility for the solar energy generating system operating in conjunction with the energy storage system.

(g) For the purposes of this section, "solar energy generating system" has the meaning given in Minnesota Statutes Supplement 2023, section 216E.01, subdivision 9a.

Sec. 187. Minnesota Statutes 2024, section 216I.07, subdivision 3, is amended to read:

Subd. 3. **Environmental review.** (a) For the projects identified in subdivision 2 and following the procedures under this section, the applicant must prepare and submit an environmental assessment with the application. A draft of the environmental assessment must also be provided to commission staff as part of the preapplication review under section 216I.05, subdivision 6. The environmental assessment must (1) contain information regarding the proposed project's human and environmental impacts, and (2) address mitigating measures for identified impacts. The environmental assessment is the only state environmental review document that must be prepared for the proposed project.

(b) If after the public meeting the commission identifies other sites or routes or potential impacts for review, the commission must prepare an addendum to the environmental assessment that evaluates (1) the human and environmental impacts of the alternative site or route, and (2) any additional mitigating measures related to the identified impacts consistent with the scoping decision made pursuant to section ~~216I.06~~ 216I.05, subdivision 10, clause (2). The public may provide comments on the environmental assessment and any addendum to the environmental assessment at the public hearing and comment period under subdivision 4. When making the commission's final decision, the commission must consider the environmental assessment, the environmental assessment addendum, if any, and the entirety of the record related to human and environmental impacts.

Sec. 188. Minnesota Statutes 2024, section 216I.19, subdivision 2, is amended to read:

Subd. 2. **Application.** This section applies to an LWECS issued a site permit or site permit amendment, including a site permit amendment for an LWECS repowering project, by the commission under section ~~216F.04~~ 216I.07 or by a county under section ~~216F.08~~ 216I.08, provided that the application for a site permit or permit amendment is filed after July 1, 2021.

Sec. 189. Minnesota Statutes 2024, section 216I.19, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** (a) The Public Utilities Commission or a county that has assumed permitting authority under section ~~216F.08~~ 216I.08 must grant an owner of an LWECS an exemption from subdivision 3, paragraph (a), if the Federal Aviation Administration denies the owner's application to equip an LWECS with a light-mitigating technology.

(b) The Public Utilities Commission or a county that has assumed permitting authority under section ~~216F.08~~ 216I.08 must grant an owner of an LWECS an exemption from or an extension of time to comply with subdivision 3, paragraph (a), if after notice and public

hearing the owner of the LWECS demonstrates to the satisfaction of the commission or county that:

(1) equipping an LWECS with a light-mitigating technology is technically infeasible;

(2) equipping an LWECS with a light-mitigating technology imposes a significant financial burden on the permittee; or

(3) a vendor approved by the Federal Aviation Administration cannot deliver a light-mitigating technology to the LWECS owner in a reasonable amount of time.

Sec. 190. Minnesota Statutes 2024, section 218.011, subdivision 8, is amended to read:

Subd. 8. **Commission.** "Commission" means the Midwest Interstate Passenger Rail ~~Compact~~ Commission.

Sec. 191. Minnesota Statutes 2024, section 219.015, subdivision 1, is amended to read:

Subdivision 1. **Program established; inspector powers and duties.** (a) The commissioner of transportation must establish a state rail safety inspection program that may include state rail safety inspectors and supervision as determined by the commissioner. The commissioner shall apply to and enter into agreements with the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the federal State ~~Rail~~ Safety Participation Program to train and certify inspectors under authority of United States Code, title 49, sections 20103, 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

(b) A state rail safety inspector may:

(1) inspect mainline track, secondary track, and yard and industry track;

(2) inspect railroad right-of-way, including adjacent or intersecting drainage, culverts, bridges, overhead structures, and traffic and other public crossings;

(3) inspect yards and physical plants;

(4) inspect train equipment;

(5) inspect railroad operations;

(6) inspect railroad-highway grade crossings;

(7) inspect railroad signal and train control systems;

(8) review and enforce safety requirements;

(9) review maintenance and repair records; and

(10) review railroad security measures.

(c) A state rail safety inspector may perform, but is not limited to, the duties described in the federal State ~~Rail~~ Safety Participation Program. An inspector may train, be certified, and participate in any of the federal State ~~Rail~~ Safety Participation Program disciplines, including: track, signal and train control, motive power and equipment, operating practices compliance, hazardous materials, and highway-rail grade crossings.

(d) To the extent delegated by the Federal Railroad Administration and authorized by the commissioner, an inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

Sec. 192. Minnesota Statutes 2024, section 219.055, subdivision 2a, is amended to read:

Subd. 2a. **Training.** (a) Each railroad must offer training to each fire department and each local organization for emergency management under section 12.25 having jurisdiction along routes over which the railroad transports oil or other hazardous substances. Refresher training must be offered to each fire department and local organization for emergency management at least once every three years after initial training under this subdivision.

(b) The training must address methods to identify rail cars and hazardous substance contents, responder safety issues, rail response tactics, public notification and evacuation considerations, environmental contamination response, railroad response personnel and resources coordination at an incident, and other protocols and practices for safe initial local response as required under section 115E.042, subdivision 4, including the notification requirements and the responsibilities of an incident commander during a rail incident involving oil or other hazardous substances, as provided in subdivision 3a and section 115E.042, ~~subdivisions 3 and~~ subdivision 4.

Sec. 193. Minnesota Statutes 2024, section 221.031, subdivision 3b, is amended to read:

Subd. 3b. **Passenger transportation; exemptions.** (a) A person who transports passengers for hire in intrastate commerce, who is not made subject to the rules adopted in section 221.0314 by any other provision of this section, must comply with the rules for hours of service of drivers while transporting employees of an employer who is directly or indirectly paying the cost of the transportation.

(b) This subdivision does not apply to:

(1) a local transit commission;

(2) a transit authority created by law; or

(3) persons providing transportation:

(i) in a school bus as defined in section 169.011, subdivision 71;

(ii) in a Head Start bus as defined in section 169.011, subdivision 34;

(iii) in a commuter van;

(iv) in an authorized emergency vehicle as defined in section 169.011, subdivision 3;

(v) in special transportation service certified by the commissioner under section 174.30;

(vi) that is special transportation service as defined in section 174.29, subdivision 1, when provided by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph ~~(h)~~ (p), operating a private passenger vehicle as defined in section 169.011, subdivision 52;

(vii) in a limousine the service of which is licensed by the commissioner under section 221.84; or

(viii) in a taxicab, if the fare for the transportation is determined by a meter inside the taxicab that measures the distance traveled and displays the fare accumulated.

Sec. 194. Minnesota Statutes 2024, section 221.031, subdivision 10, is amended to read:

Subd. 10. **Controlled substance and alcohol use and testing exemption.** The state of Minnesota, a political subdivision of the state, or any person required to comply with the alcohol and controlled substances testing requirements of Code of Federal Regulations, title 49, part 219, 382, ~~653,~~ or ~~654~~ 655, is exempt from sections 181.950 to 181.957 if the testing also complies with the procedures for transportation workplace drug and alcohol testing programs in Code of Federal Regulations, title 49, part 40.

Sec. 195. Minnesota Statutes 2024, section 221.0314, subdivision 2, is amended to read:

Subd. 2. **Qualification of driver.** Code of Federal Regulations, title 49, part 391 and ~~appendixes D and E~~ appendix A, are incorporated by reference except for sections 391.2; 391.11, paragraph (b)(1); 391.47; 391.49; 391.62; 391.64; 391.67; 391.68; and 391.69. In addition, cross-references to sections or paragraphs not incorporated in this subdivision are not incorporated by reference. For medical examinations conducted on and after May 21, 2014, the term "medical examiner" as used in this section and in the rules adopted under this section means an individual certified by the Federal Motor Carrier Safety Administration and listed on the National Registry of Certified Medical Examiners.

Sec. 196. Minnesota Statutes 2024, section 221.81, subdivision 4, is amended to read:

Subd. 4. **License revocation, suspension, denial.** The commissioner, after notice and a hearing, may revoke, suspend, or deny a license for:

(1) failure of the applicant or license holder to reimburse the road authority for damage to public highways, roads, streets, or utilities that are not paid for by the license holder's insurer;

(2) conduct of the applicant or license holder that endangers the health and safety of users of the public highways, roads, streets, or utilities;

(3) conduct of the applicant or license holder that obstructs traffic in a manner other than as authorized in the permit;

(4) violation of this section;

(5) failure to obtain or comply with required local moving permits, or permits required by section ~~168B.15~~ 169.8296 or 169.86;

(6) placing or leaving a building on property without the permission of the owner of the property or in violation of local ordinances; or

(7) abandoning a building after it is first moved under the road permit. For purposes of this subdivision, "abandon" means conduct that shows that a building mover has failed to use reasonable diligence in moving a building to the location described in the road permit.

Sec. 197. Minnesota Statutes 2024, section 245.4905, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The first episode of psychosis grant program is established in the Department of Human Services to fund evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis and a public awareness campaign on the signs and symptoms of psychosis. First episode of psychosis services are eligible for children's mental health grants as specified in section 245.4889, subdivision 1, paragraph (b), clause ~~(15)~~ (16).

Sec. 198. Minnesota Statutes 2024, section 245.495, is amended to read:

**245.495 ADDITIONAL FEDERAL REVENUES.**

(a) Each local children's mental health collaborative shall report expenditures eligible for federal reimbursement in a manner prescribed by the commissioner of human services under section 256.01, subdivision 2, paragraph (o). The commissioner of human services shall pay all funds earned by each local children's mental health collaborative to the

collaborative. Each local children's mental health collaborative must use these funds to expand the operational target population or to develop or provide mental health services through the local integrated service system to children in the target population. Funds may not be used to supplant funding for services to children in the target population.

For purposes of this section, "mental health services" are community-based, nonresidential services, which may include respite care, that are identified in the child's multiagency plan of care.

(b) The commissioner may set aside a portion of the federal funds earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, paragraph ~~(o)~~ (n). The set-aside must not exceed five percent of the federal reimbursement earned by collaboratives and repayment is limited to:

(1) the costs of developing and implementing sections 245.491 to 245.495, including the costs of technical assistance from the Departments of Human Services, Education, Health, and Corrections to implement the children's mental health integrated fund;

(2) programming the information systems; and

(3) any lost federal revenue for the central office claim directly caused by the implementation of these sections.

(c) Any unexpended funds from the set-aside described in paragraph (b) shall be distributed to counties.

Sec. 199. Minnesota Statutes 2024, section 245.735, subdivision 4d, is amended to read:

Subd. 4d. **Requirements for integrated treatment plans.** (a) An integrated treatment plan must be completed within 60 calendar days following the preliminary screening and risk assessment and updated no less frequently than every six months or when the client's circumstances change.

(b) Only a mental health professional may complete an integrated treatment plan. The mental health professional must consult with an alcohol and drug counselor when substance use disorder services are deemed clinically appropriate. An alcohol and drug counselor may approve the integrated treatment plan. The integrated treatment plan must be developed through a shared decision-making process with the client, the client's support system if the client chooses, or, for children, with the family or caregivers.

(c) The integrated treatment plan must:

(1) use the ASAM 6 dimensional framework; and

(2) incorporate prevention, medical and behavioral health needs, and service delivery.

(d) The psychiatric evaluation and management service fulfills requirements for the integrated treatment plan when a client of a CCBHC is receiving exclusively psychiatric evaluation and management services. The CCBHC must complete an integrated treatment plan within 60 calendar days of a client's referral for additional CCBHC services.

(e) Notwithstanding any law to the contrary, an integrated treatment plan developed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

(1) section 245G.06, subdivision 1;

(2) section 245G.09, subdivision 3, clause (6);

(3) section 245I.10, subdivisions 7 and 8; and

~~(4) section 256B.0623, subdivision 10; and~~

~~(5)~~ (4) section 256B.0943, subdivision 6, paragraph (b), clause (2).

Sec. 200. Minnesota Statutes 2024, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095;

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

(6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail, by

personal service, or through the provider licensing and reporting hub. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (i) and (j), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the

license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail, by personal service, or through the provider licensing and reporting hub that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit $1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit $5,000;

(iii) the license holder shall forfeit $200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(iv) the license holder shall forfeit $100 for each occurrence of a violation of law or rule other than those subject to a $5,000, $1,000, or $200 fine in items (i) to ~~(iv)~~ (iii).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the

license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

Sec. 201. Minnesota Statutes 2024, section 245C.02, subdivision 6a, is amended to read:

Subd. 6a. **Child care background study subject.** (a) "Child care background study subject" means an individual who is affiliated with a licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 142E, and who is:

(1) employed by a child care provider for compensation;

(2) assisting in the care of a child for a child care provider;

(3) a person applying for licensure, certification, or enrollment;

(4) a controlling individual as defined in section 245A.02, subdivision 5a;

(5) an individual 13 years of age or older who lives in the household where the licensed program will be provided and who is not receiving licensed services from the program;

(6) an individual ten to 12 years of age who lives in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(7) an individual who, without providing direct contact services at a licensed program, certified program, or program authorized under chapter 142E, may have unsupervised access to a child receiving services from a program when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(8) a volunteer, contractor providing services for hire in the program, prospective employee, or other individual who has unsupervised physical access to a child served by a program and who is not under supervision by an individual listed in clause (1) or (5), regardless of whether the individual provides program services; or

(9) an authorized agent in a license-exempt certified child care center as defined in section 142C.01, subdivision 3.

(b) Notwithstanding paragraph (a), an individual who is providing services that are not part of the child care program is not required to have a background study if:

(1) the child receiving services is signed out of the child care program for the duration that the services are provided;

(2) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 142E has obtained advanced written permission from the parent authorizing the child to receive the services, which is maintained in the child's record;

(3) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter ~~119B~~ 142E maintains documentation on site that identifies the individual service provider and the services being provided; and

(4) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter ~~119B~~ 142E ensures that the service provider does not have unsupervised access to a child not receiving the provider's services.

Sec. 202. Minnesota Statutes 2024, section 245D.091, subdivision 2, is amended to read:

Subd. 2. **Positive support professional qualifications.** A positive support professional providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) ethical considerations;

(2) functional assessment;

(3) functional analysis;

(4) measurement of behavior and interpretation of data;

(5) selecting intervention outcomes and strategies;

(6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;

(7) data collection;

(8) staff and caregiver training;

(9) support plan monitoring;

(10) co-occurring mental disorders or neurocognitive disorder;

(11) demonstrated expertise with populations being served; and

(12) must be a:

(i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the above identified areas;

(ii) clinical social worker licensed as an independent clinical social worker under chapter ~~148D~~ 148E, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the areas identified in clauses (1) to (11);

(iii) physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry with competencies in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11);

(vi) person with a master's degree or PhD in one of the behavioral sciences or related fields with demonstrated expertise in positive support services, as determined by the person's needs as outlined in the person's assessment summary; or

(vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services.

Sec. 203. Minnesota Statutes 2024, section 245I.23, subdivision 15, is amended to read:

Subd. 15. **Intensive residential treatment services admission criteria.** (a) An eligible client for intensive residential treatment services is an individual who:

(1) is age 18 or older;

(2) is diagnosed with a mental illness;

(3) because of a mental illness, has a substantial disability and functional impairment in three or more areas listed in section 245I.10, subdivision 9, paragraph (a), clause (4), that markedly reduce the individual's self-sufficiency;

(4) has one or more of the following: a history of recurring or prolonged inpatient hospitalizations during the past year, significant independent living instability, homelessness, or very frequent use of mental health and related services with poor outcomes for the individual; and

(5) in the written opinion of a mental health professional, needs mental health services that available community-based services cannot provide, or is likely to experience a mental health crisis or require a more restrictive setting if the individual does not receive intensive rehabilitative mental health services.

(b) The license holder must not limit or restrict intensive residential treatment services to a client based solely on:

(1) the client's substance use;

(2) the county in which the client resides; or

(3) whether the client elects to receive other services for which the client may be eligible, including case management services.

(c) This subdivision does not prohibit the license holder from restricting admissions of individuals who present an imminent risk of harm or danger to themselves or others.

Sec. 204. Minnesota Statutes 2024, section 256.01, subdivision 2, is amended to read:

Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall carry out the specific duties in paragraphs (a) through ~~(bb)~~ (z):

(a) Administer and supervise the forms of public assistance provided for by state law and other welfare activities or services that are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to,

assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(5) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(6) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and Tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

The commissioner shall work in conjunction with the commissioner of children, youth, and families to carry out the duties of this paragraph when necessary and feasible.

(b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(c) Administer and supervise all noninstitutional service to persons with disabilities, including persons who have vision impairments, and persons who are deaf, deafblind, and

hard-of-hearing or with other disabilities. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(d) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(e) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(f) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(g) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as developmentally disabled.

(h) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(i) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(j) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(k) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration,

shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(1) the United States Secretary of Health and Human Services has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, shall be approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(l) According to federal requirements and in coordination with the commissioner of children, youth, and families, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(m) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for medical assistance in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. Disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for medical assistance. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to clause (1).

(n) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches $1,000,000. When the balance in the account exceeds $1,000,000, the excess shall be transferred and credited

to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) Have the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that

reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(r) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(s) Have the authority to administer the federal drug rebate program for drugs purchased under the medical assistance program as allowed by section 1927 of title XIX of the Social Security Act and according to the terms and conditions of section 1927. Rebates shall be collected for all drugs that have been dispensed or administered in an outpatient setting and that are from manufacturers who have signed a rebate agreement with the United States Department of Health and Human Services.

(t) Have the authority to administer a supplemental drug rebate program for drugs purchased under the medical assistance program. The commissioner may enter into supplemental rebate contracts with pharmaceutical manufacturers and may require prior authorization for drugs that are from manufacturers that have not signed a supplemental rebate contract. Prior authorization of drugs shall be subject to the provisions of section 256B.0625, subdivision 13.

(u) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(v) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(w) Designate community information and referral call centers and incorporate cost reimbursement claims from the designated community information and referral call centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Existing information and referral centers provided by Greater Twin Cities United Way or existing call centers for which Greater Twin Cities United Way has legal authority to represent, shall be included in these designations upon review by the commissioner and assurance that these services are accredited and in compliance with national standards. Any reimbursement is appropriated to the commissioner and all designated information and referral centers shall receive payments according to normal department schedules established by the commissioner upon final approval of allocation methodologies from the United States Department of Health and Human Services Division of Cost Allocation or other appropriate authorities.

(x) Develop recommended standards for adult foster care homes that address the components of specialized therapeutic services to be provided by adult foster care homes with those services.

(y) Authorize the method of payment to or from the department as part of the human services programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the human services programs administered by the department.

(z) Designate the agencies that operate the Senior LinkAge Line under section 256.975, subdivision 7, and the Disability Hub under subdivision 24 as the state of Minnesota Aging and Disability Resource Center under United States Code, title 42, section 3001, the Older Americans Act Amendments of 2006, and incorporate cost reimbursement claims from the designated centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement must be appropriated to the commissioner and treated consistent with section 256.011. All Aging and Disability Resource Center designated agencies shall receive payments of grant funding that supports the activity and generates the federal financial participation according to Board on Aging administrative granting mechanisms.

Sec. 205. Minnesota Statutes 2024, section 256.0451, subdivision 3, is amended to read:

Subd. 3. **Agency appeal summary.** (a) Except in fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), (8), and (9), ~~and (10),~~ the agency involved in an appeal must prepare a state agency appeal summary for each fair hearing appeal. The state agency appeal summary shall be mailed or otherwise delivered to the person who is involved in the appeal at least three working days before the date of the hearing. The state agency appeal summary must also be mailed or otherwise delivered to the department's Appeals Office at least three working days before the date of the fair hearing appeal.

(b) In addition, the human services judge shall confirm that the state agency appeal summary is mailed or otherwise delivered to the person involved in the appeal as required under paragraph (a). The person involved in the fair hearing should be provided, through the state agency appeal summary or other reasonable methods, appropriate information about the procedures for the fair hearing and an adequate opportunity to prepare. These requirements apply equally to the state agency or an entity under contract when involved in the appeal.

(c) The contents of the state agency appeal summary must be adequate to inform the person involved in the appeal of the evidence on which the agency relies and the legal basis for the agency's action or determination.

Sec. 206. Minnesota Statutes 2024, section 256.0451, subdivision 11, is amended to read:

Subd. 11. **Hearing facilities and equipment.** The human services judge shall conduct the hearing in the county where the person involved resides, unless an alternate location is mutually agreed upon before the hearing, or unless the person has agreed to a hearing by telephone. Hearings under section 256.045, subdivision 3, paragraph (a), clauses (4), (8), and (9), ~~and (10),~~ must be conducted in the county where the determination was made, unless an alternate location is mutually agreed upon before the hearing. The hearing room shall be of sufficient size and layout to adequately accommodate both the number of individuals participating in the hearing and any identified special needs of any individual participating in the hearing. The human services judge shall ensure that all communication and recording equipment that is necessary to conduct the hearing and to create an adequate record is present and functioning properly. If any necessary communication or recording equipment fails or ceases to operate effectively, the human services judge shall take any steps necessary, including stopping or adjourning the hearing, until the necessary equipment is present and functioning properly. All reasonable efforts shall be undertaken to prevent and avoid any delay in the hearing process caused by defective communication or recording equipment.

Sec. 207. Minnesota Statutes 2024, section 256.0451, subdivision 19, is amended to read:

Subd. 19. **Developing the record.** The human services judge shall accept all evidence, except evidence privileged by law, that is commonly accepted by reasonable people in the conduct of their affairs as having probative value on the issues to be addressed at the hearing. Except in fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), (8), (9), ~~(10),~~ and ~~(12)~~ (11), in cases involving medical issues such as a diagnosis, a physician's report, or a review team's decision, the human services judge shall consider whether it is necessary to have a medical assessment other than that of the individual making the original decision. When necessary, the human services judge shall require an additional assessment be obtained at agency expense and made part of the hearing record. The human services judge shall ensure for all cases that the record is sufficiently complete to make a fair and accurate decision.

Sec. 208. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner shall include a quality incentive payment in the CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment shall be limited to one payment per day per medical assistance enrollee when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, shall be established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner shall rebase CCBHC rates once every two years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change

in the scope of services. For CCBHCs certified after September ~~31~~ 30, 2020, and before January 1, 2021, the commissioner shall rebase rates according to this clause for services provided on or after January 1, 2024;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

(6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal Medicaid rate is not eligible for the CCBHC rate methodology;

(7) payments for CCBHC services to individuals enrolled in managed care shall be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the CCBHC daily bundled rate system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update shall occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope shall occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans shall reimburse CCBHC providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted

in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8).

Sec. 209. Minnesota Statutes 2024, section 256L.02, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The MinnesotaCare program is established to promote access to appropriate health care services to ~~assure~~ ensure healthy children and adults.

Sec. 210. Minnesota Statutes 2024, section 256P.001, is amended to read:

**256P.001 APPLICABILITY.**

General assistance and Minnesota supplemental aid under chapter 256D, child care assistance programs under chapter 142E, and programs governed by chapter 142G or 256I ~~or 256J~~ are subject to the requirements of this chapter, unless otherwise specified or exempted.

Sec. 211. Minnesota Statutes 2024, section 256P.04, subdivision 9, is amended to read:

Subd. 9. **MFIP-only recertification.** In addition to subdivision 8, the agency shall verify the following for programs under chapter ~~256J~~ 142G:

(1) the presence of the minor child in the home, if questionable; and

(2) whether a single-caregiver household meets the requirements in section 142G.75, subdivision 3.

Sec. 212. Minnesota Statutes 2024, section 256P.06, subdivision 3, is amended to read:

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

(1) earned income; and

(2) unearned income, which includes:

(i) interest and dividends from investments and savings;

(ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

(iii) contract for deed payments in excess of the principal and interest portion owed on property;

(iv) income from trusts, excluding special needs and supplemental needs trusts;

(v) interest income from loans made by the participant or household;

(vi) cash prizes and winnings;

(vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:

(A) 18 years of age and enrolled in a secondary school; or

(B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

(viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors, and disability insurance payments;

(ix) retirement benefits;

(x) cash assistance benefits, as defined by each program in chapters 142E, 142G, 256D, and 256I;

(xi) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;

(xii) for the purposes of programs under chapters 142E, 256D, and 256I, all child support payments;

(xiii) for the purposes of programs under chapter 142G, the amount of child support received that exceeds $100 for assistance units with one child and $200 for assistance units with two or more children;

(xiv) spousal support;

(xv) workers' compensation; and

(xvi) for the purposes of programs under chapters ~~119B~~ 142E and ~~256J~~ 142G, the amount of retirement, survivors, and disability insurance payments that exceeds the applicable monthly federal maximum Supplemental Security Income payments.

Sec. 213. Minnesota Statutes 2024, section 256P.10, subdivision 3, is amended to read:

Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when the assistance unit fails to submit the household report form before the end of the six-month review period. If the assistance unit submits the household report form within 30 days of the termination of benefits and remains eligible, benefits must be reinstated and made available retroactively for the full benefit month.

(b) When an assistance unit is determined to be ineligible for assistance according to this section and chapter 142G, 256D, or 256I, ~~or 256J,~~ the agency must terminate assistance.

Sec. 214. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; the family advisory council fee under section 144A.33; scholarships under section 256R.37; planned closure rate adjustments under section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d; single-bed room incentives under section 256R.41; property taxes, special assessments, and payments in lieu of taxes; employer health insurance costs; quality improvement incentive payment rate adjustments under section 256R.39; performance-based incentive payments under section 256R.38; special dietary needs under section 256R.51; Public Employees Retirement Association employer costs; and border city rate adjustments under section 256R.481.

Sec. 215. Minnesota Statutes 2024, section 257.0769, subdivision 1, is amended to read:

Subdivision 1. **Appropriations.** (a) $23,000 from the special account authorized by section 256.01, subdivision 2, paragraph ~~(o)~~ (n), is annually appropriated to the Office of Ombudsperson for American Indian Families for the purpose of section 3.9215.

(b) $69,000 from the special account authorized by section 256.01, subdivision 2, paragraph ~~(o)~~ (n), is annually appropriated to the Office of Ombudsperson for Families for the purposes of sections 257.0755 to 257.0768.

Sec. 216. Minnesota Statutes 2024, section 260.762, subdivision 2a, is amended to read:

Subd. 2a. **Required findings that active efforts were provided.** (a) A court shall not order a child placement, termination of parental rights, guardianship to the commissioner of children, youth, and families under section 260C.325, or temporary or permanent change in custody of an Indian child unless the court finds that the child-placing agency or petitioner demonstrated that active efforts were made to preserve the Indian child's family. Active efforts to preserve the Indian child's family include efforts to prevent placement of the Indian child to correct the conditions that led to the placement by ensuring remedial services and rehabilitative programs designed to prevent the breakup of the family were provided in a manner consistent with the prevailing social and cultural conditions of the Indian child's

Tribe and in partnership with the Indian child, the Indian child's parents, the Indian custodian, extended family members, and Tribe, and that these efforts have proved unsuccessful.

(b) The court, in determining whether active efforts were made to preserve the Indian child's family for purposes of child placement or permanency, shall ensure the provision of active efforts designed to correct the conditions that led to the placement of the Indian child and shall make findings regarding whether the following activities were appropriate and necessary, and whether the child-placing agency or petitioner ensured appropriate and meaningful services were available based upon the family's specific needs, whether listed in this paragraph or not:

(1) whether active efforts were made at the earliest point possible to inquire into the child's heritage, to identify any federally recognized Indian Tribe the child may be affiliated with, to notify all potential Tribes at the earliest point possible, and to request participation of the Indian child's Tribe;

(2) whether a Tribally designated representative with substantial knowledge of the prevailing social and cultural standards and child-rearing practices within the Tribal community was provided an opportunity to consult with and be involved in any investigations or assessments of the family's circumstances, participate in identifying the family's needs, and participate in development of any plan to keep the Indian child safely in the home, identify services designed to prevent the breakup of the Indian child's family, and to reunify the Indian child's family as soon as safety can be assured if out-of-home placement has occurred;

(3) whether the Tribal representative was provided with all information available regarding the proceeding, and whether it was requested that the Tribal representative assist in identifying services designed to prevent the breakup of the Indian child's family and to reunify the Indian child's family as soon as safety can be assured if out-of-home placement has occurred;

(4) whether, before making a decision that may affect an Indian child's safety and well-being or when contemplating placement of an Indian child, guidance from the Indian child's Tribe was sought regarding family structure, how the family can seek help, what family and Tribal resources are available, and what barriers the family faces that could threaten the family's preservation;

(5) whether a Tribal representative was consulted to determine and arrange for visitation in the most natural setting that ensures the Indian child's safety, when the Indian child's safety requires supervised visitation;

(6) whether early and ongoing efforts occurred to identify, locate, and include extended family members as supports for the Indian child and the Indian child's family;

(7) whether continued active efforts were made to identify and place the Indian child in a home that is compliant with the placement preferences in sections 260.751 to 260.835, including whether extended family members were consulted to provide support to the Indian child and Indian child's parents; to inform the child-placing agency, petitioner, and court as to cultural connections and family structure; to assist in identifying appropriate cultural services and supports for the Indian child and Indian child's parents; and to identify and serve as placement and permanency resources for the Indian child. If there was difficulty contacting or engaging extended family members, whether assistance was sought from the Tribe, the Department of Human Services, or other agencies with expertise in working with Indian families;

(8) whether services and resources were provided to extended family members who are considered the primary placement option for an Indian child, as agreed upon by the child-placing agency or petitioner and the Tribe, to overcome licensing and other barriers to providing care to an Indian child. The need for services or resources shall not be a basis to exclude an extended family member from consideration as a primary placement. Services and resources include but are not limited to child care assistance, financial assistance, housing resources, emergency resources, and foster care licensing assistance and resources;

(9) whether concrete services and access to both Tribal and non-Tribal services were provided to the Indian child's parents and Indian custodian and, where necessary, members of the Indian child's extended family ~~members~~ who provide support to the Indian child and the Indian child's parents; and whether these services were provided in an ongoing manner throughout the child-placing agency or petitioner's involvement with the Indian family to directly assist the Indian family in accessing and utilizing services to maintain the Indian family, or to reunify the Indian family as soon as safety can be assured if out-of-home placement has occurred. Services include but are not limited to financial assistance, food, housing, health care, transportation, in-home services, community support services, and specialized services; and

(10) whether visitation occurred whenever possible in the home of the Indian child's parent, Indian custodian, or extended family member or in another noninstitutional setting in order to keep the Indian child in close contact with the Indian child's parents, siblings, and other relatives regardless of the Indian child's age and to allow the Indian child and those with whom the Indian child visits to have natural, unsupervised interaction when consistent with protecting the child's safety.

Sec. 217. Minnesota Statutes 2024, section 260C.151, subdivision 2a, is amended to read:

Subd. 2a. **Notice; termination of parental rights or permanency proceeding.** (a) After a petition for termination of parental rights or petition for permanent placement of a child away from a parent under section 260C.505 has been filed, the court shall set a time for the admit or deny hearing as required under the Minnesota Rules of Juvenile Protection Procedure and shall issue a summons requiring the parents of the child to appear before the court at the time and place stated. The court shall issue a notice to:

(1) a putative father who has timely registered with the Minnesota Fathers' Adoption Registry and who is entitled to notice of an adoption proceeding under section 259.49, subdivision 1; and

(2) a grandparent with the right to participate under section 260C.163, subdivision 2.

(b) Neither summons nor notice under this section or section 260C.152 of a termination of parental rights matter or other permanent placement matter under sections 260C.503 to 260C.521 is required to be given to a putative father who has failed to timely register with the Minnesota Fathers' Adoption Registry under section 259.52 unless that individual also meets the requirements of section 257.55 or is required to be given notice under section 259.49, subdivision 1. When a putative father is not entitled to notice under this paragraph and is therefore not given notice, any order terminating the putative father's rights does not give rise to a presumption of parental unfitness under section 260C.301, subdivision 1, paragraph (b), clause ~~(4)~~ (3).

Sec. 218. Minnesota Statutes 2024, section 260C.178, subdivision 1, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time that the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue to be in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines that there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child:

(1) into the care of the child's noncustodial parent and order the noncustodial parent to comply with any conditions that the court determines appropriate to ensure the safety and care of the child, including requiring the noncustodial parent to cooperate with paternity establishment proceedings if the noncustodial parent has not been adjudicated the child's father; or

(2) into foster care as defined in section 260C.007, subdivision 18, under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that the agency has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. The court shall not make a reasonable efforts determination under this clause unless the court is satisfied that the agency has sufficiently demonstrated to the court that there were no services or other efforts that the agency was able to provide at the time of the hearing enabling the child to safely remain home or to safely return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered that would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph ~~(g)~~ (h) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

(f) If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(g) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

(h) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under a juvenile protection proceeding or a similar process of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

(k) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.

(l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(m) When the court has ordered the child into the care of a noncustodial parent or in foster care, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212,

subdivision 1, or the child protective services plan under section 260E.26, and Minnesota Rules, part 9560.0228.

(n) When the court has ordered an Indian child into an emergency child placement, the Indian child shall be placed according to the placement preferences in the Minnesota Indian Family Preservation Act, section 260.773.

Sec. 219. Minnesota Statutes 2024, section 260C.71, subdivision 1, is amended to read:

Subdivision 1. **Judicial review.** When the responsible social services agency has legal authority to place a child at a qualified residential treatment facility under section 260C.007, subdivision 21a, and the child's assessment under section 260C.704 recommends placing the child in a qualified residential treatment facility, the agency shall place the child at a qualified residential treatment facility. Within 60 days of placing the child at a qualified residential treatment facility, the agency must obtain a court order finding that the child's placement is appropriate and meets the child's individualized needs.

Sec. 220. Minnesota Statutes 2024, section 260E.03, subdivision 23, is amended to read:

Subd. 23. **Threatened injury.** (a) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

(b) Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in subdivision 17, who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm under subdivision 5 or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph (b), clause ~~(4)~~ (3), or a similar law of another jurisdiction;

(3) committed an act that resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative or parent under section 260C.515, subdivision 4, or a similar law of another jurisdiction.

(c) A child is the subject of a report of threatened injury when the local welfare agency receives birth match data under section 260E.14, subdivision 4, from the Department of Children, Youth, and Families.

Sec. 221. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency responsible for investigating allegations of maltreatment in child foster care, family child care, legally nonlicensed child care, and reports involving children served by an unlicensed personal care provider organization under section 256B.0659. Copies of findings related to personal care provider organizations under section 256B.0659 must be forwarded to the Department of Human Services provider enrollment.

(b) The Department of ~~Children, Youth, and Families~~ Human Services is the agency responsible for screening and investigating allegations of maltreatment in juvenile correctional facilities listed under section 241.021 located in the local welfare agency's county and in facilities licensed or certified under chapters 245A and 245D.

(c) The Department of Health is the agency responsible for screening and investigating allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43 to 144A.482 or chapter 144H.

(d) The Department of Education is the agency responsible for screening and investigating allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E. The Department of Education's responsibility to screen and investigate includes allegations of maltreatment involving students 18 through 21 years of age, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma.

(e) A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

(f) The Department of Children, Youth, and Families is the agency responsible for screening and investigating allegations of maltreatment in facilities or programs not listed in paragraph (a) that are licensed or certified under chapters 142B and 142C.

Sec. 222. Minnesota Statutes 2024, section 260E.30, subdivision 6, is amended to read:

Subd. 6. **Notification to parent, child, or offender following investigation.** (a) Within ten working days of the conclusion of an investigation, the local welfare agency or agency responsible for investigating the report of maltreatment in a facility shall notify the parent or guardian of the child, the person determined to be maltreating the child, and the director of the facility of the determination and a summary of the specific reasons for the determination.

(b) When the investigation involves a child foster care setting that is monitored by a private licensing agency under section ~~245A.16~~ 142B.30, the local welfare agency responsible for investigating the report shall notify the private licensing agency of the determination and shall provide a summary of the specific reasons for the determination. The notice to the private licensing agency must include identifying private data, but not the identity of the reporter of maltreatment.

(c) The notice must also include a certification that the information collection procedures under section 260E.20, subdivision 3, were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section.

(d) In addition, the notice shall include the length of time that the records will be kept under section 260E.35, subdivision 6.

(e) The investigating agency shall notify the parent or guardian of the child who is the subject of the report and any person or facility determined to have maltreated a child of their appeal or review rights under this section.

(f) The notice must also state that a finding of maltreatment may result in denial of a license or certification application or background study disqualification under chapter 245C related to employment or services that are licensed by the Department of Human Services under chapter 245A; the Department of Children, Youth, and Families under chapter 142B or 142C; the Department of Health under chapter 144 or 144A; or the Department of Corrections under section 241.021 and from providing services related to an unlicensed personal care provider organization under chapter 256B.

Sec. 223. Minnesota Statutes 2024, section 260E.36, subdivision 5, is amended to read:

Subd. 5. **Priority training.** The commissioners of ~~human services~~ children, youth, and families and public safety shall provide the program courses described in subdivision 2 at convenient times and locations in the state. The commissioners shall give training priority in the program areas cited in subdivision 2 to persons currently performing assessments and investigations pursuant to this chapter.

Sec. 224. Minnesota Statutes 2024, section 270.075, subdivision 1, is amended to read:

Subdivision 1. **Rate of tax.** The commissioner shall determine the rate of tax to be levied and collected against the net tax capacity as determined pursuant to section 270.074, subdivision 3, to generate revenues sufficient to fund the air flight property tax portion of

each year's state ~~airport~~ airports fund appropriation, as certified to the commissioner by the commissioner of transportation. The certification shall be presented to the commissioner prior to December 31 of each year. The property tax portion of the state ~~airport~~ airports fund appropriation is the difference between the total fund appropriation and the estimated total fund revenues from other sources for the state fiscal year in which the tax is payable and may include a portion of the balance in the state airports fund as determined to be available by the commissioner of transportation. The certification by the commissioner of transportation to the commissioner shall state the total fund appropriation and shall list individually the estimated fund revenues including the account carryover balance in the ~~airport~~ airports fund. The difference of these amounts shall be shown as the property tax portion of the state ~~airport~~ airports fund appropriation.

If a levy amount has not been certified by December 31 of a levy year, the commissioner shall use the last previous certified amount to determine the rate of tax, and shall notify the chairs and the ranking minority members of the committees of the house of representatives and senate having jurisdiction over the Department of Transportation that a certification was not made under this subdivision.

Sec. 225. Minnesota Statutes 2024, section 270C.63, subdivision 13, is amended to read:

Subd. 13. **Lien search fees.** Upon request of any person, the filing officer shall issue a certificate showing whether there is recorded in that filing office, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed on or after ten years before the date of the search certificate, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate shall be as provided by section 336.9-525 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of state lien, or notice or certificate affecting a state lien, for a fee of $1 per page, except that ~~after the effective date of Laws 2009, chapter 101, article 2, section 11, that section shall govern~~ section 5.12, subdivision 1, governs the fee charged by the secretary of state for a copy or electronically transmitted image.

Sec. 226. Minnesota Statutes 2024, section 272.02, subdivision 104, is amended to read:

Subd. 104. **Certain property owned by an Indian Tribe.** ~~(a)~~ Property is exempt that:

(1) is located in a county with a population greater than 28,000 but less than 29,000 as of the 2010 federal census;

(2) was on January 2, 2018, and is for the current assessment owned by a federally recognized Indian Tribe or its instrumentality, that is located in Minnesota;

(3) was on January 2, 2018, erroneously treated as exempt under subdivision 7; and

(4) is used for the same purpose as the property was used on January 2, 2018.

~~(b) The owner of property exempt under paragraph (a) may apply to the county for a refund of any state general tax paid for property taxes payable in 2020 and 2021. The county may prescribe the form and manner of the application. The county auditor must certify to the commissioner of revenue the amount needed for refunds under this section, which the commissioner must pay to the county. An amount necessary for refunds under this paragraph is appropriated from the general fund to the commissioner of revenue in fiscal year 2022. This paragraph expires June 30, 2022.~~

Sec. 227. Minnesota Statutes 2024, section 273.42, subdivision 1, is amended to read:

Subdivision 1. **Tax rate; payment.** The property set forth in section 273.37, subdivision 2, consisting of transmission lines of less than 69 kv and transmission lines of 69 kv and above located in an unorganized township, and distribution lines not taxed as provided in sections 273.38, 273.40 and 273.41 shall be taxed at the average local tax rate of taxes levied for all purposes throughout the county after disparity reduction aid is applied, and shall be entered on the tax lists by the county auditor against the owner thereof and certified to the county treasurer at the same time and in the same manner that other taxes are certified, and, when paid, shall be credited as follows: 50 percent to the general revenue fund of the county and 50 percent to the general school fund of the county, except that if there are high voltage transmission lines as defined in section ~~216E.01~~ 216I.02, subdivision 8, the construction of which was commenced after July 1, 1974, and which are located in unorganized townships within the county, then the distribution of taxes within this subdivision shall be credited as follows: 50 percent to the general revenue fund of the county, 40 percent to the general school fund of the county and ten percent to a utility property tax credit fund, which is hereby established.

Sec. 228. Minnesota Statutes 2024, section 282.38, subdivision 1, is amended to read:

Subdivision 1. **Development.** In any county where the county board by proper resolution sets aside funds for forest development pursuant to section 282.08, clause ~~(5)~~ (4), item (i), or section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board, may upon request

of the county board assist said county in carrying out any project for the long range development of its forest resources through matching of funds or otherwise.

Sec. 229. Minnesota Statutes 2024, section 282.38, subdivision 2, is amended to read:

Subd. 2. **Tax levy.** In any county where the county board shall determine that insufficient moneys will be available from tax-forfeited funds to carry out the intentions of this section as set forth in the statutes enumerated in subdivision 1, the county board may levy a tax upon the real and personal property of the county for that purpose, and the proceeds of said levy may be used in the same manner as funds set aside pursuant to section 282.08, clause ~~(3)(a)~~ (4), item (i), and section 459.06, subdivision 2.

Sec. 230. Minnesota Statutes 2024, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security benefits.** (a) A taxpayer is allowed a subtraction equal to the greater of the simplified subtraction allowed under paragraph (b) or the alternate subtraction determined under paragraph (e).

(b) A taxpayer's simplified subtraction equals the amount of taxable social security benefits, as reduced under paragraphs (c) and (d).

(c) For a taxpayer other than a married taxpayer filing a separate return with adjusted gross income above the phaseout threshold, the simplified subtraction is reduced by ten percent for each $4,000 of adjusted gross income, or fraction thereof, in excess of the phaseout threshold. The phaseout threshold equals:

(1) $100,000 for a married taxpayer filing a joint return or surviving spouse;

(2) $78,000 for a single or head of household taxpayer; and

(3) for a married taxpayer filing a separate return, half the amount for a married taxpayer filing a joint return.

(d) For a married taxpayer filing a separate return, the simplified subtraction is reduced by ten percent for each $2,000 of adjusted gross income, or fraction thereof, in excess of the phaseout threshold.

(e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction subject to the limits under paragraphs (f), (g), and (h).

(f) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction under paragraph ~~(e)~~ (e) equals $5,840. The maximum subtraction is reduced by 20 percent of provisional income over $88,630. In no case is the subtraction less than zero.

(g) For single or head-of-household taxpayers, the maximum subtraction under paragraph ~~(c)~~ (e) equals $4,560. The maximum subtraction is reduced by 20 percent of provisional income over $69,250. In no case is the subtraction less than zero.

(h) For married taxpayers filing separate returns, the maximum subtraction under paragraph ~~(c)~~ (e) equals one-half the maximum subtraction for joint returns under paragraph (f). The maximum subtraction is reduced by 20 percent of provisional income over one-half the threshold amount specified in paragraph (d). In no case is the subtraction less than zero.

(i) For purposes of this subdivision, "provisional income" means modified adjusted gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the taxable Social Security benefits received during the taxable year, and "Social Security benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.

(j) The commissioner shall adjust the phaseout threshold amounts in ~~paragraphs (c) and (d)~~ paragraph (c), clauses (1) and (2), as provided in section 270C.22. The statutory year is taxable year 2023. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest $10 amount. If the amount ends in $5, the amount is rounded up to the nearest $10 amount.

Sec. 231. Minnesota Statutes 2024, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

(1) On the first $38,770, 5.35 percent;

(2) On all over $38,770, but not over $154,020, 6.8 percent;

(3) On all over $154,020, but not over $269,010, 7.85 percent;

(4) On all over $269,010, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $26,520, 5.35 percent;

(2) On all over $26,520, but not over $87,110, 6.8 percent;

(3) On all over $87,110, but not over $161,720, 7.85 percent;

(4) On all over $161,720, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $32,650, 5.35 percent;

(2) On all over $32,650, but not over $131,190, 6.8 percent;

(3) On all over $131,190, but not over $214,980, 7.85 percent;

(4) On all over $214,980, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than $100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to $1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, ~~10,~~ 14, 15, ~~17,~~ 18, 27, 31, and 32, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, ~~10,~~ 14, 15, ~~17,~~ 18, 27, 31, and 32, and 290.0137, paragraph (c).

(f) If an individual who is not a Minnesota resident for the entire year is a qualifying owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as provided in paragraph (e), and also must include, to the extent attributed to the electing qualifying entity:

(1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the addition under section 290.0131, subdivision 5; and

(2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the subtraction under section 290.0132, subdivision 3.

Sec. 232. Minnesota Statutes 2024, section 290.06, subdivision 23a, is amended to read:

Subd. 23a. **Pass-through entity tax paid to another state.** (a) A credit is allowed against the tax imposed on a qualifying entity under section 289A.08, subdivision 7a, for pass-through entity tax paid to another state. The credit under this subdivision is allowed as a credit for taxes paid to another state under subdivision 22, paragraph (a), and may only be claimed by a qualifying owner. The credit allowed under this subdivision must be claimed in a manner prescribed by the commissioner.

(b) This ~~section~~ subdivision expires at the same time and on the same terms as section 164(b)(6)(B) of the Internal Revenue Code, except that the expiration of this ~~section~~ subdivision does not affect the commissioner's authority to audit or power of examination and assessments for credits claimed under this section.

(c) As used in this subdivision, the following terms have the meanings given:

(1) "income" has the meaning provided in section 290.01, subdivision 19, paragraph (i);

(2) "pass-through entity tax" means an entity-level tax imposed on the income of a partnership, limited liability corporation, or S corporation;

(3) "qualifying entity" has the meaning provided in section 289A.08, subdivision 7a, paragraph (a); and

(4) "qualifying owner" has the meaning provided in section 289A.08, subdivision 7a, paragraph (b).

Sec. 233. Minnesota Statutes 2024, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(3) building materials for correctional facilities under section 297A.71, subdivision 3;

(4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;

(5) elevators and building materials exempt under section 297A.71, subdivision 12;

(6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;

(7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;

(8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;

(9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

(10) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

(11) enterprise information technology equipment and computer software for use in a qualified data center exempt under section 297A.68, subdivision 42;

(12) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, ~~paragraph (a), clause (1), and paragraph~~ paragraphs (a) and (b);

(13) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

(14) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

(15) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

(16) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52; and

(17) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53.

Sec. 234. Minnesota Statutes 2024, section 299F.051, subdivision 1a, is amended to read:

Subd. 1a. **Curriculum.** The arson training unit, in consultation with the Bureau of Criminal Apprehension, the state fire marshal, the Minnesota Peace Officer Standards and Training Board, the County Attorneys Association, the attorney general, and the ~~State Advisory Council on Fire Service Education and Research~~ Governor's Council on Fire Prevention and Control, shall establish a standardized curriculum to be included in the training programs. The standardized curriculum shall include fire scene investigation and preservation of evidence, interviewing of witnesses and suspects, constitutional limits on interrogation by sworn and nonsworn officers, and other topics deemed necessary to successful criminal investigation and prosecution. The training program offered to peace officers shall meet the applicable preservice training requirements established by the Peace Officer Standards and Training Board under section 626.8456.

Sec. 235. Minnesota Statutes 2024, section 299J.05, is amended to read:

**299J.05 PIPELINE SETBACK ORDINANCE.**

(a) The commissioner shall adopt, by December 31, 1990, a model ordinance under chapter 14 requiring a setback from pipelines in areas where residential or other development is allowed. The model ordinance must apply only to new development and not to development that has occurred, or for which development permits have been issued, before the effective date of the ordinance.

(b) By August 1, 1991, each statutory or home rule charter city, town, or county that has planning and zoning authority under sections ~~366.10 to 366.181,~~ 394.21 to 394.37~~,~~ or 462.351 to 462.365, and in which a pipeline is located, shall adopt a pipeline setback

ordinance that meets or exceeds the minimum standards of the model ordinance and is approved by the commissioner. The model ordinance applies in a jurisdiction where the local governmental unit does not adopt a setback ordinance that is approved by the commissioner by August 1, 1991.

Sec. 236. Minnesota Statutes 2024, section 299K.08, subdivision 3a, is amended to read:

Subd. 3a. **Use of alternative threshold and certifications; restrictions.** (a) For Minnesota facilities required to report under subdivision 3, the alternative threshold quantities outlined in Code of Federal Regulations, title 40, section 372.27, ~~paragraphs (a)(1) and (a)(2)(ii)~~ paragraph (a), or a successor regulation, shall be changed back to the threshold levels prior to implementation of the toxic release inventory burden reduction rule of December 18, 2006.

(b) The use of Environmental Protection Agency certification form 9530-2, (Form A), or any equivalent successor to the form, shall not be used by facilities:

(1) if the total annual reportable amount is 500 pounds or more for nonpersistent bioaccumulative and toxic chemicals; or

(2) with respect to any chemical identified by the Environmental Protection Agency administrator as a chemical of special concern under Code of Federal Regulations, title 40, section 372.28, or a successor regulation.

(c) Facilities affected by paragraph (b) must use Environmental Protection Agency form 9350-1 (Form R), or any equivalent successor to the form.

Sec. 237. Minnesota Statutes 2024, section 308C.301, subdivision 8, is amended to read:

Subd. 8. **Deposits.** A cooperative may accept donations or deposits of money or real personal property from other cooperatives, associations, organizations, agencies, municipalities, and local, state, and federal governments.

Sec. 238. Minnesota Statutes 2024, section 308C.301, subdivision 9, is amended to read:

Subd. 9. **Lending, borrowing, investing.** A cooperative may loan or borrow money to or from members, other cooperatives, associations, organizations, agencies, municipalities, and local, state, and federal governments with security that it considers sufficient. A cooperative may invest and reinvest its funds.

Sec. 239. Minnesota Statutes 2024, section 308C.301, subdivision 13, is amended to read:

Subd. 13. **Fiduciary powers.** A cooperative may exercise any and all fiduciary powers in relations with members, other cooperatives, associations, organizations, agencies, municipalities, and local, state, and federal governments.

Sec. 240. Minnesota Statutes 2024, section 308C.411, subdivision 2, is amended to read:

Subd. 2. **Generally.** (a) Directors shall be elected for the term, at the time, and in the manner provided in this section and the bylaws.

(b) Except for the first board, all of the directors shall be members and shall be elected exclusively by the members holding occupant membership interests.

(c) The voting authority of the directors may be allocated according to equity classifications of the cooperative provided that at least two-thirds ~~(2/3)~~ of the voting power on general matters of the cooperative shall be allocated to the directors who are members holding occupant membership interests.

(d) A director holds office for the term the director was elected and until a successor is elected and has qualified, or until the earlier death, resignation, removal, or disqualification of the director.

(e) The expiration of a director's term with or without election of a qualified successor does not make the prior or subsequent acts of the director or the board void or voidable.

(f) Subject to any limitation in the articles or bylaws, directors shall not be compensated, but may be reimbursed reasonable and necessary expenses incurred when they are acting on behalf of the board of directors.

(g) Directors may be divided into or designated and elected by class or other distinction as provided in the articles or bylaws.

(h) A director may resign by giving written notice to the chair of the board or the board. The resignation is effective without acceptance when the notice is given to the chair of the board or the board unless a later effective time is specified in the notice.

Sec. 241. Minnesota Statutes 2024, section 308C.425, subdivision 3, is amended to read:

Subd. 3. **Electronic communications.** (a) A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a board meeting if the same notice is given of the conference as would be required by subdivision ~~3~~ 4 for a meeting and if the number of directors

participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

(b) A director may participate in an in-person board meeting by any means of communication through which the director, other directors so participating, and all directors physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

Sec. 242. Minnesota Statutes 2024, section 308C.545, subdivision 1, is amended to read:

Subdivision 1. **Generally.** One membership shall be issued by the cooperative for each dwelling unit or lot in the project such that the resulting number of memberships outstanding at all times is equal to the number of dwelling units or lots in the project. Each membership shall have one vote in the affairs of the cooperative. If the cooperative has both occupant and nonoccupant members, on any matter of the cooperative, the entire occupant members voting power shall be voted collectively based upon the vote of the majority of occupant members voting on the issue and the collective vote of the nonoccupant members shall be a majority of the vote cast unless otherwise provided in the bylaws. The bylaws may not reduce the collective occupant member vote to less than 15 percent of the total vote on matters of the cooperative. A nonoccupant member has the voting rights in accordance with nonoccupant membership interests as granted in the bylaws, subject to the provisions of this chapter.

Sec. 243. Minnesota Statutes 2024, section 308C.571, subdivision 1, is amended to read:

Subdivision 1. **Member approval.** A cooperative, by affirmative vote of a majority of the board present, may sell, lease, transfer, or otherwise dispose of all or substantially all of its property and assets, including its good will, not in the usual and regular course of its business, ~~a~~ and grant a security interest in all or substantially all of the cooperatives property and assets whether or not in the usual and regular course of its business upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board considers expedient, when approved at a regular or special meeting of the members by the affirmative vote of the owners of a majority of the voting power of the interests entitled to vote. Written notice of the meeting must be given to all members whether or not they are entitled to vote at the meeting. The written notice must state that a purpose of the meeting is to consider the sale, lease, transfer, or other disposition of all or substantially all of the property and assets of the cooperative.

Sec. 244. Minnesota Statutes 2024, section 308C.721, subdivision 2, is amended to read:

Subd. 2. **Distribution of cash or other assets.** The bylaws or operating agreement shall prescribe the distribution of cash or other assets of the cooperative among the membership interests of the cooperative. If not otherwise provided in the bylaws, distribution shall be made to the occupant membership interests collectively and other members on the basis of the value of contributions to capital made and accepted by the cooperative, by the occupant membership interests collectively, and other membership interests. The distributions to occupant membership interests collectively shall not be less than 50 percent of the total distributions in any fiscal year, except that if authorized in the articles or bylaws adopted by the affirmative vote of the occupant members, or the articles or bylaws are amended by the affirmative vote of the occupant members, the distributions to ~~patron~~ occupant membership interests collectively shall not be less than 15 percent of the total distributions in any year.

Sec. 245. Minnesota Statutes 2024, section 308C.801, subdivision 2, is amended to read:

Subd. 2. **Plan.** To initiate a merger or consolidation of a cooperative, a written plan of merger or consolidation shall be prepared by the board or by a committee selected by the board to prepare a plan. The plan shall state:

(1) the names of the constituent domestic cooperatives, the name of any Minnesota limited liability company that is a party to the merger, to the extent authorized under sections 322C.1001 to 322C.1005 and 322C.1015, and any foreign business entities;

(2) the name of the surviving or new domestic cooperative, Minnesota limited liability company as required by section 322C.1002, or other foreign business entity;

(3) the manner and basis of converting membership or ownership interests of the constituent domestic cooperatives, the surviving Minnesota limited liability company as provided in section 322C.1002, or foreign business entities into membership or ownership interests in the surviving or new domestic cooperative, the surviving Minnesota limited liability company as authorized in section 322C.1002, or foreign business entity;

(4) the terms of the merger or consolidation;

(5) the proposed effect of the consolidation or merger on the members and ~~patron~~ occupant members of each constituent domestic cooperative; and

(6) for a consolidation, the plan shall contain the articles of the entity or organizational documents to be filed with the state in which the entity is organized or, if the surviving organization is a Minnesota limited liability company, the articles of organization.

Sec. 246. Minnesota Statutes 2024, section 319B.40, is amended to read:

**319B.40 PROFESSIONAL HEALTH SERVICES.**

(a) Individuals who furnish professional services pursuant to a license, registration, or certificate issued by the state of Minnesota to practice medicine pursuant to sections 147.01 to 147.22, as a physician assistant pursuant to sections 147A.01 to 147A.27, chiropractic pursuant to sections 148.01 to 148.106, registered nursing pursuant to sections 148.171 to 148.285, optometry pursuant to sections 148.52 to 148.62, psychology pursuant to sections 148.88 to 148.98, social work pursuant to chapter ~~148D~~ 148E, marriage and family therapy pursuant to sections 148B.29 to 148B.39, dentistry pursuant to sections 150A.01 to 150A.12, pharmacy pursuant to sections 151.01 to 151.40, or podiatric medicine pursuant to sections 153.01 to 153.26 are specifically authorized to practice any of these categories of services in combination if the individuals are organized under this chapter.

(b) This authorization does not authorize an individual to practice any profession, or furnish a professional service, for which the individual is not licensed, registered, or certified, but otherwise applies regardless of any contrary provision of a licensing statute or rules adopted pursuant to that statute, related to practicing and organizing in combination with other health services professionals.

Sec. 247. Minnesota Statutes 2024, section 325D.44, subdivision 1a, is amended to read:

Subd. 1a. **Advertisements, displays, or offers.** (a) A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person advertises, displays, or offers a price for goods or services that does not include all mandatory fees or surcharges. If the person that disseminates an advertisement is independent of the advertiser, the person is not liable for the content of the advertisement.

(b) For purposes of this subdivision, "mandatory fee" includes but is not limited to a fee or surcharge that:

(1) must be paid in order to purchase the goods or services being advertised;

(2) is not reasonably avoidable by the consumer; or

(3) a reasonable person would expect to be included in the purchase of the goods or services being advertised.

For the purposes of this subdivision, mandatory fee does not include taxes imposed by a government entity on the sale, use, purchase, receipt, or delivery of the goods or services.

(c) A delivery platform is compliant with this subdivision if the platform satisfies all of the following requirements:

(1) at the point when a consumer views and selects either a vendor or items for purchase, a delivery platform must display in a clear and conspicuous manner that an additional flat fee or percentage is charged. The disclosure must include the additional fee or percentage amount; and

(2) after a consumer selects items for purchase, but prior to checkout, a delivery platform must display a subtotal page that itemizes the price of the menu items and the additional fee that is included in the total cost.

(d) A person may charge a reasonable postage or shipping fee that is actually incurred by a consumer who has purchased a good that requires shipping.

(e) Nothing in this subdivision prevents a person from offering goods or services at a discounted price from the advertised, displayed, or offered price.

(f) A person offering goods or services in an auction where consumers can place bids on the goods or services and the total cost is indeterminable is compliant with this subdivision if the person discloses in a clear and conspicuous manner any mandatory fees associated with the transaction and that the total cost of the goods or services may vary.

(g) A person offering services where the total cost of a service is determined by consumer selections and preferences, or where the total cost of the service relates to distance or time, is compliant with this subdivision if the person discloses in a clear and conspicuous manner (1) the factors that determine the total price, (2) any mandatory fees associated with the transaction, and (3) that the total cost of the services may vary.

(h) A food or beverage service establishment, including a hotel, is compliant with this subdivision if, in every offer or advertisement for the purchase of a good or service that includes pricing information, the total price of the good or service being offered or advertised includes a clear and conspicuous disclosure of the percentage of any automatic and mandatory gratuities charged.

(i) A person is compliant with this subdivision if the person providing broadband Internet access service on its own or as part of a bundle is compliant with the broadband consumer label requirements under Code of Federal Regulations, title 47, section 8.1(a).

(j) A person is compliant with this subdivision if the person is compliant with the pricing requirements ~~under~~ adopted by the Federal Communications Commission in Report and Order FCC 24-29, pursuant to United States Code, title 47, section 552.

(k) This subdivision is enforceable unless preempted by federal law.

Sec. 248. Minnesota Statutes 2024, section 336.3-206, is amended to read:

**336.3-206 RESTRICTIVE ENDORSEMENT.**

(a) An endorsement limiting payment to a particular person or otherwise prohibiting further transfer or negotiation of the instrument is not effective to prevent further transfer or negotiation of the instrument.

(b) An endorsement stating a condition to the right of the endorsee to receive payment does not affect the right of the endorsee to enforce the instrument. A person paying the instrument or taking it for value or collection may disregard the condition, and the rights and liabilities of that person are not affected by whether the condition has been fulfilled.

(c) If an instrument bears an endorsement (i) described in section 336.4-201(b), or (ii) in blank or to a particular bank using the words "for deposit," "for collection," or other words indicating a purpose of having the instrument collected by a bank for the endorser or for a particular account, the following rules apply:

(1) A person, other than a bank, who purchases the instrument when so endorsed converts the instrument unless the amount paid for the instrument is received by the endorser or applied consistently with the endorsement.

(2) A depositary bank that purchases the instrument or takes it for collection when so endorsed converts the instrument unless the amount paid by the bank with respect to the instrument is received by the endorser or applied consistently with the endorsement.

(3) A payor bank that is also the depositary bank or that takes the instrument for immediate payment over the counter from a person other than a collecting bank converts the instrument unless the proceeds of the instrument are received by the endorser or applied consistently with the endorsement.

(4) Except as otherwise provided in paragraph (3), a payor bank or intermediary bank may disregard the endorsement and is not liable if the proceeds of the instrument are not received by the endorser or applied consistently with the endorsement.

(d) Except for an endorsement covered by subsection (c), if an instrument bears an endorsement using words to the effect that payment is to be made to the endorsee as agent, trustee, or other fiduciary for the benefit of the endorser or another person, the following rules apply:

(1) Unless there is notice of breach of fiduciary duty as provided in section 336.3-307, a person who purchases the instrument from the endorsee or takes the instrument from the endorsee for collection or payment may pay the proceeds of payment or the value given for the instrument to the endorsee without regard to whether the endorsee violates a fiduciary duty to the endorser.

(2) A subsequent transferee of the instrument or person who pays the instrument is neither given notice nor otherwise affected by the restriction in the endorsement unless the transferee or payor knows that the fiduciary dealt with the instrument or its proceeds in breach of fiduciary duty.

(e) The presence on an instrument of an endorsement to which this section applies does not prevent a purchaser of the instrument from becoming a holder in due course of the instrument unless the purchaser is a converter under subsection (c) or has notice or knowledge of breach of fiduciary duty as stated in subsection (d).

(f) In an action to enforce the obligation of a party to pay the instrument, the obligor has a defense if payment would violate an endorsement to which this section applies and the payment is not permitted by this section.

~~(g) Nothing in this section prohibits or limits the effectiveness of a restrictive endorsement made under section 256.9831, subdivision 3.~~

Sec. 249. Minnesota Statutes 2024, section 336.9-301, is amended to read:

**336.9-301 LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS.**

Except as otherwise provided in sections 336.9-303 through ~~336.306B~~ 336.9-306B, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

(1) Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

(3) Except as otherwise provided in paragraph (4), while negotiable tangible documents, goods, instruments, or tangible money is located in a jurisdiction, the local law of that jurisdiction governs:

(A) perfection of a security interest in the goods by filing a fixture filing;

(B) perfection of a security interest in timber to be cut; and

(C) the effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(4) The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

Sec. 250. Minnesota Statutes 2024, section 336.12-107, is amended to read:

**336.12-107 GOVERNING LAW.**

(a) **Governing law: general rule.** Except as provided in subsection (b), the local law of a controllable electronic record's jurisdiction governs a matter covered by this article.

(b) **Governing law: section 336.12-106.** For a controllable electronic record that evidences a controllable account or controllable payment intangible, the local law of the controllable electronic record's jurisdiction governs a matter covered by section 336.12-106 unless an effective agreement determines that the local law of another jurisdiction governs.

(c) **Controllable electronic record's jurisdiction.** The following rules determine a controllable electronic record's jurisdiction under this section:

(1) If the controllable electronic record, or a record attached to or logically associated with the controllable electronic record and readily available for review, expressly provides that a particular jurisdiction is the controllable electronic record's jurisdiction for purposes of this article or this chapter, that jurisdiction is the controllable electronic record's jurisdiction.

(2) If paragraph (1) does not apply and the rules of the system in which the controllable electronic record is recorded are readily available for review and expressly provide that a particular jurisdiction is the controllable electronic record's jurisdiction for purposes of this article or this chapter, that jurisdiction is the controllable electronic record's jurisdiction.

(3) If paragraphs (1) and (2) do not apply and the controllable electronic record, or a record attached to or logically associated with the controllable electronic record and readily available for review, expressly provides that the controllable electronic record is governed

by the law of a particular jurisdiction, that jurisdiction is the controllable electronic record's jurisdiction.

(4) If paragraphs (1), (2), and (3) do not apply and the rules of the system in which the controllable electronic record is recorded are readily available for review and expressly provide that the controllable electronic record or the system is governed by the law of a particular jurisdiction, that jurisdiction is the controllable electronic record's jurisdiction.

(5) If paragraphs (1) through (4) do not apply, the controllable electronic record's jurisdiction is the District of Columbia.

(d) **Applicability of Article 12.** If subsection (c)(5) applies and article 12 is not in effect in the District of Columbia without material modification, the governing law for a matter covered by this article is the law of the District of Columbia as though article 12 were in effect in the District of Columbia without material modification. In this subsection, "article 12" means article 12 of Uniform Commercial Code Amendments (2022).

(e) **Relation of matter or transaction to controllable electronic record's jurisdiction not necessary.** To the extent subsections (a) and (b) provide that the local law of the controllable electronic record's jurisdiction governs a matter covered by this article, that law governs even if the matter or a transaction to which the matter relates does not bear any relation to the controllable electronic record's jurisdiction.

(f) **Rights of purchasers determined at time of purchase.** The rights acquired under section ~~366.12-104~~ 336.12-104 by a purchaser or qualifying purchaser are governed by the law applicable under this section at the time of purchase.

Sec. 251. Minnesota Statutes 2024, section 352.91, subdivision 3c, is amended to read:

Subd. 3c. **Nursing personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility, in the state-operated forensic services program, or in the Minnesota Sex Offender Program that are specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner or executive board.

(b) The employment positions are as follows:

(1) registered nurse - senior;

(2) registered nurse;

(3) registered nurse - principal;

(4) licensed practical nurse;

(5) registered nurse ~~advance~~ advanced practice; and

(6) psychiatric ~~advance~~ advanced practice registered nurse.

Sec. 252. Minnesota Statutes 2024, section 353D.07, subdivision 2, is amended to read:

Subd. 2. **Payment of benefits.** (a) A participant is entitled to receive a distribution of the participant's benefit after termination of service for any reason, disability, or death, or on or after attaining age 65 if still employed by a public employer.

(b) Unless the distribution is required under section ~~353D.071~~ 356.635, no distribution shall be made unless the participant has submitted an application requesting:

(1) a distribution;

(2) a direct rollover;

(3) a transfer as permitted under subdivision 3, paragraph (b); or

(4) installments as permitted under subdivision 4.

If the distribution is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph (d), the executive director shall provide notice to the participant or beneficiary, as applicable, of the right to elect a direct rollover.

Sec. 253. Minnesota Statutes 2024, section 353G.01, subdivision 7b, is amended to read:

Subd. 7b. **Lump-sum division.** "Lump-sum division" means the division of the defined benefit plan ~~governed by section 353G.11~~ that distributes retirement benefits under section 353G.14, subdivision 1, in the form of a single lump sum.

Sec. 254. Minnesota Statutes 2024, section 353G.01, subdivision 8b, is amended to read:

Subd. 8b. **Monthly division.** "Monthly division" means the division of the defined benefit plan ~~governed by section 353G.112~~ that distributes retirement benefits under section 353G.14, subdivision 2, in the form of monthly payments.

Sec. 255. Minnesota Statutes 2024, section 353G.01, subdivision 10a, is amended to read:

Subd. 10a. **Retirement benefit plan document.** "Retirement benefit plan document," for an account in the monthly division, means the articles of incorporation and bylaws of the prior former firefighters relief association in effect on the day before the date on which

the retirement coverage transfer under section 353G.05 occurred or as provided in the most recent modification under section ~~353G.121~~ 353G.11.

Sec. 256. Minnesota Statutes 2024, section 353G.09, subdivision 1a, is amended to read:

Subd. 1a. **Retirement benefit.** (a) A volunteer firefighter who is entitled to a retirement benefit under subdivision 1 must receive a retirement benefit under paragraph (b), (c), or (d), as applicable.

(b) The retirement benefit of a member of the lump-sum division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the benefit level applicable to the member under section 353G.11, multiplied by the member's vested percentage under subdivision 2.

(c) The retirement benefit of a member of the monthly division is equal to the number of years of service credit certified under section 353G.07 for the member, multiplied by the benefit level applicable to the member under section ~~353G.112~~ 353G.11, multiplied by the member's vested percentage under subdivision 2.

(d) The retirement benefit of a member of the defined contribution plan is equal to the balance in the member's account in the plan as of the end of the month after the month in which the executive director receives the application for a distribution of the retirement benefit multiplied by the member's vested percentage under subdivision 2.

Sec. 257. Minnesota Statutes 2024, section 354B.31, subdivision 6, is amended to read:

Subd. 6. **Eligibility for credit.** Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section qualify for employee contributions to the retirement plan for part-time teaching service under subdivision 4. Notwithstanding section 179A.03, subdivision 14, paragraph (a), clauses ~~(e)~~ (5) and ~~(f)~~ (6), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, continue to be in the bargaining unit during the period of part-time employment under this section for purposes of compensation, fringe benefits, and the grievance procedure.

Sec. 258. Minnesota Statutes 2024, section 360.013, subdivision 36, is amended to read:

Subd. 36. **Air school.** "Air school" means any person engaged in giving, or offering to give, instruction in aeronautics, either in flying or ground subjects, or both, for or without hire or reward, and advertising, representing, or holding out as giving or offering to give

such instructions. It does not include any public school, the University of Minnesota, or any institution of higher learning accredited by the ~~North Central Association of Colleges and Secondary Schools~~ Higher Learning Commission and approved by it for carrying on collegiate work.

Sec. 259. Minnesota Statutes 2024, section 360.031, is amended to read:

**360.031 DEFINITION OF MUNICIPALITY.**

For the purposes of sections 360.031 to ~~360.045~~ 360.046, ~~(~~and except for section 360.042~~)~~, "municipality" means any county, city, town, or airport authority of this state.

Sec. 260. Minnesota Statutes 2024, section 360.032, subdivision 1a, is amended to read:

Subd. 1a. **Relocating airport property; reimbursement.** A municipality may exercise the powers set forth in this subdivision solely for the purpose of assisting the relocation of air navigation facilities, structures, and other property incidental to airport operations, which are located at an airport owned or formerly owned by the municipality.

A municipality may acquire air navigation facilities, structures, and other property incidental to airport operations, which are located at an airport owned or formerly owned by the municipality. In lieu of such acquisition, the municipality may move and relocate such property to another public airport. The manner of acquisition of such property shall be in accordance with subdivision 2. The municipality may expend its funds to pay for the costs of such acquisition, moving, and relocation. The commissioner may pay a portion of such acquisition, moving, and relocation costs in accordance with the provisions of section 360.305, subdivision 4, paragraph (b) ~~or (c)~~.

Sec. 261. Minnesota Statutes 2024, section 360.62, is amended to read:

**360.62 TAX REFUND.**

(a) Except as provided herein the tax upon any aircraft which has been paid for any year, shall be refunded only for errors made in computing the tax or fees or for the error on the part of an owner who may in error have registered an aircraft that was not before, nor at the time of such registration, nor at any time thereafter during the tax period, subject to such tax in this state; provided that after more than 24 months after such tax was paid no refund shall be made for any tax paid on any aircraft. Refunds as provided by sections 360.511 to 360.67 shall be made in the manner provided by ~~Laws 1947, chapter 416~~ section 16A.48. The former owner of a transferred aircraft by an assignment in writing endorsed upon the former owner's registration certificate and delivered to the commissioner within the time

provided herein may sell and assign to the new owner thereof the right to have the tax paid by the former owner accredited to such new owner who duly registers such aircraft. Any owner whose aircraft shall be destroyed or permanently removed from the state shall be entitled to a refund for the unused portion of the tax paid upon the aircraft so destroyed or removed from the state, such refund to be computed pro rata by the month, and to be equal to the monthly tax rate multiplied by the number of full calendar months remaining in the fiscal year.

(b) In order to secure such refund, the aircraft owner shall submit a signed statement that such aircraft has either been sold out of state or destroyed, the date of such sale or destruction, and such other information as the commissioner may require. Any false statement willfully and knowingly made in regard thereto shall be deemed a perjury and punished accordingly. No refund shall be made if application is not made within 12 months after the date the aircraft was sold out of state or destroyed.

Sec. 262. Minnesota Statutes 2024, section 360.654, is amended to read:

**360.654 AIRCRAFT DEALER'S COMMERCIAL USE PERMIT.**

Upon written application by a dealer licensed in accordance with section 360.63 and payment of a fee of $20 for each aircraft identified in the application, the commissioner of revenue shall issue a commercial use permit which shall entitle the dealer to use the aircraft for commercial purposes for a period of 12 months or until the aircraft is sold, whichever first occurs. The dealer shall pay the tax imposed by section 297A.63 on all consideration received for use of the aircraft for commercial purposes during the period the dealer holds the commercial use permit. Commercial purposes as used herein does not include rental or lease of the aircraft for which the aircraft dealers normally collect the sales tax from their customers. Applications shall be on forms prescribed and furnished by the commissioner of revenue and shall include the federal aircraft registration number of each aircraft for which a permit is to be issued. A permit shall be affixed to the dealer's license and shall be conspicuously displayed in the aircraft for which it was issued, which aircraft shall remain in the possession of or under the control of the licensed dealer to whom the permit was issued. The permit shall expire and the tax imposed by section 297A.62 or 297A.63 shall become due upon either sale of the aircraft by the dealer or expiration of the 12-month period. If the aircraft has not been sold within the 12-month period the tax is due on the purchase price of the aircraft and its auxiliary equipment to the dealer and the tax imposed by section 297A.62 shall become due on the eventual sale of the aircraft. ~~Laws 1971, chapter~~

~~740~~ This section and section 297A.82, subdivision 4, paragraph (c), shall in no way apply to registration or taxation pursuant to sections 360.511 to 360.67.

Sec. 263. Minnesota Statutes 2024, section 360.915, subdivision 1, is amended to read:

Subdivision 1. **Definition.** (a) For purposes of this section, "stand-alone meteorological tower" means a structure, whether self-standing or supported by guy wires and ground anchors, that:

(1) is designed with accessory facilities on which antenna, sensor, camera, meteorological, or other equipment is able to be mounted;

(2) has a height of at least 50 feet and not more than 200 feet; and

(3) has a diameter of ten feet or less at the aboveground base, excluding concrete footing.

(b) A stand-alone meteorological tower does not include a structure that is:

(1) affixed or adjacent to a building, including a house, barn, or utility station;

(2) an electric transmission or distribution line;

(3) a streetlight erected or maintained by a governmental entity;

(4) a wind energy conversion system, as defined in section ~~216F.01, subdivision 4~~ 216I.02, subdivision 20, that has rotor blades with a length of more than six feet;

(5) a facility registered with the Federal Communications Commission or any structure with the primary purpose of supporting telecommunications equipment, including microwave relay facilities and towers erected for the purpose of providing commercial mobile radio service or commercial mobile data service, as the terms are defined in Code of Federal Regulations, title 47, section 20.3; or

(6) a utility pole located in the public right-of-way.

Sec. 264. Minnesota Statutes 2024, section 393.07, subdivision 10, is amended to read:

Subd. 10. **SNAP; Maternal and Child Nutrition Act.** (a) The local social services agency shall establish and administer the Supplemental Nutrition Assistance Program (SNAP) according to rules of the commissioner of children, youth, and families, the supervision of the commissioner as specified in section ~~256.01~~ 142A.03, and all federal laws and regulations. The commissioner of children, youth, and families shall monitor SNAP delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number

of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate.

(b) On July 1 of each year, the commissioner of children, youth, and families shall determine a statewide and county-by-county SNAP participation rate. The commissioner may designate a different agency to administer the SNAP in a county if the agency administering the program fails to increase the SNAP participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the SNAP. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated section 256.98 or 609.821, or both, and is subject to both the criminal and civil penalties provided under those sections:

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willful statement or misrepresentation, or intentional concealment of a material fact, SNAP benefits or vouchers issued according to sections 145.891 to 145.897 to which the person is not entitled or in an amount greater than that to which that person is entitled or which specify nutritional supplements to which that person is not entitled; or

(2) presents or causes to be presented, coupons or vouchers issued according to sections 145.891 to 145.897 for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) willfully uses, possesses, or transfers SNAP benefits, authorization to purchase cards or vouchers issued according to sections 145.891 to 145.897 in any manner contrary to existing state or federal law, rules, or regulations; or

(4) buys or sells SNAP benefits, authorization to purchase cards, other assistance transaction devices, vouchers issued according to sections 145.891 to 145.897, or any food obtained through the redemption of vouchers issued according to sections 145.891 to 145.897 for cash or consideration other than eligible food.

(d) A peace officer or welfare fraud investigator may confiscate SNAP benefits, authorization to purchase cards, or other assistance transaction devices found in the possession of any person who is neither a recipient of SNAP benefits nor otherwise authorized

to possess and use such materials. Confiscated property shall be disposed of as the commissioner may direct and consistent with state and federal SNAP law. The confiscated property must be retained for a period of not less than 30 days to allow any affected person to appeal the confiscation under section 256.045.

(e) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error. Establishment of an overpayment is limited to six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(f) With regard to the federal tax revenue offset program only, recovery incentives authorized by the federal food and consumer service shall be retained at the rate of 50 percent by the state agency and 50 percent by the certifying county agency.

(g) A peace officer, welfare fraud investigator, federal law enforcement official, or the commissioner of health may confiscate vouchers found in the possession of any person who is neither issued vouchers under sections 145.891 to 145.897, nor otherwise authorized to possess and use such vouchers. Confiscated property shall be disposed of as the commissioner of health may direct and consistent with state and federal law. The confiscated property must be retained for a period of not less than 30 days.

(h) The commissioner of children, youth, and families may seek a waiver from the United States Department of Agriculture to allow the state to specify foods that may and may not be purchased in Minnesota with benefits funded by the federal Supplemental Nutrition Assistance Program. The commissioner shall consult with the members of the house of representatives and senate policy committees having jurisdiction over SNAP issues in developing the waiver. The commissioner, in consultation with the commissioners of health and education, shall develop a broad public health policy related to improved nutrition and health status. The commissioner must seek legislative approval prior to implementing the waiver.

Sec. 265. Minnesota Statutes 2024, section 403.36, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

(1) the commissioner of public safety;

(2) the commissioner of transportation;

(3) the state chief information officer;

(4) the commissioner of natural resources;

(5) the chief of the Minnesota State Patrol;

(6) the chair of the Metropolitan Council;

(7) two elected city officials, one from the ten-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;

(8) two elected county officials, one from the ten-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;

(9) two sheriffs, one from the ten-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

(10) two chiefs of police, one from the ten-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

(11) two fire chiefs, one from the ten-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota State Fire ~~Chiefs'~~ Chiefs Association;

(12) two representatives of emergency medical service providers, one from the ten-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(13) the chair of the Metropolitan Emergency Services Board; and

(14) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 266. Minnesota Statutes 2024, section 446A.073, subdivision 1, is amended to read:

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of $7,000,000 to governmental units to cover 80 percent of the cost of water infrastructure projects made necessary by:

(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph ~~(e)~~ (a), clause ~~(8)~~ (5), item (viii), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen concentration or mass limit that requires discharging ten milligrams per liter or less at permitted design flow.

Sec. 267. Minnesota Statutes 2024, section 446A.073, subdivision 2, is amended to read:

Subd. 2. **Grant application.** Application for a grant must be made to the authority on forms prescribed by the authority, including a project schedule and cost estimate for the work necessary to comply with the requirements listed in subdivision 1. The Pollution Control Agency shall review and certify to the authority those projects that have plans and specifications approved under section 115.03, subdivision 1, paragraph ~~(f)~~ (a), clause (6).

Sec. 268. Minnesota Statutes 2024, section 462A.051, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Project sponsor" means an individual, legal entity, or nonprofit board that exercises control, financial responsibility, and decision-making authority over a housing development.

(c) "Developer" means an individual, legal entity, or nonprofit board that is responsible for the coordination of financing and building of a housing development.

~~(c)~~ (d) "Funding" means all forms of financial assistance or the allocation or award of federal low-income housing tax credits.

Sec. 269. Minnesota Statutes 2024, section 462A.2096, is amended to read:

**462A.2096 ANNUAL PROJECTION OF EMERGENCY RENTAL ASSISTANCE NEEDS.**

The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and Tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family ~~homelessness~~ homeless prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.

Sec. 270. Minnesota Statutes 2024, section 469.002, subdivision 25, is amended to read:

Subd. 25. **Workforce housing project.** (a) "Workforce housing project" means any work or undertaking by an authority located in an eligible project area to develop market rate residential rental properties, as defined in section 462A.39, subdivision 2, paragraph (d), or single-family housing, as defined under section 462C.02, subdivision 4.

(b) For the purposes of this ~~paragraph~~ subdivision, "eligible project area" means an area that meets the criteria under section 462A.39, subdivisions 2, paragraph (b), and 4, paragraph (a).

Sec. 271. Minnesota Statutes 2024, section 469.53, is amended to read:

**469.53 REGIONAL EXCHANGE DISTRICT PUBLIC INFRASTRUCTURE PROJECTS.**

(a) The following projects shall be eligible for state appropriation support payments upon approval by the Duluth City Council. Costs may be reimbursed for eligible projects that begin construction prior to September 30, 2020, but in no case may the total state payment per project exceed the amount established in this section. Eligible costs for the projects in this paragraph may include expenditures as defined in section 469.54, subdivision 1, including but not limited to planning, acquisition, predesign, design, construction, site preparation, demolition costs, furnishing, and equipping. Eligible projects include:

(1) demolition and replacement of a skywalk connected to an existing medical district parking ramp in an amount not to exceed $2,100,000, including any land acquisition;

(2) a ramp with up to 1,400 new parking stalls to serve medical business entity west in an amount not to exceed $37,900,000, including any land acquisition;

(3) extension of 6th Avenue East from 2nd Street to 1st Street in an amount not to exceed $6,650,000, including any land acquisition;

(4) demolition of existing hospital structure for site reuse, to accomplish the purposes in section 469.51, subdivision 2, in an amount not to exceed $11,820,000;

(5) roadway, utility, and site improvements and capacity upgrades to support medical business entity west hospital construction in an amount not to exceed $13,950,000;

(6) district energy connections, capacity enhancement, a pressure pump station, and district energy utility improvements outside of the district reasonably necessary and advantageous to services developments within the district in an amount not to exceed $7,000,000;

(7) a ramp with up to 400 new parking stalls to serve medical business entity east in an amount not to exceed $14,000,000; and

(8) site improvements made upon private property and within the public realm, including retaining walls, public sidewalks, public stairs, and other related infrastructure, necessary to support medical business entity west hospital construction in an amount not less than $1,300,000 or in excess of $4,300,000.

(b) Upon notice to the commissioner of employment and economic development, any unexpended amount for the projects described in paragraph (a), clauses (1) to (4) and (8), that have been substantially completed may fund the project in paragraph (a), clause (5). The unexpended amounts applied to the project in paragraph (a), clause (5), shall be in addition to the amount specified for that project. The Duluth City Council must submit a written plan to the commissioner of employment and economic development to use unexpended funds in the manner under this paragraph.

(c) For any public infrastructure project that will not be let by the city for which state support is sought, the project must proceed and comply with any state and local contracting requirements otherwise applicable to the city had the city let the project. The city shall have the right to inspect, upon reasonable notice, the construction contracts and related documentation for any public infrastructure project for which state support is sought.

Sec. 272. Minnesota Statutes 2024, section 469.54, subdivision 3, is amended to read:

Subd. 3. **Appropriation support payments.** (a) Public financing for the construction of a parking structure for a medical business entity is not available until the commissioner determines that the medical business entity that would benefit from the parking structure to be financed has made at least $50,000,000 in qualified expenditures. The requirements of this paragraph apply to each medical business entity individually. Upon certification of the required amount by either medical business entity, public financing for the construction of parking structures benefiting that entity is available.

(b) No appropriation support payments shall be paid before July 1, 2021. The maximum appropriation support payment paid in fiscal year 2022 is $3,660,000. The maximum appropriation support payment in any subsequent fiscal year is limited to no more than $8,100,000, each subject to paragraph (e). The total amount of appropriation support payments made under this subdivision is limited to an amount sufficient to finance $97,720,000 of public infrastructure projects.

(c) The city must use the appropriation support payments it receives under this subdivision for public infrastructure projects, including the cost to finance such projects. The city must maintain appropriate records to document the use of the funds under this requirement.

(d) The commissioner must pay to the city the amount of appropriation support payments determined under this section for the year by September 1.

(e) In lieu of directly receiving the appropriation support payments, the city may elect to have the state issue appropriation bonds as provided in section 16A.968 to finance up to $97,720,000 of public infrastructure projects. In the event the state issues appropriation bonds for these purposes, the amount of appropriation support payments in any year is reduced by an amount equal to the amount needed from the general fund under section 16A.968, subdivision 8.

Sec. 273. Minnesota Statutes 2024, section 473.4465, subdivision 3, is amended to read:

Subd. 3. **Use of funds; active transportation.** (a) Sales tax revenue allocated to the Transportation Advisory Board under subdivision 2, paragraph (a), clause (1), is for grants to support active transportation within the metropolitan area.

(b) The Transportation Advisory Board must establish eligibility requirements and a selection process to provide the grant awards. The process must include: solicitation; evaluation and prioritization, including technical review, scoring, and ranking; project selection; and award of funds. To the extent practicable and subject to paragraph (c), the

process must align with procedures and requirements established for allocation of other sources of funds.

(c) The selection process must include criteria and prioritization of projects based on:

(1) the project's inclusion in a municipal or regional nonmotorized transportation system plan;

(2) the extent to which policies or practices of the political subdivision encourage and promote complete streets planning, design, and construction;

(3) the extent to which the project supports connections between communities and to key destinations within a community;

(4) identified barriers or deficiencies in the nonmotorized transportation system;

(5) identified safety or health benefits;

(6) geographic equity in project benefits, with an emphasis on communities that are historically and currently underrepresented in local or regional planning; and

(7) the ability of a grantee to maintain the active transportation infrastructure following project completion.

Sec. 274. Minnesota Statutes 2024, section 473J.23, is amended to read:

**473J.23 LOCAL TAXES.**

No new or additional local sales or use tax shall be imposed on sales at the stadium site unless the tax is applicable throughout the taxing jurisdiction. ~~Except for a tax imposed under section 16A.727,~~ No new or additional local tax shall be imposed on sales of tickets and admissions to NFL team, NFL team-owned major league soccer, or other team-related events at the stadium, notwithstanding any law or ordinance, unless the tax is applicable throughout the taxing jurisdiction. The admissions and amusements tax currently imposed by the city of Minneapolis pursuant to Laws 1967, extra session chapter 34, section 2, as amended by Laws 1969, chapter 1092, may apply to admissions for football and NFL team-related events, including NFL team-owned major league soccer, as provided in section 473J.15, subdivision 15, at the stadium.

Sec. 275. Minnesota Statutes 2024, section 477A.0126, subdivision 3a, is amended to read:

Subd. 3a. **Transfer of withheld aid amounts.** (a) For aid payable in 2023 and later, the commissioner of revenue must transfer the total amount of the aid reductions under

subdivision 3, paragraph (d), for that year to the Board of Regents of the University of Minnesota for the Tribal and Training Certification Partnership in the College of Education and Human Service Professions at the University of Minnesota, Duluth.

(b) In order to support consistent training and county compliance with the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, the Tribal Training and Certification Partnership must use funds transferred under this subdivision to (1) enhance training on the Indian Child Welfare Act and Minnesota Indian Family Preservation Act for county workers and state guardians ad litem, and (2) build indigenous child welfare training for the Tribal child welfare workforce.

Sec. 276. Minnesota Statutes 2024, section 477A.013, subdivision 14, is amended to read:

Subd. 14. **Communication by electronic mail.** Prior to receiving aid pursuant to this section, a city must register an official electronic mail address with the commissioner of revenue, which the commissioner may use as an exclusive means to communicate with the city.

Sec. 277. Minnesota Statutes 2024, section 477A.0175, subdivision 1, is amended to read:

Subdivision 1. **Penalty for operating an unauthorized diversion program.** Notwithstanding any other law to the contrary, a county or city that operated a pretrial diversion program that a court determines was not authorized under section 169.999 or another statute or law must have its aid under sections 477A.011 to 477A.03 reduced by the amount of fees paid by participants into the program for the years in which the program operated. A court shall report any order that enjoins a county or city from operating a pretrial diversion program to the state auditor as required under subdivision 2. The state auditor shall determine the amount of fees collected under the diversion program and notify the commissioner of revenue of the amount. The commissioner shall reduce the county program aid paid to a county or the local government aid paid to a city by this amount beginning with the first aid payment made after receiving notice of the reduction amount. No aid payment may be less than zero but the amount of the reduction that cannot be made out of that payment shall be applied to future payments until the total amount has been deducted.

Sec. 278. Minnesota Statutes 2024, section 477A.24, subdivision 2, is amended to read:

Subd. 2. **Required notification.** Notwithstanding the requirements of Minnesota Rules, chapter 8100, a public utility must notify the commissioner when the public utility expects to retire an electric generating unit and remove that unit from the property tax base. The

notification must be in the form and manner determined by the commissioner of revenue, include information required by the commissioner to calculate transition aid under this section, and be filed together with the reports required under section 273.371.

Sec. 279. Minnesota Statutes 2024, section 518A.60, is amended to read:

**518A.60 COLLECTION; ARREARS ONLY.**

(a) Remedies available for the collection and enforcement of support in this chapter and chapters 142A, 256, 257, 518, and 518C also apply to cases in which the child or children for whom support is owed are emancipated and the obligor owes past support or has an accumulated arrearage as of the date of the youngest child's emancipation. Child support arrearages under this section include arrearages for child support, medical support, child care, pregnancy and birth expenses, and unreimbursed medical expenses as defined in section 518A.41, subdivision 1, paragraph ~~(h)~~ (g).

(b) This section applies retroactively to any support arrearage that accrued on or before June 3, 1997, and to all arrearages accruing after June 3, 1997.

(c) Past support or pregnancy and confinement expenses ordered for which the obligor has specific court ordered terms for repayment may not be enforced using drivers' and occupational or professional license suspension and credit bureau reporting, unless the obligor fails to comply with the terms of the court order for repayment.

(d) If an arrearage exists at the time a support order would otherwise terminate and section 518A.53, subdivision 10, paragraph (c), does not apply to this section, the arrearage shall be repaid in an amount equal to the current support order until all arrears have been paid in full, absent a court order to the contrary.

(e) If an arrearage exists according to a support order which fails to establish a monthly support obligation in a specific dollar amount, the public authority, if it provides child support services, or the obligee, may establish a payment agreement which shall equal what the obligor would pay for current support after application of section 518A.34, plus an additional 20 percent of the current support obligation, until all arrears have been paid in full. If the obligor fails to enter into or comply with a payment agreement, the public authority, if it provides child support services, or the obligee, may move the district court or child support magistrate, if section 484.702 applies, for an order establishing repayment terms.

(f) If there is no longer a current support order because all of the children of the order are emancipated, the public authority may discontinue child support services and close its case under title IV-D of the Social Security Act if:

(1) the arrearage is under $500; or

(2) the arrearage is considered unenforceable by the public authority because there have been no collections for three years, and all administrative and legal remedies have been attempted or are determined by the public authority to be ineffective because the obligor is unable to pay, the obligor has no known income or assets, and there is no reasonable prospect that the obligor will be able to pay in the foreseeable future.

(g) At least 60 calendar days before the discontinuation of services under paragraph (f), the public authority must mail a written notice to the obligee and obligor at the obligee's and obligor's last known addresses that the public authority intends to close the child support enforcement case and explaining each party's rights. Seven calendar days after the first notice is mailed, the public authority must mail a second notice under this paragraph to the obligee.

(h) The case must be kept open if the obligee responds before case closure and provides information that could reasonably lead to collection of arrears. If the case is closed, the obligee may later request that the case be reopened by completing a new application for services, if there is a change in circumstances that could reasonably lead to the collection of arrears.

Sec. 280. Minnesota Statutes 2024, section 518A.81, subdivision 8, is amended to read:

Subd. 8. **Refusal to cooperate with support requirements.** (a) Failure by a caregiver to satisfy any of the requirements of subdivision 5 constitutes refusal to cooperate, and the sanctions under paragraph (b) apply. The IV-D agency must determine whether a caregiver has refused to cooperate according to subdivision 5.

(b) Determination by the IV-D agency that a caregiver has refused to cooperate has the following effects:

(1) a caregiver is subject to the applicable sanctions under section ~~256J.46~~ 142G.70;

(2) a caregiver who is not a parent of a minor child in an assistance unit may choose to remove the child from the assistance unit unless the child is required to be in the assistance unit; and

(3) a parental caregiver who refuses to cooperate is ineligible for medical assistance.

Sec. 281. Minnesota Statutes 2024, section 518A.82, subdivision 1, is amended to read:

Subdivision 1. **Actions against parents for assistance furnished.** A parent of a child is liable for the amount of public assistance, as defined in section ~~256.741~~ 518A.81, furnished to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the ability to pay. Ability to pay must be determined according to this chapter. The parent's liability is limited to the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county or in the name of the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 282. Minnesota Statutes 2024, section 518A.82, subdivision 1a, is amended to read:

Subd. 1a. **Continuing support contributions.** In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing support contributions by a parent found able to reimburse the county or state agency. The order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and thereafter. The order shall require support according to this chapter and include the names and Social Security numbers of the father, mother, and the child or children. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any county or state agency that public assistance, as defined in section ~~256.741~~ 518A.81, is again being provided for the child of the parent. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 283. Minnesota Statutes 2024, section 518A.82, subdivision 3, is amended to read:

Subd. 3. **Continuing contributions to former recipient.** The order for continuing support contributions shall remain in effect following the period after public assistance, as defined in section ~~256.741~~ 518A.81, granted is terminated unless the former recipient files an affidavit with the court requesting termination of the order.

Sec. 284. Minnesota Statutes 2024, section 518A.82, subdivision 5, is amended to read:

Subd. 5. **Child not receiving assistance.** A person or entity having physical custody of a dependent child not receiving public assistance as defined in section ~~256.741~~ 518A.81 has a cause of action for child support against the child's noncustodial parents. Upon a motion served on the noncustodial parent, the court shall order child support payments, including medical support and child care support, from the noncustodial parent under this chapter. A noncustodial parent's liability may include up to the two years immediately preceding the commencement of the action. This subdivision applies only if the person or entity has physical custody with the consent of a custodial parent or approval of the court.

Sec. 285. Minnesota Statutes 2024, section 518B.01, subdivision 4, is amended to read:

Subd. 4. **Order for protection.** There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or by a family or household member, a guardian as defined in section 524.1-201, clause ~~(27)~~ (28), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older on behalf of minor family or household members. A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, or a person with whom the minor has a child in common, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether the petitioner has ever had an order for protection in effect against the respondent.

(d) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The court administrator shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing

order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(e) A petition for relief must state whether the petitioner has any minor children and, if so, must provide the name of any custodian of the minor children and must identify the location or residence of the custodian. If any custodian is a program participant as defined in section 5B.02, paragraph (g), the location or residence of the custodian is the address designated by the secretary of state as the address of the program participant. A petition must not be rejected or denied for failure to identify any custodian.

(f) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(g) The court shall advise a petitioner under paragraph (f) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

(h) The court shall advise a petitioner under paragraph (f) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

(i) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

(j) The court shall advise the petitioner of the right to request a hearing under subdivision 7, paragraph (c). If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner and the custodian of any of the petitioner's minor children by mail at least five days before the hearing.

(k) The court shall advise the petitioner of the right to request supervised parenting time, as provided in section 518.175, subdivision 1a.

Sec. 286. Minnesota Statutes 2024, section 576.22, is amended to read:

**576.22 APPLICABILITY OF CHAPTER AND OF COMMON LAW.**

(a) This chapter applies to receiverships provided for in section 576.25, subdivisions 2 to 6, and to receiverships:

(1) pursuant to section 193.147, in connection with a mortgage on an armory;

~~(2) pursuant to section 223.17, subdivision 8, paragraph (b), in connection with a defaulting grain buyer;~~

~~(3) pursuant to section 232.22, subdivision 7, paragraph (c), in connection with a defaulting public grain warehouse;~~

~~(4)~~ (2) pursuant to section 296A.22, in connection with nonpayment of tax;

~~(5)~~ (3) pursuant to sections 302A.751, 302A.753, 308A.941, 308A.945, 308B.931, 308B.935, 317A.751, and 317A.753, or in an action relating to the dissolution of a foreign entity with property within the state;

~~(6)~~ (4) pursuant to section 321.0703, in connection with the rights of a creditor of a partner or transferee;

~~(7)~~ (5) pursuant to section 322.22, in connection with the rights of creditors of limited partners;

~~(8)~~ (6) pursuant to section 323A.0504, in connection with a partner's transferable interest;

~~(9)~~ (7) pursuant to section 453.55, in connection with bonds and notes;

~~(10)~~ (8) pursuant to section 453A.05, in connection with bonds and notes;

~~(11)~~ (9) pursuant to section 513.47, in connection with a proceeding for relief with respect to a transfer fraudulent as to a creditor or creditors;

~~(12)~~ (10) pursuant to section 514.06, in connection with the severance of a building and resale;

~~(13)~~ (11) pursuant to section 515.23, in connection with an action by a unit owners' association to foreclose a lien for nonpayment of delinquent assessments against condominium units;

~~(14)~~ (12) pursuant to section 518A.71, in connection with the failure to pay, or to provide security for, maintenance or support payments;

~~(15)~~ (13) pursuant to section 559.17, in connection with assignments of rents; however, any receiver appointed under section 559.17 shall be a limited receiver, and the court shall apply the provisions of this chapter to the extent not inconsistent with section 559.17;

~~(16)~~ (14) pursuant to section 571.84, in connection with a garnishee in possession of property subject to a garnishment proceeding;

~~(17)~~ (15) pursuant to section 575.05, in connection with property applied to judgment;

~~(18)~~ (16) pursuant to section 575.06, in connection with adverse claimants;

~~(19)~~ (17) pursuant to sections 582.05 to 582.10, in connection with mortgage foreclosures; however, any receiver appointed under sections 582.05 to 582.10 shall be a limited receiver, and the court shall apply the provisions of this chapter to the extent not inconsistent with sections 582.05 to 582.10;

~~(20)~~ (18) pursuant to section 609.904, in connection with criminal penalties; or

~~(21)~~ (19) pursuant to section 609.907, in connection with preservation of property subject to forfeiture.

(b) This chapter does not apply to any receivership in which the receiver is a state agency or in which the receiver is appointed, controlled, or regulated by a state agency unless otherwise provided by law.

(c) In receiverships not specifically referenced in paragraph (a) or (b), the court, in its discretion, may apply provisions of this chapter to the extent not inconsistent with the statutes establishing the receiverships.

(d) Unless explicitly displaced by this chapter, the provisions of other statutory law and the principles of common law remain in full force and effect and supplement the provisions of this chapter.

Sec. 287. Minnesota Statutes 2024, section 582.17, is amended to read:

**582.17 OLD ACTIONS PENDING.**

Nothing contained in sections ~~582.14~~ 582.15 to 582.18 shall apply to any action or proceeding pending at the time of the passage of Laws 1945, chapter 363, or commenced prior to January 1, 1946.

Sec. 288. Minnesota Statutes 2024, section 582.18, is amended to read:

**582.18 CONSTRUCTION.**

Sections ~~582.14~~ 582.15 to 582.18 shall be liberally construed for the purpose of ascertaining marketability of title as between vendors and purchasers.

Sec. 289. **[645.435] APPROPRIATIONS GIVEN EFFECT ONCE.**

If the same appropriation or transfer is enacted more than once in a legislative session, the appropriation or transfer must be given effect only once.

Sec. 290. Laws 2023, chapter 57, article 2, section 66, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

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

Sec. 291. Laws 2024, chapter 115, article 4, section 3, is amended to read:

Sec. 3. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. **Permanent school fund supplemental aid.** (a) For permanent school fund supplemental aid to American Indian schools as defined under Minnesota Statutes, section ~~124D.73~~ 124D.83:

$ 40,000 ..... 2025

(b) For fiscal year 2025 only, the permanent school fund supplemental aid for an American Indian school equals the product of:

(1) the amount appropriated under paragraph (a); and

(2) the ratio of (i) the fiscal year 2024 average daily membership served of the American Indian school, to (ii) the total fiscal year 2024 average daily membership served of all American Indian schools in the state.

(c) Aid under this subdivision must be paid 100 percent in the current year on a schedule determined by the commissioner.

(d) This is a onetime appropriation.

Sec. 292. Laws 2024, chapter 115, article 11, section 6, is amended to read:

Sec. 6. **DIRECTION TO THE COMMISSIONER OF EDUCATION; ADJUSTING VOLUNTARY PREKINDERGARTEN PARTICIPATION LIMITS.**

The commissioner of education must retroactively adjust the voluntary prekindergarten and school readiness plus seat allocation under Minnesota Statutes 2023 Supplement, section 124D.151, subdivision 5a, for fiscal year 2025 to match the participation limit under

Minnesota Statutes 2023 Supplement, section ~~124D.141~~ 124D.151, subdivision 6, for fiscal year 2025. The commissioner of education, in consultation with the Department of Children, Youth, and Families Implementation Office, must finish allocating the new seats for fiscal year 2025 by June 17, 2024, and must notify qualifying school districts and charter schools about the new seats by July 1, 2024.

Sec. 293. Laws 2024, chapter 120, article 1, section 15, is amended to read:

Sec. 15. **CANCELLATIONS.**

(a) Notwithstanding Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), if the Bureau International des Expositions does not approve the Expo 2027 project, the money appropriated in Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), cancels to the general fund.

(b) The unencumbered balance of the appropriation to the commissioner of employment and economic development for the workforce housing grant program in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2, paragraph (l), is canceled to the general fund.

Sec. 294. **REPEALER.**

Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2024, section 13.465, subdivision 3, is repealed.

Subd. 2. **Obsolete subdivision.** Minnesota Statutes 2024, section 41B.0391, subdivision 6, is repealed.

Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2024, section 115A.1441, subdivision 38, is repealed.

Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2024, section 127A.50, subdivision 3, is repealed.

Subd. 5. **Obsolete subdivision.** Minnesota Statutes 2024, section 148E.130, subdivision 1a, is repealed.

Subd. 6. **Obsolete section.** Minnesota Statutes 2024, section 245.4902, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2024, section 245C.11, subdivision 4, is repealed.

Subd. 8. **Obsolete subdivision.** Minnesota Statutes 2024, section 275.71, subdivision 5, is repealed.

Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2024, section 469.177, subdivision 1e, is repealed.

Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2024, section 473.4465, subdivision 5, is repealed.

Subd. 11. **Obsolete subdivision.** Minnesota Statutes 2024, section 473J.09, subdivision 14, is repealed.

Subd. 12. **Obsolete section.** Minnesota Statutes 2024, section 473J.14, is repealed.

Subd. 13. **Conflict resolution.** Laws 2024, chapter 115, article 12, section 5, is repealed.

Subd. 14. **Conflict resolution.** Laws 2024, chapter 120, article 3, section 3, is repealed.

**13.465 FAMILY AND DOMESTIC RELATIONS DATA CODED ELSEWHERE.**

Subd. 3. **Records of artificial insemination.** Access to records held by a court or other agency concerning artificial insemination performed on a married woman with her spouse's consent is governed by section 257.56, subdivision 1.

**41B.0391 BEGINNING FARMER PROGRAM; TAX CREDITS.**

Subd. 6. **Report to legislature.** (a) No later than February 1, 2024, the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in tax years beginning after December 31, 2017, and before January 1, 2024.

(b) The report must include background information on beginning farmers in Minnesota and any other information the commissioner and authority find relevant to evaluating the effect of the credits on increasing opportunities for and the number of beginning farmers.

(c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report must include:

(1) the number and amount of credits issued under each clause;

(2) the geographic distribution of credits issued under each clause;

(3) the type of agricultural assets for which credits were issued under clause (1);

(4) the number and geographic distribution of beginning farmers whose purchase or rental of assets resulted in credits for the seller or owner of the asset;

(5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

(6) data on the number of beginning farmers by geographic region in calendar years 2017 through 2023, including:

(i) the number of beginning farmers by race and ethnicity, as those terms are applied in the 2020 United States Census; and

(ii) to the extent available, the number of beginning farmers who are emerging farmers; and

(7) the number and amount of credit applications that exceeded the allocation available in each year.

(d) For credits issued under subdivision 3, the report must include:

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

(3) a listing and description of each approved financial management program for which credits were issued; and

(4) a description of the approval procedure for financial management programs not on the list maintained by the authority, as provided in subdivision 3, paragraph (a).

**115A.1441 DEFINITIONS.**

Subd. 38. **This act.** "This act" means sections 115A.144 to 115A.1463.

**127A.50 AID ADJUSTMENTS DUE TO CHANGES IN EMPLOYER RETIREMENT CONTRIBUTION RATES.**

Subd. 3. **Limits on adjustments and potential reductions.** Increases to any school districts under subdivision 1, clause (2), and decreases under subdivision 1, clauses (1) and (3), are limited to the fiscal year 1999 amounts. The commissioner of education may permanently reduce the adjustments to school districts under subdivision 1, clauses (1) and (2), in the same manner as prescribed for nonschool jurisdictions under section 273.1385, subdivision 2. The commissioner may, from time to time, require that the most recent fiscal year payroll information be certified by the executive director of the Teachers Retirement Association. For any school district where the newly certified Teachers Retirement Association payroll is significantly lower than the fiscal 1997 amount as determined by the commissioner, the commissioner shall recalculate the lower reduction

under subdivision 1, clause (3), and shall permanently reduce the adjustment amount in subsequent years.

**148E.130 CONTINUING EDUCATION REQUIREMENTS FOR LICENSEES.**

Subd. 1a. **Increased clock hours required effective August 1, 2011.** (a) Notwithstanding the requirements in subdivision 8, the clock hours specified in subdivision 1 apply to all new licenses issued effective August 1, 2011, under section 148E.055.

(b) Any licensee issued a license prior to August 1, 2011, under Minnesota Statutes 2010, section 148D.055, must comply with the increased clock hours in subdivision 1 and must document the clock hours at the first two-year renewal term after August 1, 2011.

**245.4902 CULTURALLY INFORMED AND CULTURALLY RESPONSIVE MENTAL HEALTH TASK FORCE.**

Subdivision 1. **Establishment; duties.** The Culturally Informed and Culturally Responsive Mental Health Task Force is established to evaluate and make recommendations on improving the provision of culturally informed and culturally responsive mental health services throughout Minnesota. The task force must make recommendations on:

(1) recruiting mental health providers from diverse racial and ethnic communities;

(2) training all mental health providers on cultural competency and cultural humility;

(3) assessing the extent to which mental health provider organizations embrace diversity and demonstrate proficiency in culturally competent mental health treatment and services; and

(4) increasing the number of mental health organizations owned, managed, or led by individuals who are Black, indigenous, or people of color.

Subd. 2. **Membership.** (a) The task force must consist of the following 16 members:

(1) the commissioner of human services or the commissioner's designee;

(2) one representative from the Board of Psychology;

(3) one representative from the Board of Marriage and Family Therapy;

(4) one representative from the Board of Behavioral Health and Therapy;

(5) one representative from the Board of Social Work;

(6) three members representing undergraduate- and graduate-level mental health professional education programs, one appointed by the governor, one appointed by the speaker of the house of representatives, and one appointed by the senate majority leader;

(7) three mental health providers who are members of communities of color or underrepresented communities, as defined in section 148E.010, subdivision 20, one appointed by the governor, one appointed by the speaker of the house of representatives, and one appointed by the senate majority leader;

(8) two members representing mental health advocacy organizations, appointed by the governor;

(9) two mental health providers, appointed by the governor; and

(10) one expert in providing training and education in cultural competency and cultural responsiveness, appointed by the governor.

(b) Appointments to the task force must be made no later than June 1, 2022.

(c) Member compensation and reimbursement for expenses are governed by section 15.059, subdivision 3.

Subd. 3. **Chairs; meetings.** The members of the task force must elect two cochairs of the task force no earlier than July 1, 2022, and the cochairs must convene the first meeting of the task force no later than August 15, 2022. The task force must meet upon the call of the cochairs, sufficiently often to accomplish the duties identified in this section. The task force is subject to the open meeting law under chapter 13D.

Subd. 4. **Administrative support.** The Department of Human Services must provide administrative support and meeting space for the task force.

Subd. 5. **Reports.** No later than January 1, 2023, and by January 1 of each year thereafter, the task force must submit a written report to the members of the legislative committees with jurisdiction over health and human services on the recommendations developed under subdivision 1.

Subd. 6. **Expiration.** The task force expires on January 1, 2025.

**245C.11 BACKGROUND STUDY; COUNTY AGENCIES.**

Subd. 4. **Background study.** A county agency may accept a background study completed by the commissioner under this chapter in place of the background study required under section 245A.16, subdivision 3, for educational programs that train individuals by providing direct contact services in licensed programs.

**275.71 LEVY LIMITS.**

Subd. 5. **Property tax levy limit.** (a) For taxes levied in 2008 through 2010, the property tax levy limit for a local governmental unit is equal to its adjusted levy limit base determined under subdivision 4 plus any additional levy authorized under section 275.73, which is levied against net tax capacity, reduced by the sum of (i) the total amount of aids and reimbursements that the local governmental unit is certified to receive under sections 477A.011 to 477A.014, (ii) taconite aids under sections 298.28 and 298.282 including any aid which was required to be placed in a special fund for expenditure in the next succeeding year, (iii) estimated payments to the local governmental unit under section 272.029, adjusted for any error in estimation in the preceding year, and (iv) aids under section 477A.16.

(b) If an aid, payment, or other amount used in paragraph (a) to reduce a local government unit's levy limit is reduced by an unallotment under section 16A.152, the amount of the aid, payment, or other amount prior to the unallotment is used in the computations in paragraph (a). In order for a local government unit to levy outside of its limit to offset the reduction in revenues attributable to an unallotment, it must do so under, and to the extent authorized by, a special levy authorization.

**469.177 COMPUTATION OF TAX INCREMENT.**

Subd. 1e. **Adjustments; qualifying districts.** (a) For any tax increment financing district that satisfies the requirements of paragraph (b), the original net tax capacity must be reduced by the full amount of the original net tax capacity or $20,000, whichever is less.

(b) A tax increment financing district qualifies under this subdivision if it satisfies the following conditions:

(1) the district was certified after January 1, 2011, and before January 1, 2012;

(2) for assessment year 2012, at least 75 percent of the tax capacity of the district is class 4d property; and

(3) for assessment year 2012, the average estimated market value is over $115,000 per housing unit for the portion of the property that is class 4d.

(c) An authority or a property owner within a tax increment financing district must notify the county assessor of a district that qualifies under this subdivision by July 1, 2013.

(d) This subdivision expires on December 31, 2021.

**473.4465 REGIONAL TRANSPORTATION SALES AND USE TAX USES.**

Subd. 5. **Prohibition.** (a) The council is prohibited from expending sales tax revenue on the Southwest light rail transit (Green Line Extension) project.

(b) Paragraph (a) expires on the date of expiration of the Metropolitan Governance Task Force as specified under Laws 2023, chapter 68, article 4, section 123, subdivision 11.

**473J.09 POWERS, DUTIES OF THE AUTHORITY.**

Subd. 14. **Study; raffle.** The authority shall study the feasibility of conducting a raffle for chances to win a pair or other limited numbers of prime seats (such as lower deck, 50 yard line seats) in the stadium for professional football games for the duration of the lease or use agreement. In conducting the study, the authority must consult with the NFL team. If the authority determines that conducting the raffle is financially feasible, the authority in cooperation with the director of the Gambling Control Board shall conduct the raffle. The proceeds of the raffle must be transmitted to the commissioner of revenue for deposit in the general fund and are appropriated to the

commissioner of management and budget for prepayment of principal and interest on appropriation bonds under section 16A.965.

**473J.14 SUITES TAX.**

(a) Upon notification by the commissioner of management and budget under section 16A.727, the authority shall by resolution impose and maintain a ten percent tax on the gross receipts received for the rental of suites, sky boxes, and similar in the NFL stadium.

(b) The tax must be imposed in the years specified by the commissioner of management and budget. The suites rental tax under paragraph (a) applies to the gross receipts, as defined under section 297A.61, received by the seller, as defined in section 297A.61, and is a debt owed by the seller to the authority. A tax imposed under this section is recoverable at law by the authority from the seller in the same manner as other debts. Every person granting, selling, or renting suites, sky boxes, or similar may be required, as provided in resolutions of the authority, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay the penalties for nonpayment and interest on late payments, as the authority deems necessary or expedient to assure the prompt and uniform collection of the tax.

(c) The authority shall remit the proceeds of a tax imposed under this section to the commissioner of management and budget for deposit in the state's general fund.

***Laws 2024, chapter 115, article 12, section 5***

Sec. 5. Minnesota Statutes 2023 Supplement, section 260.762, subdivision 2, is amended to read:

Subd. 2. **Requirements for child-placing agencies and individual petitioners.** A child-placing agency or individual petitioner shall:

(1) work with the Indian child's Tribe and family to develop an alternative plan to out-of-home placement;

(2) before making a decision that may affect an Indian child's safety and well-being or when contemplating out-of-home placement of an Indian child, seek guidance from the Indian child's Tribe on family structure, how the family can seek help, what family and Tribal resources are available, and what barriers the family faces at that time that could threaten its preservation; ~~and~~

(3) request participation of the Indian child's Tribe at the earliest possible time and request the Tribe's active participation throughout the case~~.~~; and

(4) notify the Indian child's Tribe or Tribes by telephone and by email or facsimile immediately but no later than 24 hours after receiving information on a missing child as defined under section 260C.212, subdivision 13, paragraph (a).

***Laws 2024, chapter 120, article 3, section 3***

Sec. 3. Minnesota Statutes 2022, section 326.10, subdivision 8, is amended to read:

Subd. 8. **Expiration and renewal.** (a) All licenses and certificates, other than in-training certificates, issued by the board expire at midnight on June 30 of each even-numbered calendar year if not renewed. A holder of a license or certificate issued by the board may renew it by completing and filing with the board an application for renewal consisting of a fully completed form provided by the board and the fee specified in section 326.105. Both the fee and the application must be submitted at the same time and by June 30 of each even-numbered calendar year. The form must be signed by the applicant, contain all of the information requested, and clearly show that the licensee or certificate holder has completed the minimum number of required professional development hours or has been granted an exemption under section 326.107, subdivision 4. An application for renewal that does not comply with the requirements of this subdivision is an incomplete application and must not be accepted by the board.

(b) No later than 30 days before the expiration of a license or certificate, the board must send the holder of the license or certificate a notice by email that the license or certificate is about to expire. The notice must include information on the process and requirements for renewal. The application form for a new or renewed license or certificate issued by the board must request that the applicant provide an email address for the purpose of providing this notice. If the board does not have a record of a license or certificate holder's email address, the board must send the notice to the holder by standard mail.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to licenses and renewals scheduled to expire on or after that date.

Senator Westrom moved that the name of Senator Weber be added as a co-author to S.F. No. 2849. The motion prevailed.

Senator Frentz moved that the name of Senator Pratt be added as a co-author to S.F. No. 3152. The motion prevailed.

**Senators Miller, Mohamed, Jasinski, and Rarick introduced --**

**Senate Resolution No. 37:** A Senate resolution reaffirming its commitment to the strengthening and deepening of the sister ties between the State of Minnesota and Taiwan; reaffirming its support for the Taiwan Relations Act by urging all enterprises in Minnesota to refer to Taiwan as Taiwan; supporting Taiwan's signing of a Bilateral Trade Agreement, the Avoidance of Double Taxation Agreement, and the Indo-Pacific Economic Framework for Prosperity with the United States; and reiterating continued support for increasing Taiwan's international profile.

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 3022, 2551, and 286.

## SPECIAL ORDER

**H.F. No. 3022:** A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; making style and form changes; amending Minnesota Statutes 2024, sections 1.135, subdivision 2; 11A.04; 12B.50; 16C.16, subdivision 10; 17.354; 18F.02, subdivision 2a; 27.01, subdivision 8; 27.069; 27.10; 27.13; 27.19, subdivision 1; 45.0135, subdivision 8; 84.027, subdivisions 16, 19; 84.033, subdivision 1; 84.0835, subdivision 1; 84.0855, subdivision 3; 84.66, subdivision 12; 84.788, subdivision 2; 84.791, subdivision 5; 84.793, subdivision 1; 84.925, subdivision 1; 84A.02; 84A.33, subdivision 2; 84B.03, subdivisions 1, 4; 84D.02, subdivision 3; 85.055, subdivision 1a; 85.22, subdivision 3; 85.41, subdivision 3; 86A.05, subdivision 5; 88.79, subdivision 4; 89.018, subdivision 7; 89.19, subdivision 2; 89.21; 89.22, subdivision 1; 89.53, subdivision 1; 89.551; 90.02; 90.041, subdivision 10; 90.195; 93.47, subdivision 3; 97A.075, subdivisions 1, 7; 97A.101, subdivisions 2, 4; 97A.133, subdivision 3; 97A.445, subdivision 1; 97A.451, subdivision 3b; 97A.465, subdivision 5; 97B.015, subdivisions 4, 7; 97B.715, subdivision 1; 97B.801; 97C.005, subdivision 3; 97C.081, subdivision 10; 97C.205; 97C.342, subdivision 4; 97C.815, subdivision 2; 97C.855; 103A.341; 103B.101, subdivision 2; 103B.215, subdivision 4; 103B.311, subdivision 4; 103B.314, subdivision 4; 103C.201, subdivision 8; 103C.211; 103C.601, subdivision 4; 103C.611, subdivision 3; 103D.271, subdivision 1; 103D.335, subdivisions 19, 21; 103D.405, subdivision 1; 103D.905, subdivision 2; 103E.215, subdivision 3; 103E.291; 103E.325, subdivision 2; 103G.287, subdivision 4; 103G.412; 103H.105; 115.03, subdivision 1; 115A.03, subdivision 37; 115A.64, subdivisions 4, 6; 117.025, subdivision 10; 120B.024, subdivision 2; 120B.23, subdivision 3; 121A.15, subdivision 8; 122A.18, subdivision 1; 122A.26, subdivision 2; 122A.76, subdivision 6; 123A.26, subdivision 1; 123B.09, subdivision 5b;

124D.09, subdivision 19; 124D.42, subdivision 8; 124D.475; 124E.16, subdivision 3; 125A.63, subdivision 5; 126C.13, subdivision 4; 127A.20, subdivision 2; 127A.21, subdivision 5; 127A.41, subdivisions 8, 9; 127A.85; 142A.03, subdivision 1; 142A.609, subdivision 5; 142D.05, subdivision 3; 142D.06, subdivision 1; 142D.11, subdivisions 3, 4, 6; 142D.12, subdivision 1; 142D.25, subdivision 4; 142E.01, subdivision 26; 142G.01, subdivisions 3, 4; 142G.38; 144.291, subdivision 2; 144.966, subdivision 2; 144A.43, subdivision 28; 144E.101, subdivision 14; 144E.28, subdivision 5; 144E.50, subdivision 6; 144G.08, subdivision 64; 147.02, subdivision 6a; 147.09; 147.091, subdivisions 1, 6; 147.111, subdivision 6; 147A.01, subdivision 20; 147A.09, subdivision 3; 147A.13, subdivisions 4, 6, 7; 147A.14, subdivision 6; 147A.17, subdivision 1; 147B.02, subdivisions 1, 7, 9; 147B.06, subdivision 4; 147E.10, subdivision 1; 147E.15, subdivision 11; 147E.40, subdivision 1; 147F.05, subdivision 2; 148E.285, subdivision 4; 150A.055, subdivision 1; 150A.06, subdivision 12; 154.19; 161.125, subdivision 3; 161.45, subdivision 4; 161.46, subdivision 1; 162.09, subdivision 4; 163.161; 168.012, subdivision 13; 168.10, subdivision 1c; 168.1291, subdivision 5; 168.187, subdivision 17; 168.27, subdivision 2; 168.327, subdivision 6; 168.345, subdivision 2; 168A.01, subdivisions 18, 19, 20; 168A.14, subdivision 1a; 169.345, subdivisions 3c, 4; 169.58, subdivision 5; 169.781, subdivision 3; 169.81, subdivision 3; 171.017, subdivision 2; 171.06, subdivision 6; 171.0605, subdivision 3; 171.12, subdivision 7; 171.301, subdivision 1; 174.02, subdivision 5; 174.22, subdivision 7; 174.24, subdivision 1a; 174.29, subdivision 1; 174.30, subdivisions 1, 10; 181.953, subdivision 5a; 216B.023, subdivision 3; 216B.1691, subdivision 2h; 216B.241, subdivision 5a; 216C.377, subdivision 1; 216C.379; 216I.07, subdivision 3; 216I.19, subdivisions 2, 4; 218.011, subdivision 8; 219.015, subdivision 1; 219.055, subdivision 2a; 221.031, subdivisions 3b, 10; 221.0314, subdivision 2; 221.81, subdivision 4; 245.4905, subdivision 1; 245.495; 245.735, subdivision 4d; 245A.07, subdivision 3; 245C.02, subdivision 6a; 245D.091, subdivision 2; 245I.23, subdivision 15; 256.01, subdivision 2; 256.0451, subdivisions 3, 11, 19; 256B.0625, subdivision 5m; 256L.02, subdivision 1; 256P.001; 256P.04, subdivision 9; 256P.06, subdivision 3; 256P.10, subdivision 3; 256R.02, subdivision 19; 257.0769, subdivision 1; 260.762, subdivision 2a; 260C.151, subdivision 2a; 260C.178, subdivision 1; 260C.71, subdivision 1; 260E.03, subdivision 23; 260E.14, subdivision 1; 260E.30, subdivision 6; 260E.36, subdivision 5; 270.075, subdivision 1; 270C.63, subdivision 13; 272.02, subdivision 104; 273.42, subdivision 1; 282.38, subdivisions 1, 2; 290.0132, subdivision 26; 290.06, subdivisions 2c, 23a; 297A.75, subdivision 1; 299F.051, subdivision 1a; 299J.05; 299K.08, subdivision 3a; 308C.301, subdivisions 8, 9, 13; 308C.411, subdivision 2; 308C.425, subdivision 3; 308C.545, subdivision 1; 308C.571, subdivision 1; 308C.721, subdivision 2; 308C.801, subdivision 2; 319B.40; 325D.44, subdivision 1a; 336.3-206; 336.9-301; 336.12-107; 352.91, subdivision 3c; 353D.07, subdivision 2; 353G.01, subdivisions 7b, 8b, 10a; 353G.09, subdivision 1a; 354B.31, subdivision 6; 360.013, subdivision 36; 360.031; 360.032, subdivision 1a; 360.62; 360.654; 360.915, subdivision 1; 393.07, subdivision 10; 403.36, subdivision 1; 446A.073, subdivisions 1, 2; 462A.051, subdivision 1; 462A.2096; 469.002, subdivision 25; 469.53; 469.54, subdivision 3; 473.4465, subdivision 3; 473J.23; 477A.0126, subdivision 3a; 477A.013, subdivision 14; 477A.0175, subdivision 1; 477A.24, subdivision 2; 518A.60; 518A.81, subdivision 8; 518A.82, subdivisions 1, 1a, 3, 5; 518B.01, subdivision 4; 576.22; 582.17; 582.18; Laws 2023, chapter 57, article 2, section 66; Laws 2024, chapter 115, article 4, section 3; article 11, section 6; Laws 2024, chapter 120, article 1, section 15; proposing coding for new law in Minnesota Statutes, chapter 645; repealing Minnesota Statutes 2024, sections 13.465, subdivision 3; 41B.0391, subdivision 6; 115A.1441, subdivision 38; 127A.50, subdivision 3; 148E.130, subdivision 1a; 245.4902; 245C.11, subdivision 4; 275.71, subdivision 5; 469.177, subdivision 1e; 473.4465, subdivision 5; 473J.09, subdivision 14; 473J.14; Laws 2024, chapter 115, article 12, section 5; Laws 2024, chapter 120, article 3, section 3.

H.F. No. 3022 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Jasinski | Mann | Port |
| Anderson | Duckworth | Johnson | Marty | Pratt |
| Bahr | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Boldon | Fateh | Klein | Maye Quade | Rarick |
| Carlson | Frentz | Koran | McEwen | Rasmusson |
| Champion | Green | Kreun | Miller | Rest |
| Clark | Gruenhagen | Kunesh | Mitchell | Utke |
| Coleman | Gustafson | Kupec | Mohamed | Weber |
| Cwodzinski | Hauschild | Lang | Murphy | Wesenberg |
| Dahms | Hawj | Latz | Nelson | Westlin |
| Dibble | Hoffman | Lieske | Oumou Verbeten | Westrom |
| Dornink | Housley | Limmer | Pappas | Wiklund |
| Draheim | Howe | Lucero | Pha | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hawj, Maye Quade, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth and Lang.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 2551:** A bill for an act relating to children; follow-up to 2024 children, youth, and families recodification; making technical changes; amending Minnesota Statutes 2024, sections 3.922, subdivision 1; 13.41, subdivision 1; 13.46, subdivisions 3, 4, 9, 10; 13.598, subdivision 10; 14.03, subdivision 3; 116L.881; 125A.15; 125A.744, subdivision 2; 127A.11; 127A.70, subdivision 2; 142A.607, subdivision 14; 142A.609, subdivision 21; 142B.41, subdivision 9; 144.061; 144.225, subdivision 2a; 145.895; 145.901, subdivisions 2, 4; 145.9255, subdivision 1; 145.9265; 174.285, subdivision 4; 214.104; 216C.266, subdivisions 2, 3; 241.021, subdivision 2; 242.09; 242.21; 242.32, subdivision 1; 245.697, subdivisions 1, 2a; 245.814, subdivisions 1, 2, 3, 4; 245C.02, subdivisions 7, 12, 13; 245C.031, subdivision 9; 245C.033, subdivision 2; 245C.05, subdivision 7; 245C.07; 256.88; 256.89; 256.90; 256.91; 256.92; 256G.01, subdivisions 1, 3; 256G.03, subdivision 2; 256G.04, subdivision 2; 256G.09, subdivisions 2, 3, 4, 5; 256G.10; 256G.11; 256G.12, subdivision 1; 260.762, subdivision 2a; 260B.171, subdivision 4; 260E.03, subdivision 6; 260E.11, subdivision 1; 260E.30, subdivision 4; 260E.33, subdivision 6; 261.232; 270B.14, subdivision 1, by adding a subdivision; 299C.76, subdivision 1; 299F.011, subdivision 4a; 402A.10, subdivisions 1a, 2, 4c; 402A.12; 402A.16, subdivisions 1, 2, 3, 4; 402A.18, subdivisions 2, 3, by adding a subdivision; 402A.35, subdivisions 1, 4, 5; 462A.2095, subdivision 6; 466.131; 518.165, subdivision 5; 524.5-106; 524.5-118, subdivision 2; 595.02, subdivision 2; 626.5533; repealing Minnesota Statutes 2024, sections 142A.15; 142E.50, subdivisions 2, 12; 245A.02, subdivision 6d; 256G.02, subdivisions 3, 5; 261.003.

H.F. No. 2551 was read the third time and placed on its final passage.

# 065. HF 286

**Vote:** 2025-05-05 | **Workbook row:** 70
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Local units of government authorized to conduct criminal background checks under certain circumstances.

## Included complete bill documents

**1. 1st Engrossment, posted 2025-02-26** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/286/versions/1/pdf/

## Original Senate journal context

PDF pages 68-68. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250505030.pdf#page=68

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/286/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 286

02/10/2025 Authored by Perryman, Curran, Engen, Tabke, Virnig and others
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
02/17/2025 Adoption of Report: Re-referred to the Committee on Elections Finance and Government Operations
02/26/2025 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
03/06/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
05/05/2025 Passed by the Senate and returned to the House
05/13/2025 Presented to Governor
05/15/2025 Governor Approval

A bill for an act

relating to public safety; authorizing local units of government to conduct criminal background checks under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 299C.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[299C.77] FEDERAL BACKGROUND CHECKS BY POLITICAL SUBDIVISIONS.**

Subdivision 1. **Definition.** As used in this section, "applicant for licensure" means an individual or if the applicant is a corporation, limited liability company, partnership, or other legal entity, every officer, director, manager, and general partner of the entity, who seeks a license issued by a county or city to operate a business:

(1) that qualifies as an adult entertainment establishment under section 617.242, subdivision 1; or

(2) providing massage services.

Subd. 2. **Background check authorized.** (a) A county or city may investigate the criminal history background of any applicant for licensure.

(b) The investigation conducted pursuant to paragraph (a) must consist of a criminal history check of the state criminal records repository and a national criminal history check. The county or city must accept the applicant's signed criminal history records check consent form for the state and national criminal history check request, a full set of classifiable fingerprints, and required fees. The county or city must submit the applicant's completed criminal history records check consent form, full set of classifiable fingerprints, and required

fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the applicant. The bureau may exchange an applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the county or city. Using the criminal history data provided by the bureau, the county or city must determine whether the applicant is disqualified from licensure. The applicant's failure to cooperate with the county or city in conducting the records check is reasonable cause to deny an application.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 12, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson Stewart | Maye Quade | Pratt |
| Boldon | Farnsworth | Klein | McEwen | Putnam |
| Carlson | Fateh | Koran | Miller | Rarick |
| Champion | Frentz | Kreun | Mitchell | Rest |
| Clark | Gustafson | Kunesh | Mohamed | Utke |
| Coleman | Hauschild | Kupec | Murphy | Weber |
| Cwodzinski | Hawj | Lang | Nelson | Westlin |
| Dahms | Hoffman | Latz | Oumou Verbeten | Wiklund |
| Dibble | Housley | Limmer | Pappas | Xiong |
| Dornink | Jasinski | Mann | Pha | |
| Draheim | Johnson | Marty | Port | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hawj, Maye Quade, Rest, and Westlin.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Johnson, Lang, and Rarick.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Anderson | Green | Lieske | Rasmusson |
| Bahr | Gruenhagen | Lucero | Wesenberg |
| Drazkowski | Howe | Mathews | Westrom |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 286:** A bill for an act relating to public safety; authorizing local units of government to conduct criminal background checks under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 299C.

H.F. No. 286 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Housley | Lieske | Nelson |
| Anderson | Drazkowski | Howe | Limmer | Oumou Verbeten |
| Bahr | Duckworth | Jasinski | Lucero | Pappas |
| Boldon | Farnsworth | Johnson | Mann | Pha |
| Carlson | Fateh | Johnson Stewart | Marty | Port |
| Champion | Frentz | Klein | Mathews | Pratt |
| Clark | Green | Koran | Maye Quade | Putnam |
| Coleman | Gruenhagen | Kreun | McEwen | Rarick |
| Cwodzinski | Gustafson | Kunesh | Miller | Rasmusson |
| Dahms | Hauschild | Kupec | Mitchell | Rest |
| Dibble | Hawj | Lang | Mohamed | Utke |
| Dornink | Hoffman | Latz | Murphy | Weber |

# 066. SF 1750

**Vote:** 2025-05-06 | **Workbook row:** 71
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 44 yeas, 22 nays

**Workbook subject:** Common interest communities provisions modifications

## Included complete bill documents

**1. 2nd Engrossment, posted 2025-04-07** - 54 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1750/versions/2/pdf/

## Original Senate journal context

PDF pages 10-58. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250506031.pdf#page=57

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/1750/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1750

**(SENATE AUTHORS: LUCERO, Pha, Coleman and Port)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/20/2025 | 463 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 02/24/2025 | 494 | Author added Port |
| | 524 | Withdrawn and re-referred to Housing and Homelessness Prevention |
| 03/17/2025 | 816a | Comm report: To pass as amended and re-refer to Judiciary and Public Safety |
| 04/07/2025 | 1693a | Comm report: To pass as amended |
| | 1707 | Second reading |
| 05/06/2025 | | Special Order |
| | | Motion did not prevail to re-refer to Judiciary and Public Safety |
| | | Amended |
| | | Third reading Passed as amended |
| 05/07/2025 | | Author stricken Limmer |

A bill for an act

relating to common interest communities; modifying powers and duties of common interest communities; modifying rights of a unit owner; modifying threshold for termination of a common interest community; establishing a meet and confer process; modifying notice of meetings; limiting late fees, fines, and attorney fees; modifying foreclosure requirements; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-108; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-116; Laws 2024, chapter 96, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 515B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 515B.1-102, is amended to read:

**515B.1-102 APPLICABILITY.**

(a) Except as provided in this section, this chapter, and not chapters 515 and 515A, applies to all common interest communities created within this state on and after June 1, 1994.

(b) The applicability of this chapter to common interest communities created prior to June 1, 1994, shall be as follows:

(1) This chapter shall apply to condominiums created under chapter 515A with respect to events and circumstances occurring on and after June 1, 1994; provided (i) that this chapter shall not invalidate the declarations, bylaws or condominium plats of those condominiums, and (ii) that chapter 515A, and not this chapter, shall govern all rights and obligations of a declarant of a condominium created under chapter 515A, and the rights and claims of unit owners against that declarant.

(2) The following sections in this chapter apply to condominiums created under chapter 515: 515B.1-104 (Variation by Agreement); 515B.1-105 (Separate Titles and Taxation); 515B.1-106 (Applicability of Local Requirements); 515B.1-107 (Eminent Domain); 515B.1-108 (This Chapter Prevails; Supplemental Law); 515B.1-109 (Construction Against Implicit Repeal); 515B.1-112 (Unconscionable Agreement or Term of Contract); 515B.1-113 (Obligation of Good Faith); 515B.1-114 (Remedies to be Liberally Administered); 515B.1-115 (Notice); 515B.1-116 (Recording); 515B.2-103 (Construction and Validity of Declaration and Bylaws); 515B.2-104 (Description of Units); 515B.2-108(d) (Allocation of Interests); 515B.2-109(f) (Common Elements and Limited Common Elements); 515B.2-112 (Subdivision, Combination, or Conversion of Units); 515B.2-113 (Alteration of Units); 515B.2-114 (Relocation of Boundaries Between Adjoining Units); 515B.2-115 (Minor Variations in Boundaries); 515B.2-118 (Amendment of Declaration); 515B.2-119 (Termination of Common Interest Community); 515B.3-102 (Powers of Unit Owners' Association); 515B.3-103(a), (b), and (g) (Board of Directors, Officers, and Declarant Control); 515B.3-107 (Upkeep of Common Interest Community); 515B.3-108 (Meetings); 515B.3-109 (Quorums); 515B.3-110 (Voting; Proxies); 515B.3-111 (Tort and Contract Liability); 515B.3-112 (Conveyance of, or Creation of Security Interests in, Common Elements); 515B.3-113 (Insurance); 515B.3-114 (Replacement Reserves); 515B.3-115(c), (e), (f), (g), (h), and (i) (Assessments for Common Expenses); 515B.3-116 (Lien for Assessments); 515B.3-117 (Other Liens); 515B.3-118 (Association Records); 515B.3-119 (Association as Trustee); 515B.3-121 (Accounting Controls); 515B.4-107 (Resale of Units); 515B.4-108 (Purchaser's Right to Cancel Resale); and 515B.4-116 (Rights of Action; Attorney's Fees). Section 515B.1-103 (Definitions) shall apply to the extent necessary in construing any of the sections referenced in this section. Sections 515B.1-105, 515B.1-106, 515B.1-107, 515B.1-116, 515B.2-103, 515B.2-104, 515B.2-118, 515B.3-102, 515B.3-110, 515B.3-111, 515B.3-113, 515B.3-116, 515B.3-117, 515B.3-118, 515B.3-121, 515B.4-107, 515B.4-108, and 515B.4-116 apply only with respect to events and circumstances occurring on and after June 1, 1994. All other sections referenced in this section apply only with respect to events and circumstances occurring after July 31, 1999. A section referenced in this section does not invalidate the declarations, bylaws or condominium plats of condominiums created before August 1, 1999. But all sections referenced in this section prevail over the declarations, bylaws, CIC plats, rules and regulations under them, of condominiums created before August 1, 1999, except to the extent that this chapter defers to the declarations, bylaws, CIC plats, or rules and regulations issued under them.

(3) This chapter shall not apply to cooperatives ~~and~~ created prior to June 1,1994, to planned communities created prior to June 1, 1994, or to planned communities that were

created on or after June 1, 1994, and before August 1, 2006, and that consist of more than two but fewer than 13 units; except by election pursuant to subsection (d), and except that the following sections apply to all planned communities, including townhome associations, regardless of when created, unless they are exempt under subsection (e): sections 515B.1-116, subsections (a), (c), (d), and (e)~~,~~; 515B.3-102, subsections (a), paragraphs (1), (3), (10), (11), and (12), (c), and (g); 515B.3-103, subsections (a), (e), paragraph (4), (g), (h), and (i); 515B.3-107, subsections (a), (d), (e), (f), and (g); 515B.3-115, subsections (e), paragraphs (4) and (5), (g), and (k); 515B.3-1151, subsections (e), paragraphs (4) and (5), (g), and (k); 515B.3-116, subsections (a) and (h); 515B.3-122; 515B.4-107~~,~~; and 515B.4-108~~, apply to all planned communities and cooperatives regardless of when they are created, unless they are exempt under subsection (e)~~.

(c) This chapter shall not invalidate any amendment to the declaration, bylaws or condominium plat of any condominium created under chapter 515 or 515A if the amendment was recorded before June 1, 1994. Any amendment recorded on or after June 1, 1994, shall be adopted in conformity with the procedures and requirements specified by those instruments and by this chapter. If the amendment grants to any person any rights, powers or privileges permitted by this chapter, all correlative obligations, liabilities and restrictions contained in this chapter shall also apply to that person.

(d) Any condominium created under chapter 515, any planned community or cooperative which would be exempt from this chapter under subsection (e), or any planned community or cooperative created prior to June 1, 1994, or any planned community that was created on or after June 1, 1994, and prior to August 1, 2006, and that consists of more than two but fewer than 13 units, may elect to be subject to this chapter, as follows:

(1) The election shall be accomplished by recording a declaration or amended declaration, and a new or amended CIC plat where required, and by approving bylaws or amended bylaws, which conform to the requirements of this chapter, and which, in the case of amendments, are adopted in conformity with the procedures and requirements specified by the existing declaration and bylaws of the common interest community, and by any applicable statutes.

(2) In a condominium, the preexisting condominium plat shall be the CIC plat and an amended CIC plat shall be required only if the amended declaration or bylaws contain provisions inconsistent with the preexisting condominium plat. The condominium's CIC number shall be the apartment ownership number or condominium number originally assigned to it by the recording officer. In a cooperative in which the unit owners' interests are characterized as real estate, a CIC plat shall be required. In a planned community, the

preexisting plat or registered land survey recorded pursuant to chapter 505, 508, or 508A, or the part of the plat or registered land survey upon which the common interest community is located, shall be the CIC plat.

(3) The amendment shall comply with section 515B.2-118(a)(3) and (c); except that the unanimous consent of the unit owners shall not be required for (i) a clarification of the unit boundary description if the clarified boundary description is substantially consistent with the preexisting CIC plat, or (ii) changes from common elements to limited common elements that occur by operation of section 515B.2-109(c) and (d).

(4) Except as permitted by paragraph (3), no declarant, affiliate of declarant, association, master association nor unit owner may acquire, increase, waive, reduce or revoke any previously existing warranty rights or causes of action that one of said persons has against any other of said persons by reason of exercising the right of election under this subsection.

(5) A common interest community which elects to be subject to this chapter may, as a part of the election process, change its form of ownership by complying with section 515B.2-123.

(e) Except as otherwise provided in this subsection, this chapter shall not apply, except by election pursuant to subsection (d), to the following:

(1) a planned community which consists of two units, which utilizes a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), which is not subject to any rights to subdivide or convert units or to add additional real estate, and which is not subject to a master association;

(2) a common interest community that consists solely of platted lots or other separate parcels of real estate designed or utilized for detached single family dwellings or agricultural purposes, with or without common property, where no association or master association has an obligation to maintain any building containing a dwelling or any agricultural building located or to be located on such platted lots or parcels; except that section 515B.4-101(e) shall apply to the sale of such platted lots or parcels of real estate if the common interest community is or will be subject to a master declaration;

(3) a cooperative where, at the time of creation of the cooperative, the unit owners' interests in the dwellings as described in the declaration consist solely of proprietary leases having an unexpired term of fewer than 20 years, including renewal options;

(4) planned communities utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), and cooperatives, which are limited by the declaration to nonresidential uses; or

(5) real estate subject only to an instrument or instruments filed primarily for the purpose of creating or modifying rights with respect to access, utilities, parking, ditches, drainage, or irrigation.

(f) Section 515B.4-101(e) applies to any platted lot or other parcel of real estate that is subject to a master declaration and is not subject to or is exempt from this chapter.

(g) Section 515B.1-106 and section 515B.2-118, subsections (a)(5), (a)(7), and (d), shall apply to all common interest communities.

(h) Sections 515B.1-103(33a), 515B.2-110, 515B.3-105, 515B.3-115, 515B.4-102, and 515B.4-115 apply only to common interest communities created before August 1, 2010. Sections 515B.1-103(33b), 515B.2-1101, 515B.3-1051, 515B.3-1151, 515B.4-1021, and 515B.4-1151 apply only to common interest communities created on or after August 1, 2010.

(i) Section 515B.3-114 applies to common interest communities only for the association's fiscal years commencing before January 1, 2012. Section 515B.3-1141 applies to common interest communities only for the association's fiscal years commencing on or after January 1, 2012.

(j) Section 515B.3-104 applies only to transfers of special declarant rights that are effective before August 1, 2010. Section 515B.3-1041, subsections (a) through (i), apply only to transfers of special declarant rights that are effective on or after August 1, 2010. Section 515B.3-1041, subsections (j) and (k), apply only to special declarant rights reserved in a declaration that is first recorded on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 515B.1-103, is amended to read:

**515B.1-103 DEFINITIONS.**

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) "Additional real estate" means real estate that may be added to a flexible common interest community.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(A) A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

(B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(C) Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

(3) "Allocated interests" means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.

(4) "Association" means the unit owners' association organized under section 515B.3-101.

(5) "Board" means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

(6) "CIC plat" means a common interest community plat described in section 515B.2-110.

(7) "Common elements" means all portions of the common interest community other than the units.

(8) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

(10) "Common interest community" or "CIC" means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on, one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate which satisfies the definition of a common interest community is a common interest community whether or not it is subject to this chapter. Real estate subject to a master declaration, regardless of when the master declaration was recorded, shall not collectively constitute a separate common interest community unless so stated in the master declaration.

(11) "Condominium" means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(11a) "Construction defect claim" means a civil action or an arbitration proceeding based on any legal theory including, but not limited to, claims under chapter 327A for damages, indemnity, or contribution brought against a development party to assert a claim, counterclaim, cross-claim, or third-party claim for damages or loss to, or the loss of use of, real or personal property caused by a defect in the initial design or construction of an improvement to real property that is part of a common interest community, including an improvement that is constructed on additional real estate pursuant to section 515B.2-111. "Construction defect claim" does not include claims related to subsequent maintenance, repairs, alterations, or modifications to, or the addition of, improvements that are part of the common interest community, and that are contracted for by the association or a unit owner.

(12) "Conversion property" means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied, in whole or in part, for (i) residential use or (ii) for residential rental purposes by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) "Cooperative" means a common interest community in which the real estate is owned by an association, each of whose members is entitled to a proprietary lease by virtue of the member's ownership interest in the association.

(14) "Dealer" means a person in the business of selling units for the person's own account.

(15) "Declarant" means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or a supplemental declaration or amendment to a declaration adding additional real estate, except secured parties, a spouse holding only an inchoate interest, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 to any special declarant rights;

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred; or

(iii) if (A) a unit has been restricted to nonresidential use and sold to a purchaser who has agreed to modify or waive, in whole or in part, sections 515B.4-101 to 515B.4-118, and (B) the restriction expires or is modified or terminated such that residential use of the unit is permitted, the unit owner at the time the restriction expires or is so modified or terminated is a declarant with respect to that unit and any improvements subject to use rights by a purchaser of the unit.

(16) "Declaration" means any instrument, however denominated, that creates a common interest community.

(16a) "Development party" means an architect, contractor, construction manager, subcontractor, developer, declarant, engineer, or private inspector performing or furnishing the design, supervision, inspection, construction, coordination, or observation of the construction of any improvement to real property that is part of a common interest community, or any of the person's affiliates, officers, directors, shareholders, members, or employees.

(17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

(17a) "First mortgage" means either (i) if there is only one mortgage encumbering title to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit, the mortgage that is first in priority, whether by operation of applicable law or by a properly recorded agreement.

(17b) "First mortgagee" means the holder of a first mortgage.

(18) "Flexible common interest community" means a common interest community to which additional real estate may be added.

(19) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(20) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one or more but fewer than all of the units.

(21) "Master association" means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners' associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

(22) "Master declaration" means a written instrument, however named, (i) recorded on or after June 1, 1994, and (ii) complying with section 515B.2-121, subsection (e).

(23) "Master developer" means a person who is designated in the master declaration as a master developer or, in the absence of such a designation, the owner or owners of the real estate subject to the master declaration at the time the master declaration is recorded, except (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer is not a declarant unless the master declaration states that the real estate subject to the master declaration collectively is or collectively will be a separate common interest community.

(24) "Period of declarant control" means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

(25) "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

(26) "Planned community" means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

(27) "Proprietary lease" means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

(28) "Purchaser" means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

(29) "Real estate" means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

(30) "Residential use" means use as a dwelling, whether primary, secondary or seasonal, but not (i) transient use such as hotels or motels, (ii) use for residential rental purposes if the individual dwellings are not separate units or if the individual dwellings are not located on separate parcels of real estate. For purposes of this chapter, a unit is restricted to nonresidential use if the unit is subject to a restriction that prohibits residential use as defined in this section whether or not the restriction also prohibits the uses described in this paragraph.

(31) "Secured party" means the person owning a security interest as defined in paragraph (32).

(32) "Security interest" means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, in a cooperative, a lender's interest in a member's ownership interest in the association, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

(33a) This definition of special declarant rights applies only to common interest communities created before August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant to:

(i) complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the CIC is located;

(ii) add additional real estate to a common interest community;

(iii) subdivide or combine units, or convert units into common elements, limited common elements, or units;

(iv) maintain sales offices, management offices, signs advertising the common interest community, and models;

(v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;

(vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;

(vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or

(viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

(33b) This definition of special declarant rights applies only to common interest communities created on or after August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant and expressly identified in the declaration as special declarant rights. Such special declarant rights may include but are not limited to the following:

(i) to complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the common interest community is located, and to have and use easements for itself and its employees, agents, and contractors through the common elements for such purposes;

(ii) to add additional real estate to a common interest community;

(iii) to subdivide or combine units, or convert units into common elements, limited common elements and/or units, pursuant to section 515B.2-112;

(iv) to maintain and use sales offices, management offices, signs advertising the common interest community, and models, and to have and use easements for itself and its employees, agents, and invitees through the common elements for such purposes;

(v) to appoint or remove any officer or director of the association during any period of declarant control;

(vi) to utilize an alternate common expense plan as provided in section 515B.3-115(a)(2);

(vii) to grant common element licenses as provided in section 515B.2-109(e); or

(viii) to review, and approve or disapprove, the exterior design, materials, size, site location, and other exterior features of buildings and other structures, landscaping and other exterior improvements, located within the common interest community, and any modifications or alterations thereto.

Special declarant rights shall not be reserved or utilized for the purpose of evading any limitation or obligation imposed on declarants by this chapter.

(34) "Time share" means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with a fee title interest in the common interest community or a specified portion thereof.

(35) "Unit" means a portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership, or separate occupancy pursuant to a proprietary lease.

(36) "Unit identifier" means English letters or Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(37) "Unit owner" means a declarant or other person who owns a unit, a lessee under a proprietary lease, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person.

Sec. 3. Minnesota Statutes 2024, section 515B.2-103, is amended to read:

**515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.**

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter. In the event of a conflict between the provisions of the declaration or the bylaws and this chapter, this chapter prevails.

(d) The declaration and bylaws must comply with sections 500.215, 500.216, and 500.217.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 515B.2-119, is amended to read:

**515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY.**

(a) Except as otherwise provided in this chapter, a common interest community may be terminated as follows:

(1) if the common interest community does not include any common elements, the common interest community may be terminated only by agreement of unit owners of units to which at least 60 percent of the votes in the association are allocated; or

(2) if the common interest community includes common elements, the common interest community may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage ~~only~~ if all of the units are detached single-family dwellings or if all of the units are restricted to nonresidential use.

(b) An agreement to terminate shall be evidenced by a written agreement, executed in the same manner as a deed by the number of unit owners and first mortgagees of units required by subsection (a), and shall include an explanation of the potential distribution of property, including easements, for any common elements. The agreement shall specify a date after which the agreement shall be void unless recorded before that date. The agreement shall also specify a date by which the termination of the common interest community and the winding up of its affairs must be accomplished. A certificate of termination executed by the association evidencing the termination shall be recorded on or before the termination date, or the agreement to terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the certificate of termination shall be recorded in every county in which a portion of the common interest community is situated and is effective only upon recording.

(c) In the case of a condominium or planned community containing only units having upper and lower boundaries, a termination agreement may provide that all of the common elements and units of the common interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(d) In the case of a condominium or planned community containing any units not having upper and lower boundaries, a termination agreement may provide for sale of the common elements, but it may not require that the units be sold following termination, unless ~~the original declaration provided otherwise or~~ all unit owners whose units are to be sold consent to the sale.

(e) The association, on behalf of the unit owners, shall have authority to contract for the sale of real estate in a common interest community pursuant to this section, subject to the required approval. The agreement to terminate shall be deemed to grant to the association a power of attorney coupled with an interest to effect the conveyance of the real estate on behalf of the holders of all interests in the units, including without limitation the power to execute all instruments of conveyance and related instruments. Until the sale has been completed, all instruments in connection with the sale have been executed and the sale proceeds distributed, the association shall continue in existence with all powers it had before termination.

(1) The instrument conveying or creating the interest in the common interest community shall include as exhibits (i) an affidavit of the secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners in the common interest community as of the date of the approval.

(2) Proceeds of the sale shall be distributed to unit owners and secured parties as their interests may appear, in accordance with subsections (h), (i), (j), and (k).

(3) Unless otherwise specified in the agreement of termination, until the association has conveyed title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors in interest remain liable for all assessments and other obligations imposed on unit owners by this chapter, the declaration or the bylaws.

(f) The legal description of the real estate constituting the common interest community shall, upon the date of recording of the certificate of termination referred to in subsection (b), be as follows:

(1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), the lot and block description contained in the CIC plat, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(2) In a condominium or cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c), the underlying legal description of the real estate as set forth in the declaration creating the common interest community, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(3) The legal description referred to in this subsection shall apply upon the recording of the certificate of termination. The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal description required by this subsection from and after the date of recording of the certificate of termination. In the case of registered property, the registrar of titles shall cancel the existing certificates of title with respect to the property and issue one or more certificates of title for the property utilizing the legal description required by this subsection.

(g) In a condominium or planned community, if the agreement to terminate provides that the real estate constituting the common interest community is not to be sold following termination, title to the common elements and, in a common interest community containing only units having upper and lower boundaries described in the declaration, title to all the real estate in the common interest community, vests in the unit owners upon termination as tenants in common in proportion to their respective interest as provided in subsection (k), and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

(h) The proceeds of any sale of real estate pursuant to subsection (e), together with the assets of the association, shall be held by the association as trustee for unit owners, secured parties and other holders of liens on the units as their interests may appear. Before distributing any proceeds, the association shall have authority to deduct from the proceeds of sale due with respect to the unit (i) unpaid assessments levied by the association with respect to the unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and

(iii) the share of expenses of sale and winding up of the association's affairs with respect to the unit.

(i) Following termination of a condominium or planned community, creditors of the association holding liens on the units perfected before termination may enforce those liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

(j) In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of unit owners and creditors of unit owners. In that event, following termination, creditors of the association holding liens on the cooperative which were perfected before termination may enforce their liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association shall be treated as if they had perfected a lien against the cooperative immediately before termination. Unless the declaration provides that all creditors of the association have that priority:

(1) the lien of each creditor of the association which was perfected against the association before termination becomes, upon termination, a lien against each unit owner's interest in the unit as of the date the lien was perfected;

(2) any other creditor of the association is to be treated upon termination as if the creditor had perfected a lien against each unit owner's interest immediately before termination;

(3) the amount of the lien of an association's creditor described in paragraphs (1) and (2) against each of the unit owners' interest shall be proportionate to the ratio which each unit's common expense liability bears to the common expense liability of all of the units;

(4) the lien of each creditor of each unit owner which was perfected before termination continues as a lien against that unit owner's interest in the unit as of the date the lien was perfected; and

(5) the assets of the association shall be distributed to all unit owners and all lienholders as their interests may appear in the order described in this section. Creditors of the association are not entitled to payment from any unit owner in excess of the amount of the creditor's lien against that unit owner's interest.

(k) The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and (i) are as follows:

(1) Except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes in the association are allocated. The proportion of any unit's interest to that of all units is determined by dividing the fair market value of that unit by the total fair market values of all the units.

(2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof before destruction cannot be made, the interests of all unit owners shall be measured by: (i) in a condominium, their allocations of common element interests immediately before the termination, (ii) in a cooperative, their respective ownership interests immediately before the termination, and (iii) in a planned community, their respective allocations of common expenses immediately before the termination.

(l) In a condominium or planned community, except as provided in subsection (m), foreclosure or enforcement of a lien or encumbrance against the entire common interest community does not terminate, of itself, the common interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community does not withdraw that portion from the common interest community.

(m) In a condominium or planned community, if a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community.

(n) Following the termination of a common interest community in accordance with this section, the association shall be dissolved in accordance with law.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 515B.3-102, is amended to read:

**515B.3-102 POWERS AND DUTIES OF UNIT OWNERS' ASSOCIATION.**

(a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, and consistent with the requirements of subsection

(g) as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant

or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners. The association must compile and provide to every unit owner a schedule of the fees and charges that may be imposed;

(11) impose ~~interest and~~ (i) a late ~~charges~~ fee for late payment of assessments, provided that an association may not impose a late fee in excess of $15; (ii) a late fee for a special assessment, but not in an amount greater than five percent of the amount owed or more than $100, whichever is lower; and~~, after notice and an opportunity to be heard before the board or a committee appointed by it, levy~~ (iii) ~~reasonable~~ fines for violations of the declaration, bylaws, and rules and regulations of the association as specified in subsection (c), provided that attorney fees and costs must not be charged or collected from a unit owner who ~~disputes~~ asks a question about a fine or assessment ~~and, if after the homeowner~~ or disputes a fine and requests a hearing and a hearing is held by the board or a committee of the board, and the board does not adopt a resolution levying the fine or upholding the assessment against the unit owner or owner's unit;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration~~,~~ or resale certificates required by section 515B.4-107, ~~statements of unpaid assessments, or furnishing copies of association records~~ provided that the association may not impose any charges, including attorney fees, to respond to a question about any governing document or any aspect of the operation or management of the common interest community posed by a unit owner to the association;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association consistent with this chapter and the governing documents of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) An association must adopt and provide to every unit owner a policy regarding fines that includes a list of the violations for which a fine may be imposed and a schedule of fines for those violations. When a violation can be cured without causing damage to property or to another, the association must provide the unit owner with a reasonable time to correct the violation before a fine may be imposed. A fine levied pursuant to subsection (a)(11) must be commensurate with the violation and must not exceed $100 for a single violation, except as provided in this section. When combined with additional fines for an ongoing violation, late fees, and other allowable charges, the fine must not exceed $2,500 in total for the violation. When the owner has been given notice that if the action is repeated, the fine may be accelerated for future violations, then a fine may be greater than the limits of this subsection if the violation: (i) has a serious and immediate impact on a resident's health or safety; (ii) causes physical damage to another unit or a common element; or (iii) involves using the property for financial enrichment, including renting or offering for rent a unit in violation of a rule prohibiting short-term or long-term rentals. An association that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner that:

(1) states the amount and reason for the fine or assessment;

(2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which a fine is being levied and the date of the levy; and (ii) the specific section of the declaration, bylaws, rules, or regulations allegedly violated;

(3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies: (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

(4) states that all unpaid ~~fines and~~ assessments are liens which, if not satisfied, could lead to foreclosure of the lien against the owner's unit;

(5) describes the unit owner's right to be heard by the board or a committee appointed by the board and the procedures for disputing the fine;

(6) states that if the assessment, fine, late fees, and other allowable charges are not paid, the amount may increase as a result of the imposition of attorney fees and other collection costs; and

(7) informs the unit owner that homeownership assistance is available from the Minnesota Homeownership Center.

(d) Notwithstanding subsection (a), powers exercised under this section must comply with sections 500.215, 500.216, and 500.217.

(e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (e)(1) and the proxy expressly references this notice.

(f) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (e)(1) and (e)(2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (e) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

(g) Rules and regulations adopted must not be arbitrary or capricious and must be reasonable. An association must give unit owners 60 days' advance notice of a board's proposed adoption, amendment, or revocation of a rule. A rule change must be approved at a board meeting, and an association must give unit owners the opportunity to comment on the proposed rule change at the meeting at which the change is considered. Any rule in effect may be revoked by a majority vote of the total votes in the association that are allocated. A vote to revoke a rule must be conducted at a special meeting called by board. If the rule proposed to be revoked is required by the declaration of bylaws, the declaration or bylaws may be amended to avoid conflict according to the procedures required under section 515B.2-118 or 515B.3-106, respectively.

(h) Each association must adopt the meet and confer process as provided under section 515B.3-122.

(i) Associations must not sell or assign any debt owed by a unit owner.

(j) A payment made by a unit owner must be applied to regular assessments first before any other fines, fees, or assessments owed by the unit owner.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 515B.3-103, is amended to read:

**515B.3-103 BOARD OF DIRECTORS, OFFICERS AND DECLARANT CONTROL.**

(a) An association shall be governed by a board of directors whose appointment or election shall occur no later than the date of creation of the common interest community and shall be reflected in the association's records. Except as expressly prohibited by the declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this chapter, the board may act in all instances on behalf of the association. In the performance of their duties, the officers and directors are required to exercise (i) if appointed by the declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit owners, the care required of a director by section 302A.251, 308B.455, 308C.455, or 317A.251, as applicable. The officers and directors appointed by the declarant shall have a duty to fulfill, and to cause the association to fulfill, their respective obligations under the declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners, including the declarant and its affiliates, in a uniform and fair manner. The standards of conduct for officers and directors set forth in this subsection shall also apply to the officers

and directors of master associations in the exercise of their duties on behalf of the master association.

(b) The board may not act unilaterally to amend the declaration, to terminate the common interest community, to elect directors to the board, or to determine the qualifications, powers and duties, or terms of office of directors, but the board may fill vacancies in its membership created other than by removal by the vote of the association members for the unexpired portion of any term.

(c) The declaration may provide for a period of declarant control of the association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and directors of the association. The period of declarant control begins on the date of creation of the common interest community and terminates upon the earliest of the following events: (i) five years after the date of the first conveyance of a unit to a unit owner other than a declarant in the case of a flexible common interest community or three years in the case of any other common interest community, (ii) the declarant's voluntary surrender of control by giving written notice to the unit owners pursuant to section 515B.1-115, or (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

(d) The board shall cause a meeting of the unit owners to be called, as follows:

(1) If the period of declarant control has terminated pursuant to subsection (c), a meeting of the unit owners shall be called and held within 60 days after said termination, at which the board shall be appointed or elected by all unit owners, including declarant, subject to the requirements of subsection (e).

(2) If 50 percent of the units that a declarant is authorized by the declaration to create have been conveyed prior to the termination of the declarant control period, a meeting of the unit owners shall be called and held within 60 days thereafter, at which not less than 33-1/3 percent of the members of the board shall be elected by unit owners other than a declarant or an affiliate of a declarant.

(3) If the board fails or refuses to cause a meeting of the unit owners required to be called pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may cause the meeting to be called pursuant to the applicable provisions of the law under which the association was created. The declarant and its affiliates shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting.

(e) Following the termination of any period of declarant control, the unit owners shall appoint or elect the board. All unit owners, including the declarant and its affiliates, may

cast the votes allocated to any units owned by them. The board shall thereafter be subject to the following:

(1) Unless otherwise approved by a vote of unit owners other than the declarant or an affiliate of the declarant, ~~a majority~~ all of the directors shall be unit owners who reside in their unit at least 165 days of the year or a natural person designated by a unit owner that is not a natural person, other than a declarant or an affiliate of a declarant. ~~The remaining directors need not be unit owners unless required by the articles of incorporation or bylaws.~~

(2) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize the declarant or a person designated by the declarant to appoint one director, who need not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the declarant or other person possessing the power to appoint.

(3) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (i) classes of directors, (ii) the appointment or election of directors in certain classes by certain classes of members, or (iii) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise protect the legitimate interest of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed on declarants by this chapter. Elections for board officers must occur regularly and in accordance with the governing documents of the association, and elections for the board of directors must occur at least every three years.

(4) The board shall elect the officers. The directors and officers shall take office upon election.

(f) In determining whether the period of declarant control has terminated under subsection (c), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (d), the percentage of the units conveyed shall be calculated using as a numerator the number of units conveyed and as a denominator the number of units subject to the declaration plus the number of units which the declarant is authorized by the declaration to create on any additional real estate. The percentages referred to in subsections (c) and (d) shall be calculated without reference to units that are auxiliary to other units, such as garage units or storage units. A person shall not use a master association or other device to evade the requirements of this section.

(g) Except as otherwise provided in this subsection, all meetings of the board of directors must be open to the unit owners. ~~To the extent practicable,~~ The board shall give reasonable notice to the unit owners of the date, time, ~~and~~ place, and agenda of a board meeting. If the date, time, and place of meetings are provided for in the declaration, articles, or bylaws, announced at a previous meeting of the board, posted in a location accessible to the unit owners and designated by the board from time to time, or if an emergency requires immediate consideration of a matter by the board, notice is not required. "Notice" has the meaning given in section 317A.011, subdivision 14. Prior to the board taking action on an agenda item that requires the vote of the board, any unit owner or any person designated in writing by a member as the member's representative must be permitted to attend and speak on the item. A time must be designated by the board at each open meeting for any unit owner, or the unit owner's designee, to raise any issue that is a nonvoting item on the meeting agenda or any other issue that is related to the association or the common interest community. The board may place a reasonable limit on the time a member is allowed to speak. Meetings may be closed to discuss the following:

(1) personnel matters;

(2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or association and unit owners, or other matters in which any unit owner may have an adversarial interest, if the board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the board or association or the privacy of a unit owner or occupant of a unit; or

(3) criminal activity arising within the common interest community if the board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the board meeting or any action taken at the meeting. The minutes of any part of a meeting that is closed under this subsection may be kept confidential at the discretion of the board. A board of directors of an association that has fewer than 25 units and does not contract with a property management company is not required to comply with this subsection's requirements for the notice for meetings between board members, nor the requirements to keep minutes, if the subject of the meeting is solely to discuss issues related to property management, including preliminary budget discussions provided no budget decisions are finalized.

(h) The conflict of interest standards set forth in section 317A.255 are required of officers and directors and apply to an actual or potential conflict of interest that arises concerning an officer or director, regardless of whether appointed or elected, and in addition to those requirements:

(1) no board member, or the spouse, sibling, child, or parent of any board member, may have a material financial interest in a business that the association or a property management company has hired or contracted with for goods or services over $20,000 in a calendar year for any single association;

(2) no board member, or the spouse, sibling, child, or parent of any board member, may solicit or accept any form of direct or indirect compensation, gift, money, rebate, gratuity, remuneration of any kind, or anything of value from any person or entity performing services for the association or a board member or any person or entity with which the association or a board member has a contract or other business relationship;

(3) no board member may solicit or accept any gift, money, rebate, any form of direct or indirect compensation, gratuity, remuneration of any kind, or anything of value that would improperly influence or would appear to a reasonable person to improperly influence the decisions made by the association;

(4) a management company, or the employee, owner, or individual with a material financial interest in a management company, that is providing services to an entity covered by this chapter may not have a financial interest in a business the association or management company has hired or contracted with for goods or services in excess of $20,000 in a calendar year and may not solicit or accept any gift, money, rebate, gratuity, or direct or indirect compensation from any person or entity performing services for the association or for the award of a contract for goods or services; or

(5) no association, or board of directors of an association, shall enter into a contract or any other business relationship on behalf of an association or a board member from which the management company, its owner or owners, any of its managerial officials, or any of its employees or any spouse, domestic partner, or relative of the owner or owners, managerial officials, or any employee of the management company has received or could receive a direct or indirect financial benefit in excess of $20,000 in a calendar year. A board member does not have a material financial interest in a business if the board member holds stock, has an investment in a pension or mutual fund that holds stock, or is the beneficiary of a blind trust that holds stock, in that business.

(i) An annual report must be prepared and signed by each member of the board of directors for the association listing all contracts for goods or services for the previous budget year, including the purpose of the contract, the amount of the contract, the identity of the recipient of the contract award, the date of the meeting the contract was approved, which directors were present at the meeting, the date the contract became valid, and if there were any fees or payments made related to the contract to a third party or management company. The annual report must be sent to each unit owner annually.

(j) A property management company that is hired by a board of directors or association covered under this section may not enter into an automatically renewing contract for goods or services for the association unless the contract provides that the association or management company may terminate the contract at anytime with no more than 60 days' notice.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 515B.3-106, is amended to read:

**515B.3-106 BYLAWS; ANNUAL REPORT.**

(a) A common interest community shall have bylaws which comply with this chapter and the statute under which the association is incorporated. The bylaws and any amendments may be recorded, but need not be recorded to be effective unless so provided in the bylaws. Any amendment, addition, or repeal of the bylaws must be approved at the annual or special meeting, or by mail or electronic mail, and an association must give unit owners adequate notice and the opportunity to comment on the proposed change at a meeting at which the change is considered. Any bylaw in effect may be revoked by a majority vote of the total votes in the association that are allocated at the annual or special meeting.

(b) The bylaws shall provide that, in addition to any statutory requirements:

(1) A meeting of the members shall be held at least once each year, and a specified officer of the association shall give notice of the meeting as provided in section 515B.3-108.

(2) An annual report shall be prepared by the association and a copy of the report shall be provided to each unit owner at or prior to the annual meeting.

(c) The annual report shall contain at a minimum:

(1) a statement of any capital expenditures in excess of two percent of the current budget or $5,000, whichever is greater, approved by the association for the current fiscal year or succeeding two fiscal years;

(2) a statement of the association's total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amounts of the reserves, if any, that the board has allocated for the replacement of each of those components;

(3) a copy of the statement of revenues and expenses for the association's last fiscal year, and a balance sheet as of the end of said fiscal year;

(4) a statement of the status of any pending litigation or judgments to which the association is a party;

(5) a detailed description of the insurance coverage provided by the association including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association; and

(6) a statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 515B.3-107, is amended to read:

**515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

(a) Except to the extent provided by the declaration, this subsection or section 515B.3-113, the association is responsible for the maintenance, repair and replacement of the common elements, and each unit owner is responsible for the maintenance, repair and replacement of the unit owner's unit. A management company may not require an association to work with a particular vendor. Damage to the common elements or any unit as a result of the acts or omissions of a unit owner or the association, including damage resulting from the unit owner's or association's lack of maintenance or failure to perform necessary repairs or replacement, is the responsibility of the unit owner or association responsible for causing the damage, or whose agents or, subject to section 515B.3-115, subsection (g), and section 515B.3-1151, subsection (g), invitees caused the damage.

(b) The association's board of directors shall prepare and approve a written preventative maintenance plan, maintenance schedule, and maintenance budget for the common elements. The association shall follow the approved preventative maintenance plan. The association's board may amend, modify, or replace an approved preventative maintenance plan or an approved maintenance schedule from time to time. The association must provide all unit owners with a paper copy, electronic copy, or electronic access to the preventative maintenance plan, the maintenance schedule, and any amendments or modifications to or replacements of the preventative maintenance plan and the maintenance schedule. If a

common interest community was created on or before August 1, 2017, the association's board of directors shall have until January 1, 2019, to comply with the requirements of this subsection.

(c) The association shall have access through and into each unit for purposes of performing maintenance, repair or replacement for which the association may be responsible. The association and any public safety personnel shall also have access for purposes of abating or correcting any condition in the unit which violates any governmental law, ordinance or regulation, which may cause material damage to or jeopardize the safety of the common interest community, or which may constitute a health or safety hazard for occupants of units.

(d) Neither the association, nor any unit owner other than the declarant or its affiliates, is subject to a claim for payment of expenses incurred in connection with any additional real estate.

(e) In exercising any authority granted to it under the declaration to approve or disapprove proposed changes to a unit or limited common element, the association's board shall provide a fair, reasonable, and expeditious procedure for making any decision. The procedure shall be set forth in the association's governing documents which may include rules and regulations. The procedures shall state the maximum time for issuance of any decision on a proposal or a request for consideration. At a minimum, the association's board must make a decision within 90 days after the initial submission of the proposal or submission of any additional information or changes to the proposal requested by the association's board in response to the initial submission. A decision must be in writing, must be made in good faith, and must not be unreasonable, arbitrary, or capricious. If the proposal is disapproved, the decision must include both an explanation of why the proposal is disapproved and a description of the procedure for reconsideration of the decision by the association's board.

(f) Unless expressly provided for in the declaration, the association must not enforce any restriction on parking of a personal vehicle on a public street or public road for which the state or local government has assumed responsibility for maintenance and repairs, unless the authority to regulate such parking has been expressly delegated to the association by the state or local government under terms prescribing the manner in which the association may exercise that authority. Any such delegation is valid for a period not to exceed five years, at which time the association must reapply to the delegating entity. As used in this subsection, "personal vehicle" means an automobile with a gross weight of less than 26,001 pounds that is used for personal pleasure, travel, or commuting to and from a place of work,

and does not include a motor home or self-propelled recreational vehicle, or an automobile that is otherwise used primarily in connection with any commercial endeavor or business.

(g) A unit owner or resident may park a work vehicle, including but not limited to a van, pickup truck, small truck, ambulance, law enforcement vehicle, utility company vehicle, or emergency response vehicle, on the unit owner's property, the limited common elements allocated to the unit owner's unit, or a common element driveway that serves only the unit owner's unit, provided the vehicle's length does not encroach on another unit owner's property or interfere with the association's ability to maintain roads or common elements. An association must not prohibit or restrict this parking.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 515B.3-108, is amended to read:

**515B.3-108 MEETINGS.**

(a) A meeting of the association shall be held at least once each year. At each annual meeting, there shall be, at a minimum, (i) an election of successor directors for those directors whose terms have expired, (ii) a report on the activities and financial condition of the association, and (iii) consideration of and action on any other matters included in the notice of meeting. Unless the bylaws provide otherwise, special meetings of the association may be called by the president and shall be called by the president or secretary upon the written petition of a majority of the board or unit owners entitled to cast at least 20 percent of the votes in the association.

(b) Not less than 21 nor more than 30 days in advance of any annual meeting, and not less than seven nor more than 30 days in advance of any special meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or sent postage prepaid by United States mail to the mailing address of each unit, or to any other address designated in writing by the unit owner to the association as provided in the bylaws or by statute.

(c) The notice of any meeting shall state the date, time and place of the meeting, the purposes of the meeting, and, if proxies are permitted, the procedures for appointing proxies. The notice must include copies or a link to electronic copies of any documents that are subject to discussion or approval at the meeting, including the budget.

(d) The board may provide for reasonable procedures governing the conduct of meetings and elections.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 515B.3-115, is amended to read:

**515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED BEFORE AUGUST 1, 2010.**

(a) The obligation of a unit owner to pay common expense assessments shall be as follows:

(1) If a common expense assessment has not been levied, the declarant shall pay all operating expenses of the common interest community, and shall fund the replacement reserve component of the common expenses as required by subsection (b).

(2) If a common expense assessment has been levied, all unit owners, including the declarant, shall pay the assessments allocated to their units, subject to the following:

(i) If the declaration so provides, a declarant's liability, and the assessment lien, for the common expense assessments, exclusive of replacement reserves, on any unit owned by the declarant may be limited to 25 percent or more of any assessment, exclusive of replacement reserves, until the unit or any building located in the unit is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(ii) If the declaration provides for a reduced assessment pursuant to paragraph (2)(i), the declarant shall be obligated, within 60 days following the termination of the period of declarant control, to make up any operating deficit incurred by the association during the period of declarant control. The existence and amount, if any, of the operating deficit shall be determined using the accrual basis of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(b) The replacement reserve component of the common expenses shall be funded for each unit in accordance with the projected annual budget required by section 515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit shall commence no later than the date that the unit or any building located within the unit boundaries is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon a budget approved at least annually by the association. The association shall provide each unit owner with a copy of the proposed annual budget prior

to the annual meeting at which the budget is to be approved and allow unit owners to provide input on the budget prior to or during the meeting.

(d) Except as modified by subsections (a)(1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to subsection (k) and section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments against a unit owner, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations against a unit owner, may be assessed against the unit owner's unit subject to section 515B.3-116(h), provided that the attorney fees and costs for enforcement and collection may not exceed $1,500 and no fees or costs may be assessed if the association uses a collection agency as defined in section 332.31 if the fees of the collection agency are contingent on the amount collected; and

(5) subject to subsection (k), fees, charges, late charges, and fines ~~and interest~~ may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten

days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association may offer a unit owner a reasonable payment agreement and take into consideration the financial circumstances of the unit owner.

~~(k)~~ (l) This section applies only to common interest communities created before August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 515B.3-1151, is amended to read:

**515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) The association shall approve an annual budget of common expenses at or prior to the conveyance of the first unit in the common interest community to a purchaser and annually thereafter. The association shall provide each unit owner with a copy of the proposed annual budget prior to the annual meeting at which the budget is to be approved and allow unit owners to provide input on the budget prior to or during the meeting. The annual budget shall include all customary and necessary operating expenses and replacement reserves for the common interest community, consistent with this section and section 515B.3-114. For purposes of replacement reserves under subsection (b), until an annual budget has been approved, the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102. The obligation of a unit owner to pay common expenses shall be as follows:

(1) If a common expense assessment has not been levied by the association, the declarant shall pay all common expenses of the common interest community, including the payment of the replacement reserve component of the common expenses for all units in compliance with subsection (b).

(2) If a common expense assessment has been levied by the association, all unit owners, including the declarant, shall pay the assessments levied against their units, except as follows:

(i) The declaration may provide for an alternate common expense plan whereby the declarant's common expense liability, and the corresponding assessment lien against the units owned by the declarant, is limited to: (A) paying when due, in compliance with subsection (b), an amount equal to the full share of the replacement reserves allocated to units owned by the declarant, as set forth in the association's annual budget approved as provided in this subsection; and (B) paying when due all accrued expenses of the common interest community in excess of the aggregate assessments payable with respect to units owned by persons other than a declarant; provided, that the alternate common expense plan shall not affect a declarant's obligation to make up any operating deficit pursuant to item (iv), and shall terminate upon the termination of any period of declarant control unless terminated earlier pursuant to item (iii).

(ii) The alternate common expense plan may be authorized only by including in the declaration and the disclosure statement required by section 515B.4-102 provisions authorizing and disclosing the alternate common expense plan as described in item (i), and including in the disclosure statement either (A) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget contained in the disclosure statement, or (B) a statement describing how the services or amenities may be affected.

(iii) A declarant shall give notice to the association of its intent to utilize the alternate common expense plan and a commencement date after the date the notice is given. The alternate common expense plan shall be valid only for periods after the notice is given. A declarant may terminate its right to utilize the alternate common expense plan prior to the termination of the period of declarant control only by giving notice to the association and the unit owners at least 30 days prior to a selected termination date set forth in the notice.

(iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause to be prepared and delivered to the association, at the declarant's expense, within 90 days after the termination of the period of declarant control, an audited balance sheet and profit and loss statement certified to the association and prepared by an accountant having the qualifications set forth in section 515B.3-121(b). The audit shall be binding on the declarant and the association.

(v) If the audited profit and loss statement shows an accumulated operating deficit, the declarant shall be obligated to make up the deficit within 15 days after delivery of the audit

to the association, and the association shall have a claim against the declarant for an amount equal to the deficit until paid. A declarant who does not utilize an alternate common expense plan is not liable to make up any operating deficit. If more than one declarant utilizes an alternate common expense plan, all declarants who utilize the plan are jointly and severally liable to the association for any operating deficit.

(vi) The existence and amount, if any, of the operating deficit shall be determined using the accrual method of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(vii) Unless approved by a vote of the unit owners other than the declarant and its affiliates, the operating deficit shall not be made up, prior to the election by the unit owners of a board of directors pursuant to section 515B.3-103(d), through the use of a special assessment described in subsection (c) or by assessments described in subsections (e), (f), and (g).

(viii) The use by a declarant of an alternate common expense plan shall not affect the obligations of the declarant or the association as provided in the declaration, the bylaws, or this chapter, or as represented in the disclosure statement required by section 515B.4-102, except as to matters authorized by this chapter.

(b) The replacement reserves required by section 515B.3-114 shall be paid to the association by each unit owner for each unit owned by that unit owner in accordance with the association's annual budget approved pursuant to subsection (a), regardless of whether an annual assessment has been levied or whether the declarant has utilized an alternate common expense plan under subsection (a)(2). Replacement reserves shall be paid with respect to a unit commencing as of the later of (1) the date of creation of the common interest community or (2) the date that the structure and exterior of the building containing the unit, or the structure and exterior of any building located within the unit boundaries, but excluding the interior finishing of the structure itself, are substantially completed. If the association has not approved an annual budget as of the commencement date for the payment of replacement reserves, then the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon an annual budget approved by the association. In addition to and not in lieu of annual assessments, an association may, if so provided in the declaration, levy special assessments against all units in the common interest community based upon

the same formula required by the declaration for levying annual assessments. Special assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures or operating expenses, or (4) to replace certain components of the common interest community described in section 515B.3-114(a), if such alternative method of funding is approved under section 515B.3-114(a)(5). The association may also levy assessments against fewer than all units as provided in subsections (e), (f), and (g). An assessment under subsection (e)(2) for replacement reserves is subject to the requirements of section 515B.3-1141(a)(5).

(d) Except as modified by subsections (a), ~~clauses~~ paragraphs (1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to subsection (k) and section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner's unit, subject to section 515B.3-116(h), provided that the attorney fees and costs for enforcement and collection may not exceed $1,500 and no fees or costs may be assessed if the association uses a collection agency as defined in section 332.31 if the fees of the collection agency are contingent on the amount collected; and

(5) subject to subsection (k), fees, charges, late charges, and fines~~, and interest~~ may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association must offer a unit owner a reasonable payment agreement and take into consideration the financial circumstances of the unit owner.

~~(k)~~ (l) This section applies only to common interest communities created on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 515B.3-116, is amended to read:

**515B.3-116 LIEN FOR ASSESSMENTS.**

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, and late charges~~, fines and interest charges~~ pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable as assessments, under this section. Recording of the declaration constitutes record notice

and perfection of any assessment lien under this section, and no further recording of any notice of or claim for the lien is required.

(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection. In no case may an association's lien be foreclosed for unpaid fines. If a unit owner is delinquent in the payment of fees or charges properly imposed pursuant to section 515B.3-102, subsection (a), paragraphs (10), (11), and (12), an association may not commence foreclosure for the fees or charges unless the total amount of the association's lien for unpaid assessments of all types, other than assessments for attorney fees, exceeds $5,000 or more and that amount has been outstanding for 120 days or more.

(1) In a condominium or planned community, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580, except that any portion of the assessment that represents attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate under section 580.30 or chapter 581.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

(3) $500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR INCURRED; PLUS

(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees ~~authorized by the declaration or~~

~~bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a,~~ as specified in section 582.01, subdivision 1, up to a maximum of $3,500, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the redemption period in a foreclosure of the association's assessment lien, the association may bring an action for eviction against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 13. **[515B.3-122] REQUIREMENT TO MEET AND CONFER.**

Prior to an association or management company, or an attorney or another person on their behalf, taking any collection action, the association and the unit owner must engage in a meet and confer process in an effort to resolve any dispute between the association and the unit owner involving their respective rights, duties, or liabilities under this chapter or any other section of law, or under the governing documents of the common interest community or association. The parties must meet as soon as practicable at a mutually convenient time and place either in-person, over the phone, or virtually. Another person may appear for the association as long as the unit owner is not charged for attorney fees or for the person's appearance at the meeting. At the meeting, each party must be given reasonable time to present their positions and must confer in good faith to seek a resolution to the dispute. If the meet and confer process results in the resolution of the dispute, the resolution must be in writing and signed by both a board member and the unit owner. The signed agreement binds the parties and is judicially enforceable. A unit owner must not be charged any fees, including any attorney fees, to participate in the meet and confer process. If the unit owner expressly refuses to engage in the meet and confer process, the association may proceed with a collection action. A unit owner is deemed to refuse to engage in the

meet and confer process if the unit owner fails to respond within 30 days after the association provides the required notice to the unit owner.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 14. **[515B.3-125] LEGAL FEES; NOTICE REQUIRED.**

(a) Prior to referring a unit owner's inquiry to an attorney, the board must provide a notice to the unit owner with the following information:

(1) a statement that the board plans to refer the matter at issue to an attorney;

(2) the name of the person responsible for payment of any resulting legal fees; and

(3) the hourly rate the attorney charges.

(b) The board must provide the notification under subsection (a) at no cost to the unit owner.

(c) The board must provide to a unit owner an itemized invoice for any legal fees charged to the unit owner detailing the attorney's rate, the time the attorney spent on the matter, the specific services the attorney provided, and the date or dates of service.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 15. Minnesota Statutes 2024, section 515B.4-102, is amended to read:

**515B.4-102 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED BEFORE AUGUST 1, 2010.**

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of the declarant;

(3) the number of units which the declarant has the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community and the nature of the occupancy,

and (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or a master association will be required to maintain;

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that a declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; and an explanation of declarant's limited assessment liability under section 515B.3-115(b);

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD) or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 through 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that: (i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a); (ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement; and (iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association;

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative: (i) whether the unit owners will be entitled for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative; (ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and (iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement: (i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest and penalties, and stating the years for which taxes are delinquent, and (ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the association or the purchaser of the unit will be a member of a master association, a statement to that effect, and all of the following information with respect to

the master association: (i) a copy of the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto; (ii) the name, address and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members; (iii) a description of any nonresidential use permitted on any property subject to the master association; (iv) a statement as to the estimated maximum number of associations, unit owners or other persons which may become members of the master association, and the degree and period of control of the master association by a declarant or other person; (v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member or the master association; (vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made; (vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly common expense assessment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment; (viii) a description of any expenses or services not reflected in the budget, paid for or provided by a declarant or a person executing the master declaration, which may become an expense of the master association in the future; (ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(f)(2); (x) identification of any liens, defects or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members; (xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-112(b); (xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association; (xiii) a description of any insurance coverage provided for the benefit of its members by the master association; and (xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) a copy of the declaration and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, or reservations affecting the common interest community; the articles of incorporation, bylaws and any rules or regulations of the association; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by purchaser at closing; and a brief narrative description of any (i) contracts or leases that are or may be subject to cancellation by the association under section 515B.3-105 and (ii) any material agreements entered into between the declarant and a governmental entity that affect the common interest community; ~~and~~

(23) a balance sheet for the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation: (i) a statement of the amount included in the budget as a reserve for replacement; (ii) a statement of any other reserves; (iii) the projected common expense for each category of expenditures for the association; (iv) the projected monthly common expense assessment for each type of unit; and (v) a footnote or other reference to those components of the common interest community the maintenance, repair, or replacement of which the budget assumes will be funded by assessments under section 515B.3-115(e), rather than by assessments included in the association's annual budget, and a statement referencing section 515B.3-115(e)(1) or (2), as the source of funding. If, based upon the association's then current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included;

(24) a copy of any fact sheet or other publication by the attorney general that describes, in plain language, common interest communities and homeowner associations and explains the rights and responsibilities of unit owners and associations; and

(25) the schedules of fines required under section 515B.3-102, subsections (a), paragraph (10), and (c).

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20) is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created before August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 16. Minnesota Statutes 2024, section 515B.4-1021, is amended to read:

**515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of each declarant holding any special declarant rights; a description of the special declarant rights held by each declarant; a description of the units or additional real estate to which the respective special declarant rights apply; and a copy of any recorded transfer of special declarant rights pursuant to section 515B.3-104(a), or any instrument recorded pursuant to section 515B.3-104(b), (g), or (h);

(3) the total number of units which all declarants have the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community, and the nature of the occupancy, (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or master association will be required to maintain, (vii) a description of any declarant licensing rights under section 515B.2-109(e), and (viii) the initial maintenance plan, initial maintenance schedule, and maintenance budget under section

515B.3-107(b). The initial maintenance plan prepared by the declarant must be based on the best available information listing all building elements to which the plan will apply and the generally accepted standards of maintenance on which the plan is based. The initial plan must be dated and signed by the declarant and be fully funded by the initial budget provided by the declarant;

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that the declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; a description of any alternate common expense plan under section 515B.3-115(a)(2)(i); and, if the declaration provides for an alternate common expense plan, either (i) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget or disclosed in the disclosure statement, or (ii) a statement describing how the services or amenities may be affected;

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD), or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 to 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that:

(i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel

terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a);

(ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement; and

(iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113(b), are insured by the association;

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative:

(i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative;

(ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and

(iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement:

(i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties, and stating the years for which taxes are delinquent; and

(ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the unit or other parcel of real estate being purchased is or may be subject to a master declaration at the time of the conveyance from the declarant to the purchaser, a statement to that effect, and all of the following information with respect to the master association:

(i) copies of the following documents (which may be in proposed form if the master declaration has not been recorded): the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto;

(ii) the name and address of the master developer, and the name, address, and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members;

(iii) a description of any nonresidential use permitted on any property subject to the master declaration;

(iv) a statement as to the estimated maximum number of associations, unit owners, or other persons which may become members of the master association, and a description of any period of control of the master association and rights to appoint master association directors by a master developer or other person pursuant to section 515B.2-121(c);

(v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member of the master association;

(vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made;

(vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other periodic common expense assessment payment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;

(viii) a description of any expenses or services not reflected in the budget, paid for or provided by a master developer or another person executing the master declaration, which may become an expense of the master association in the future;

(ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(e)(2);

(x) identification of any liens, defects, or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members;

(xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-113(b)(2);

(xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association;

(xiii) a description of any insurance coverage provided for the benefit of its members by the master association; and

(xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and, if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) copies of the following documents (which may be in proposed form if the declaration has not been recorded): the declaration and any supplemental declaration, and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions,

restrictions, and reservations affecting the common interest community; the articles of incorporation, bylaws, and any rules or regulations of the association; the names of the current members of the association's board of directors; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by the purchaser at closing; and a description of any material contracts, leases, or other agreements affecting the common interest community; ~~and~~

(23) a balance sheet for the association, following the creation of the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation:

(i) a statement of the amount included in the budget as a reserve for replacement, the components of the common interest community for which the reserves are budgeted, and the amounts of the reserves, if any, that are allocated for the replacement of each of those components;

(ii) a statement of any other reserves;

(iii) the projected common expense for each category of expenditures for the association;

(iv) the projected monthly common expense assessment for each type of unit;

(v) a statement as to the components of the common interest community whose replacement will be funded by assessments under section 515B.3-115(c) or (e), rather than by replacement reserves as approved pursuant to section 515B.3-114(a). If, based upon the association's then-current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included;

(24) a copy of any fact sheet or other publication by the attorney general that describes, in plain language, common interest communities and homeowner associations and explains the rights and responsibilities of unit owners and associations; and

(25) the schedules of fines required under section 515B.3-102, subsections (a), paragraph (10), and (c).

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 515B.4-116, is amended to read:

**515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEY'S FEES.**

(a) In addition to any other rights to recover damages, attorney's fees, costs or expenses, whether authorized by this chapter or otherwise, if a declarant, an association, or any other person violates any provision of this chapter, or any provision of the declaration, bylaws, or rules and regulations any person or class of persons adversely affected by the failure to comply has a claim for appropriate relief. Subject to the requirements of section 515B.3-102, the association shall have standing to pursue claims on behalf of the unit owners of two or more units. An association is liable to a unit owner for actual damages and shall pay to the unit owner a civil penalty in an amount up to $1,000.

(b) The court may award reasonable attorney's fees and costs of litigation to the prevailing party. Punitive damages may be awarded for a willful failure to comply.

(c) As a condition precedent to any construction defect claim, the parties to the claim must submit the matter to mediation before a mutually agreeable neutral third party. For the purposes of this section, mediation has the meaning given under the General Rules of Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator from the roster maintained by the Minnesota Supreme Court, the parties may petition the district court in the jurisdiction in which the common interest community is located to appoint a mediator. The applicable statute of limitations and statute of repose for an action

based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged construction defect, is tolled from the date that any party makes a written demand for mediation under this section until the latest of the following:

(1) five business days after mediation is completed; or

(2) 180 days.

Notwithstanding the foregoing, mediation shall not be required prior to commencement of a construction defect claim if the parties have completed home warranty dispute resolution under section 327A.051.

(d) The remedies provided for under this chapter are not exclusive and do not abrogate any remedies under other statutes or the common law, notwithstanding whether those remedies are referred to in this chapter.

(e) An association may not retaliate against a unit owner for asserting any right the unit owner has under this chapter or other law.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 18. Laws 2024, chapter 96, article 2, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2025~~ 2026.

## MOTIONS AND RESOLUTIONS

Senator Rasmusson moved that his name be stricken as a co-author to S.F. No. 976. The motion prevailed.

Senator Westrom moved that the name of Senator Utke be added as a co-author to S.F. No. 3409. The motion prevailed.

Senator Abeler moved that S.F. No. 3330 be withdrawn from the Committee on Health and Human Services and returned to its author. The motion prevailed.

**Senator Hoffman introduced --**

**Senate Resolution No. 38:** A Senate resolution designating May 4 to 10, 2025, as Tardive Dyskinesia Awareness Week.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 5.1, Senator Howe, chief author, moved that H.F. No. 1290 be withdrawn from the Committee on State and Local Government, given a second reading, and placed on General Orders. The motion prevailed.

H.F. No. 1290 was read the second time.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 1750 and 2300.

## SPECIAL ORDER

**S.F. No. 1750:** A bill for an act relating to common interest communities; modifying powers and duties of common interest communities; modifying rights of a unit owner; modifying threshold for termination of a common interest community; establishing a meet and confer process; modifying notice of meetings; limiting late fees, fines, and attorney fees; modifying foreclosure requirements; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-108; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-116; Laws 2024, chapter 96, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 515B.

Senator Lucero moved to amend S.F. No. 1750 as follows (A15):

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 515B.1-102, is amended to read:

**515B.1-102 APPLICABILITY.**

(a) Except as provided in this section, this chapter, and not chapters 515 and 515A, applies to all common interest communities created within this state on and after June 1, 1994.

(b) The applicability of this chapter to common interest communities created prior to June 1, 1994, shall be as follows:

(1) This chapter shall apply to condominiums created under chapter 515A with respect to events and circumstances occurring on and after June 1, 1994; provided (i) that this chapter shall not invalidate the declarations, bylaws or condominium plats of those condominiums, and (ii) that chapter 515A, and not this chapter, shall govern all rights and obligations of a declarant of a condominium created under chapter 515A, and the rights and claims of unit owners against that declarant.

(2) The following sections in this chapter apply to condominiums created under chapter 515: 515B.1-104 (Variation by Agreement); 515B.1-105 (Separate Titles and Taxation); 515B.1-106 (Applicability of Local Requirements); 515B.1-107 (Eminent Domain); 515B.1-108 (This Chapter Prevails; Supplemental Law); 515B.1-109 (Construction Against Implicit Repeal); 515B.1-112 (Unconscionable Agreement or Term of Contract); 515B.1-113 (Obligation of Good Faith); 515B.1-114 (Remedies to be Liberally Administered); 515B.1-115 (Notice); 515B.1-116 (Recording); 515B.2-103 (Construction and Validity of Declaration and Bylaws); 515B.2-104 (Description of Units); 515B.2-108(d) (Allocation of Interests); 515B.2-109(f) (Common Elements and Limited Common Elements); 515B.2-112 (Subdivision, Combination, or Conversion of Units); 515B.2-113 (Alteration of Units); 515B.2-114 (Relocation of Boundaries Between Adjoining Units); 515B.2-115 (Minor Variations in Boundaries); 515B.2-118 (Amendment of Declaration); 515B.2-119 (Termination of Common Interest Community); 515B.3-102 (Powers of Unit Owners' Association); 515B.3-103(a), (b), and (g) (Board of Directors, Officers, and Declarant Control); 515B.3-107 (Upkeep of Common Interest Community); 515B.3-108 (Meetings); 515B.3-109 (Quorums); 515B.3-110 (Voting; Proxies); 515B.3-111 (Tort and Contract Liability); 515B.3-112 (Conveyance of, or Creation of Security Interests in, Common Elements); 515B.3-113 (Insurance); 515B.3-114 (Replacement Reserves); 515B.3-115(c), (e), (f), (g), (h), and (i) (Assessments for Common Expenses); 515B.3-116 (Lien for Assessments); 515B.3-117 (Other Liens); 515B.3-118 (Association Records); 515B.3-119 (Association as Trustee); 515B.3-121 (Accounting Controls); 515B.4-107 (Resale of Units); 515B.4-108 (Purchaser's Right to Cancel Resale); and 515B.4-116 (Rights of Action; Attorney's Fees). Section 515B.1-103 (Definitions) shall apply to the extent necessary in construing any of the sections referenced in this section. Sections 515B.1-105, 515B.1-106, 515B.1-107, 515B.1-116, 515B.2-103, 515B.2-104, 515B.2-118, 515B.3-102, 515B.3-110, 515B.3-111, 515B.3-113, 515B.3-116, 515B.3-117, 515B.3-118, 515B.3-121, 515B.4-107, 515B.4-108, and 515B.4-116 apply only with respect to events and circumstances occurring on and after June 1, 1994. All other sections referenced in this section apply only with respect to events and circumstances occurring after July 31, 1999. A section referenced in this section does not invalidate the declarations, bylaws or condominium plats of condominiums created before August 1, 1999. But all sections referenced in this section prevail over the declarations, bylaws, CIC plats, rules and regulations under them, of condominiums created before August 1, 1999, except to the extent that this chapter defers to the declarations, bylaws, CIC plats, or rules and regulations issued under them.

(3) This chapter shall not apply to cooperatives ~~and~~ created or converted prior to June 1, 1994, to planned communities created prior to June 1, 1994, or to planned communities that were created

on or after June 1, 1994, and before August 1, 2006, and that consist of more than two but fewer than 13 units; except by election pursuant to subsection (d), and except that the following sections apply to all planned communities, including townhome associations, regardless of when created, unless they are exempt under subsection (e): sections 515B.1-116, subsections (a), (c), (d), and (e)~~,~~; 515B.3-102, subsections (a), paragraphs (1), (3), (10), (11), and (12), (c), and (g); 515B.3-103, subsections (a), (e), paragraph (4), (g), (h), and (i); 515B.3-107, subsections (a), (d), (e), (f), and (g); 515B.3-115, subsections (e), paragraphs (4) and (5), (g), and (k); 515B.3-1151, subsections (e), paragraphs (4) and (5), (g), and (k); 515B.3-116, subsections (a) and (h); 515B.3-122; 515B.4-107~~,~~; and 515B.4-108~~, apply to all planned communities and cooperatives regardless of when they are created, unless they are exempt under subsection (e)~~.

(c) This chapter shall not invalidate any amendment to the declaration, bylaws or condominium plat of any condominium created under chapter 515 or 515A if the amendment was recorded before June 1, 1994. Any amendment recorded on or after June 1, 1994, shall be adopted in conformity with the procedures and requirements specified by those instruments and by this chapter. If the amendment grants to any person any rights, powers or privileges permitted by this chapter, all correlative obligations, liabilities and restrictions contained in this chapter shall also apply to that person.

(d) Any condominium created under chapter 515, any planned community or cooperative which would be exempt from this chapter under subsection (e), or any planned community or cooperative created prior to June 1, 1994, or any planned community that was created on or after June 1, 1994, and prior to August 1, 2006, and that consists of more than two but fewer than 13 units, may elect to be subject to this chapter, as follows:

(1) The election shall be accomplished by recording a declaration or amended declaration, and a new or amended CIC plat where required, and by approving bylaws or amended bylaws, which conform to the requirements of this chapter, and which, in the case of amendments, are adopted in conformity with the procedures and requirements specified by the existing declaration and bylaws of the common interest community, and by any applicable statutes.

(2) In a condominium, the preexisting condominium plat shall be the CIC plat and an amended CIC plat shall be required only if the amended declaration or bylaws contain provisions inconsistent with the preexisting condominium plat. The condominium's CIC number shall be the apartment ownership number or condominium number originally assigned to it by the recording officer. In a cooperative in which the unit owners' interests are characterized as real estate, a CIC plat shall be required. In a planned community, the preexisting plat or registered land survey recorded pursuant to chapter 505, 508, or 508A, or the part of the plat or registered land survey upon which the common interest community is located, shall be the CIC plat.

(3) The amendment shall comply with section 515B.2-118(a)(3) and (c); except that the unanimous consent of the unit owners shall not be required for (i) a clarification of the unit boundary description if the clarified boundary description is substantially consistent with the preexisting CIC plat, or (ii) changes from common elements to limited common elements that occur by operation of section 515B.2-109(c) and (d).

(4) Except as permitted by paragraph (3), no declarant, affiliate of declarant, association, master association nor unit owner may acquire, increase, waive, reduce or revoke any previously existing

warranty rights or causes of action that one of said persons has against any other of said persons by reason of exercising the right of election under this subsection.

(5) A common interest community which elects to be subject to this chapter may, as a part of the election process, change its form of ownership by complying with section 515B.2-123.

(e) Except as otherwise provided in this subsection, this chapter shall not apply, except by election pursuant to subsection (d), to the following:

(1) a planned community which consists of two units, which utilizes a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), which is not subject to any rights to subdivide or convert units or to add additional real estate, and which is not subject to a master association;

(2) a common interest community that consists solely of platted lots or other separate parcels of real estate designed or utilized for detached single family dwellings or agricultural purposes, with or without common property, where no association or master association has an obligation to maintain any building containing a dwelling or any agricultural building located or to be located on such platted lots or parcels; except that section 515B.4-101(e) shall apply to the sale of such platted lots or parcels of real estate if the common interest community is or will be subject to a master declaration;

(3) a cooperative where, at the time of creation of the cooperative, the unit owners' interests in the dwellings as described in the declaration consist solely of proprietary leases having an unexpired term of fewer than 20 years, including renewal options;

(4) planned communities utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), and cooperatives, which are limited by the declaration to nonresidential uses; or

(5) real estate subject only to an instrument or instruments filed primarily for the purpose of creating or modifying rights with respect to access, utilities, parking, ditches, drainage, or irrigation.

(f) Section 515B.4-101(e) applies to any platted lot or other parcel of real estate that is subject to a master declaration and is not subject to or is exempt from this chapter.

(g) Section 515B.1-106 and section 515B.2-118, subsections (a)(5), (a)(7), and (d), shall apply to all common interest communities.

(h) Sections 515B.1-103(33a), 515B.2-110, 515B.3-105, 515B.3-115, 515B.4-102, and 515B.4-115 apply only to common interest communities created before August 1, 2010. Sections 515B.1-103(33b), 515B.2-1101, 515B.3-1051, 515B.3-1151, 515B.4-1021, and 515B.4-1151 apply only to common interest communities created on or after August 1, 2010.

(i) Section 515B.3-114 applies to common interest communities only for the association's fiscal years commencing before January 1, 2012. Section 515B.3-1141 applies to common interest communities only for the association's fiscal years commencing on or after January 1, 2012.

(j) Section 515B.3-104 applies only to transfers of special declarant rights that are effective before August 1, 2010. Section 515B.3-1041, subsections (a) through (i), apply only to transfers of

special declarant rights that are effective on or after August 1, 2010. Section 515B.3-1041, subsections (j) and (k), apply only to special declarant rights reserved in a declaration that is first recorded on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 515B.1-103, is amended to read:

**515B.1-103 DEFINITIONS.**

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) "Additional real estate" means real estate that may be added to a flexible common interest community.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(A) A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

(B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(C) Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

(3) "Allocated interests" means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.

(4) "Association" means the unit owners' association organized under section 515B.3-101.

(5) "Board" means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

(6) "CIC plat" means a common interest community plat described in section 515B.2-110.

(7) "Common elements" means all portions of the common interest community other than the units.

(8) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

(10) "Common interest community" or "CIC" means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on, one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate which satisfies the definition of a common interest community is a common interest community whether or not it is subject to this chapter. Real estate subject to a master declaration, regardless of when the master declaration was recorded, shall not collectively constitute a separate common interest community unless so stated in the master declaration.

(11) "Condominium" means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(11a) "Construction defect claim" means a civil action or an arbitration proceeding based on any legal theory including, but not limited to, claims under chapter 327A for damages, indemnity, or contribution brought against a development party to assert a claim, counterclaim, cross-claim, or third-party claim for damages or loss to, or the loss of use of, real or personal property caused by a defect in the initial design or construction of an improvement to real property that is part of a common interest community, including an improvement that is constructed on additional real estate pursuant to section 515B.2-111. "Construction defect claim" does not include claims related to subsequent maintenance, repairs, alterations, or modifications to, or the addition of, improvements that are part of the common interest community, and that are contracted for by the association or a unit owner.

(12) "Conversion property" means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied, in whole or in part, for (i) residential use or (ii) for residential rental purposes by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) "Cooperative" means a common interest community in which the real estate is owned by an association, each of whose members is entitled to a proprietary lease by virtue of the member's ownership interest in the association.

(14) "Dealer" means a person in the business of selling units for the person's own account.

(15) "Declarant" means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or a supplemental declaration or amendment to a declaration adding additional real estate, except secured parties, a spouse holding only an inchoate interest, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 to any special declarant rights;

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred; or

(iii) if (A) a unit has been restricted to nonresidential use and sold to a purchaser who has agreed to modify or waive, in whole or in part, sections 515B.4-101 to 515B.4-118, and (B) the restriction expires or is modified or terminated such that residential use of the unit is permitted, the unit owner at the time the restriction expires or is so modified or terminated is a declarant with respect to that unit and any improvements subject to use rights by a purchaser of the unit.

(16) "Declaration" means any instrument, however denominated, that creates a common interest community.

(16a) "Development party" means an architect, contractor, construction manager, subcontractor, developer, declarant, engineer, or private inspector performing or furnishing the design, supervision, inspection, construction, coordination, or observation of the construction of any improvement to real property that is part of a common interest community, or any of the person's affiliates, officers, directors, shareholders, members, or employees.

(17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

(17a) "First mortgage" means either (i) if there is only one mortgage encumbering title to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit, the mortgage that is first in priority, whether by operation of applicable law or by a properly recorded agreement.

(17b) "First mortgagee" means the holder of a first mortgage.

(18) "Flexible common interest community" means a common interest community to which additional real estate may be added.

(19) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(20) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one or more but fewer than all of the units.

(21) "Master association" means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners' associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

(22) "Master declaration" means a written instrument, however named, (i) recorded on or after June 1, 1994, and (ii) complying with section 515B.2-121, subsection (e).

(23) "Master developer" means a person who is designated in the master declaration as a master developer or, in the absence of such a designation, the owner or owners of the real estate subject to the master declaration at the time the master declaration is recorded, except (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer is not a declarant unless the master declaration states that the real estate subject to the master declaration collectively is or collectively will be a separate common interest community.

(24) "Period of declarant control" means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

(25) "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

(26) "Planned community" means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

(27) "Proprietary lease" means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

(28) "Purchaser" means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

(29) "Real estate" means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

(30) "Residential use" means use as a dwelling, whether primary, secondary or seasonal, but not (i) transient use such as hotels or motels, (ii) use for residential rental purposes if the individual dwellings are not separate units or if the individual dwellings are not located on separate parcels of real estate. For purposes of this chapter, a unit is restricted to nonresidential use if the unit is subject to a restriction that prohibits residential use as defined in this section whether or not the restriction also prohibits the uses described in this paragraph.

(31) "Secured party" means the person owning a security interest as defined in paragraph (32).

(32) "Security interest" means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, in a cooperative, a lender's interest in a member's ownership interest in the association, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

(33a) This definition of special declarant rights applies only to common interest communities created before August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant to:

(i) complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the CIC is located;

(ii) add additional real estate to a common interest community;

(iii) subdivide or combine units, or convert units into common elements, limited common elements, or units;

(iv) maintain sales offices, management offices, signs advertising the common interest community, and models;

(v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;

(vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;

(vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or

(viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

(33b) This definition of special declarant rights applies only to common interest communities created on or after August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant and expressly identified in the declaration as special declarant rights. Such special declarant rights may include but are not limited to the following:

(i) to complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the common interest community is located, and to have and use easements for itself and its employees, agents, and contractors through the common elements for such purposes;

(ii) to add additional real estate to a common interest community;

(iii) to subdivide or combine units, or convert units into common elements, limited common elements and/or units, pursuant to section 515B.2-112;

(iv) to maintain and use sales offices, management offices, signs advertising the common interest community, and models, and to have and use easements for itself and its employees, agents, and invitees through the common elements for such purposes;

(v) to appoint or remove any officer or director of the association during any period of declarant control;

(vi) to utilize an alternate common expense plan as provided in section 515B.3-115(a)(2);

(vii) to grant common element licenses as provided in section 515B.2-109(e); or

(viii) to review, and approve or disapprove, the exterior design, materials, size, site location, and other exterior features of buildings and other structures, landscaping and other exterior improvements, located within the common interest community, and any modifications or alterations thereto.

Special declarant rights shall not be reserved or utilized for the purpose of evading any limitation or obligation imposed on declarants by this chapter.

(34) "Time share" means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with a fee title interest in the common interest community or a specified portion thereof.

(35) "Unit" means a portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership, or separate occupancy pursuant to a proprietary lease.

(36) "Unit identifier" means English letters or Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(37) "Unit owner" means a declarant or other person who owns a unit, a lessee under a proprietary lease, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person.

Sec. 3. Minnesota Statutes 2024, section 515B.2-103, is amended to read:

**515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.**

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter. In the event of a conflict between the provisions of the declaration or the bylaws and this chapter, this chapter prevails.

(d) The declaration and bylaws must comply with sections 500.215, 500.216, and 500.217.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 515B.2-119, is amended to read:

**515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY.**

(a) Except as otherwise provided in this chapter, a common interest community may be terminated as follows:

(1) if a common interest community consisting entirely of detached, single-family dwellings does not include any common elements and the association has no maintenance obligations for any building that contains a dwelling, the common interest community may be terminated only by agreement of unit owners of units to which at least 60 percent of the votes in the association are allocated, provided that the association must honor the terms of any preexisting contract; or

(2) if the common interest community includes common elements, the common interest community may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage ~~only~~ if all of the units are detached single-family dwellings or if all of the units are restricted to nonresidential use.

(b) An agreement to terminate shall be evidenced by a written agreement, executed in the same manner as a deed by the number of unit owners and first mortgagees of units required by subsection (a). The affirmative consent of a first mortgagee to termination of a common interest community shall be deemed to be granted if the first mortgagee's written refusal to consent is not received by the association within 60 days after the first mortgagee receives from the association a notice and copy of the proposed termination agreement by certified mail, postage prepaid, return receipt requested. If the first mortgagee has not otherwise provided to the association an address for notice, the association must send the notice to the address, if any, set forth in the recorded instrument that evidences the security interest. The agreement shall specify a date after which the agreement shall be void unless recorded before that date. The agreement shall also specify a date by which the termination of the common interest community and the winding up of its affairs must be accomplished. A certificate of termination executed by the association evidencing the termination shall be recorded on or before the termination date, or the agreement to terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the certificate of termination shall be recorded in every county in which a portion of the common interest community is situated and is effective only upon recording.

(c) In the case of a condominium or planned community containing only units having upper and lower boundaries, a termination agreement may provide that all of the common elements and units of the common interest community must be sold following termination. If, pursuant to the

agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(d) In the case of a condominium or planned community containing any units not having upper and lower boundaries, a termination agreement may provide for sale of the common elements, but it may not require that the units be sold following termination, unless the original declaration provided otherwise or all unit owners whose units are to be sold consent to the sale. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(e) The association, on behalf of the unit owners, shall have authority to contract for the sale of real estate in a common interest community pursuant to this section, subject to the required approval. The agreement to terminate shall be deemed to grant to the association a power of attorney coupled with an interest to effect the conveyance of the real estate on behalf of the holders of all interests in the units, including without limitation the power to execute all instruments of conveyance and related instruments. Until the sale has been completed, all instruments in connection with the sale have been executed and the sale proceeds distributed, the association shall continue in existence with all powers it had before termination.

(1) The instrument conveying or creating the interest in the common interest community shall include as exhibits (i) an affidavit of the secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners in the common interest community as of the date of the approval.

(2) Proceeds of the sale shall be distributed to unit owners and secured parties as their interests may appear, in accordance with subsections (h), (i), (j), and (k).

(3) Unless otherwise specified in the agreement of termination, until the association has conveyed title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors in interest remain liable for all assessments and other obligations imposed on unit owners by this chapter, the declaration or the bylaws.

(f) The legal description of the real estate constituting the common interest community shall, upon the date of recording of the certificate of termination referred to in subsection (b), be as follows:

(1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), the lot and block description contained in the CIC plat, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(2) In a condominium or cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c), the underlying legal description of the real estate as set forth in the declaration creating the common interest community, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(3) The legal description referred to in this subsection shall apply upon the recording of the certificate of termination. The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal

description required by this subsection from and after the date of recording of the certificate of termination. In the case of registered property, the registrar of titles shall cancel the existing certificates of title with respect to the property and issue one or more certificates of title for the property utilizing the legal description required by this subsection.

(g) In a condominium or planned community, if the agreement to terminate provides that the real estate constituting the common interest community is not to be sold following termination, title to the common elements and, in a common interest community containing only units having upper and lower boundaries described in the declaration, title to all the real estate in the common interest community, vests in the unit owners upon termination as tenants in common in proportion to their respective interest as provided in subsection (k), and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

(h) The proceeds of any sale of real estate pursuant to subsection (e), together with the assets of the association, shall be held by the association as trustee for unit owners, secured parties and other holders of liens on the units as their interests may appear. Before distributing any proceeds, the association shall have authority to deduct from the proceeds of sale due with respect to the unit (i) unpaid assessments levied by the association with respect to the unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and (iii) the share of expenses of sale and winding up of the association's affairs with respect to the unit.

(i) Following termination of a condominium or planned community, creditors of the association holding liens on the units perfected before termination may enforce those liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

(j) In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of unit owners and creditors of unit owners. In that event, following termination, creditors of the association holding liens on the cooperative which were perfected before termination may enforce their liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association shall be treated as if they had perfected a lien against the cooperative immediately before termination. Unless the declaration provides that all creditors of the association have that priority:

(1) the lien of each creditor of the association which was perfected against the association before termination becomes, upon termination, a lien against each unit owner's interest in the unit as of the date the lien was perfected;

(2) any other creditor of the association is to be treated upon termination as if the creditor had perfected a lien against each unit owner's interest immediately before termination;

(3) the amount of the lien of an association's creditor described in paragraphs (1) and (2) against each of the unit owners' interest shall be proportionate to the ratio which each unit's common expense liability bears to the common expense liability of all of the units;

(4) the lien of each creditor of each unit owner which was perfected before termination continues as a lien against that unit owner's interest in the unit as of the date the lien was perfected; and

(5) the assets of the association shall be distributed to all unit owners and all lienholders as their interests may appear in the order described in this section. Creditors of the association are not entitled to payment from any unit owner in excess of the amount of the creditor's lien against that unit owner's interest.

(k) The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and (i) are as follows:

(1) Except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes in the association are allocated. The proportion of any unit's interest to that of all units is determined by dividing the fair market value of that unit by the total fair market values of all the units.

(2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof before destruction cannot be made, the interests of all unit owners shall be measured by: (i) in a condominium, their allocations of common element interests immediately before the termination, (ii) in a cooperative, their respective ownership interests immediately before the termination, and (iii) in a planned community, their respective allocations of common expenses immediately before the termination.

(l) In a condominium or planned community, except as provided in subsection (m), foreclosure or enforcement of a lien or encumbrance against the entire common interest community does not terminate, of itself, the common interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community does not withdraw that portion from the common interest community.

(m) In a condominium or planned community, if a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community.

(n) Following the termination of a common interest community in accordance with this section, the association shall be dissolved in accordance with law.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 515B.3-102, is amended to read:

**515B.3-102 POWERS AND DUTIES OF UNIT OWNERS' ASSOCIATION.**

(a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, and consistent with the requirements of subsection (g) as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners. The association must compile and provide to every unit owner a schedule of the fees and charges that may be imposed;

(11) impose ~~interest and~~ (i) a late ~~charges~~ fee for late payment of assessments, provided that an association may not impose a late fee, including a late fee for a special assessment, in excess of $15

or five percent of the amount owed, whichever is greater; and~~, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable~~ (ii) fines for violations of the declaration, bylaws, and rules and regulations of the association after notice and an opportunity to be heard before the board or a committee appointed by the board and consistent with the requirements of subsection (c), provided that attorney fees and costs must not be charged or collected from a unit owner who ~~disputes~~ asks a question about a fine or assessment ~~and, if after the homeowner~~ or disputes a fine or assessment and the association removes the fine or assessment without a hearing or the unit owner requests a hearing and a hearing is held by the board or a committee of the board, and the board does not adopt a resolution levying the fine or upholding the assessment against the unit owner or owner's unit;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration~~,~~ or resale certificates required by section 515B.4-107, ~~statements of unpaid assessments, or furnishing copies of association records~~ provided that the association may not impose any charges, including attorney fees, to respond to a question about any governing document or any aspect of the operation or management of the common interest community posed by a unit owner to the association;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association consistent with this chapter and the governing documents of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) An association must adopt and provide to every unit owner a policy regarding fines that includes a list of the violations for which a fine may be imposed and a schedule of fines for those violations. When a violation can be cured without causing damage to property or to another, the association must provide the unit owner with a reasonable time to correct the violation before a fine may be imposed. A fine levied pursuant to subsection (a)(11) must be commensurate with the violation and must not exceed $100 for a single violation, except the association may impose a fine greater than $100 for a subsequent violation for the same conduct if the owner was notified that a subsequent violation may result in greater fines and the violation:

(1) has a serious and immediate impact on a resident's health or safety;

(2) causes physical damage to another unit or a common element; or

(3) involves using the property for financial enrichment, including renting or offering for rent a unit in violation of a rule prohibiting short-term or long-term rentals.

An association that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner that:

(1) states the amount and reason for the fine or assessment;

(2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which a fine is being levied and the date of the levy; and (ii) the specific section of the declaration, bylaws, rules, or regulations allegedly violated;

(3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies: (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

(4) states that ~~all~~ unpaid fines for certain violations subject to section 515B.3-116, subsection (h), and all assessments are liens which, if not satisfied, could lead to foreclosure of the lien against the owner's unit;

(5) describes the unit owner's right to be heard by the board or a committee appointed by the board and the procedures for disputing the fine;

(6) states that if the assessment, fine, late fees, and other allowable charges are not paid, the amount may increase as a result of the imposition of attorney fees and other collection costs; and

(7) informs the unit owner that homeownership assistance is available from the Minnesota Homeownership Center.

(d) Notwithstanding subsection (a), powers exercised under this section must comply with sections 500.215, 500.216, and 500.217.

(e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are

considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (e)(1) and the proxy expressly references this notice.

(f) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (e)(1) and (e)(2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (e) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

(g) Rules and regulations adopted must be reasonable. An association must give unit owners 60 days' advance notice of a board's proposed adoption, amendment, or revocation of a rule. A rule change must be approved at a board meeting, and an association must give unit owners the opportunity to comment on the proposed rule change at the meeting at which the change is considered. Upon receipt of a petition to revoke a rule signed by at least 20 percent of the total votes in the association that are allocated, the board must notify the unit owners of the meeting at which revocation of the rule will be considered. The rule may be revoked if approved by the majority vote of the total votes in the association that are allocated. If the rule proposed to be revoked is required by the declaration of bylaws, the declaration or bylaws may be amended to avoid conflict according to the procedures required under section 515B.2-118 or 515B.3-106, respectively.

(h) Each association must adopt a dispute resolution process as provided under section 515B.3-122.

(i) Associations must not sell or assign any personal debt for fines or fees owed by a unit owner to the association.

(j) A payment made by a unit owner must be applied to regular assessments first before any other fines, fees, or assessments owed by the unit owner.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 515B.3-103, is amended to read:

**515B.3-103 BOARD OF DIRECTORS, OFFICERS AND DECLARANT CONTROL.**

(a) An association shall be governed by a board of directors whose appointment or election shall occur no later than the date of creation of the common interest community and shall be reflected in the association's records. Except as expressly prohibited by the declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this chapter, the board may act in all instances on behalf of the association. In the performance of their duties, the officers and directors are required to exercise (i) if appointed by the declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit owners, the care required of a director by section 302A.251, 308B.455, 308C.455, or 317A.251, as applicable. The officers and directors appointed by the declarant shall have a duty to fulfill, and to cause the association to fulfill, their respective obligations under the declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners, including

the declarant and its affiliates, in a uniform and fair manner. The standards of conduct for officers and directors set forth in this subsection shall also apply to the officers and directors of master associations in the exercise of their duties on behalf of the master association.

(b) The board may not act unilaterally to amend the declaration, to terminate the common interest community, to elect directors to the board, or to determine the qualifications, powers and duties, or terms of office of directors, but the board may fill vacancies in its membership created other than by removal by the vote of the association members for the unexpired portion of any term.

(c) The declaration may provide for a period of declarant control of the association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and directors of the association. The period of declarant control begins on the date of creation of the common interest community and terminates upon the earliest of the following events: (i) five years after the date of the first conveyance of a unit to a unit owner other than a declarant in the case of a flexible common interest community or three years in the case of any other common interest community, (ii) the declarant's voluntary surrender of control by giving written notice to the unit owners pursuant to section 515B.1-115, or (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

(d) The board shall cause a meeting of the unit owners to be called, as follows:

(1) If the period of declarant control has terminated pursuant to subsection (c), a meeting of the unit owners shall be called and held within 60 days after said termination, at which the board shall be appointed or elected by all unit owners, including declarant, subject to the requirements of subsection (e).

(2) If 50 percent of the units that a declarant is authorized by the declaration to create have been conveyed prior to the termination of the declarant control period, a meeting of the unit owners shall be called and held within 60 days thereafter, at which not less than 33-1/3 percent of the members of the board shall be elected by unit owners other than a declarant or an affiliate of a declarant.

(3) If the board fails or refuses to cause a meeting of the unit owners required to be called pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may cause the meeting to be called pursuant to the applicable provisions of the law under which the association was created. The declarant and its affiliates shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting.

(e) Following the termination of any period of declarant control, the unit owners shall appoint or elect the board. All unit owners, including the declarant and its affiliates, may cast the votes allocated to any units owned by them. The board shall thereafter be subject to the following:

(1) Unless otherwise approved by a vote of unit owners other than the declarant or an affiliate of the declarant, a majority of the directors shall be unit owners or a natural person designated by a unit owner that is not a natural person, other than a declarant or an affiliate of a declarant. The remaining directors need not be unit owners unless required by the articles of incorporation or bylaws.

(2) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize the declarant or a person designated by the declarant to appoint one director, who need

not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the declarant or other person possessing the power to appoint.

(3) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (i) classes of directors, (ii) the appointment or election of directors in certain classes by certain classes of members, or (iii) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise protect the legitimate interest of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed on declarants by this chapter. Elections for directors must occur regularly and in accordance with the governing documents of the association, and each term of a director must not exceed three years.

(4) The board shall elect the officers. The directors and officers shall take office upon election.

(f) In determining whether the period of declarant control has terminated under subsection (c), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (d), the percentage of the units conveyed shall be calculated using as a numerator the number of units conveyed and as a denominator the number of units subject to the declaration plus the number of units which the declarant is authorized by the declaration to create on any additional real estate. The percentages referred to in subsections (c) and (d) shall be calculated without reference to units that are auxiliary to other units, such as garage units or storage units. A person shall not use a master association or other device to evade the requirements of this section.

(g) Except as otherwise provided in this subsection, all meetings of the board of directors must be open to the unit owners. ~~To the extent practicable,~~ The board shall give reasonable notice to the unit owners of the date, time, ~~and~~ place, and agenda of a board meeting. If the date, time, and place of meetings are provided for in the declaration, articles, or bylaws, announced at a previous meeting of the board, posted in a location accessible to the unit owners and designated by the board from time to time, or if an emergency requires immediate consideration of a matter by the board, notice is not required. "Notice" has the meaning given in section 317A.011, subdivision 14. Prior to the board taking action on an agenda item that requires the vote of the board, and at a time during the meeting designated by the board, any unit owner or any person designated in writing by a member as the member's representative must be permitted to attend and speak on the item. A time must be designated by the board at each open meeting for any unit owner, or the unit owner's designee, to raise any issue that is a nonvoting item on the meeting agenda or any other issue that is related to the association or the common interest community. The board may place a reasonable limit on the time a member is allowed to speak. Meetings may be closed to discuss the following:

(1) personnel matters;

(2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or association and unit owners, or other matters in which any unit owner may have an adversarial interest, if the board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the board or association or the privacy of a unit owner or occupant of a unit; or

(3) criminal activity arising within the common interest community if the board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the board meeting or any action taken at the meeting. The minutes of any part of a meeting that is closed under this subsection may be kept confidential at the discretion of the board. A board of directors of an association that has fewer than 25 units and does not contract with a property management company is not required to comply with this subsection's requirements for the notice for meetings between board members, nor the requirements to keep minutes, if the subject of the meeting is solely to discuss issues related to property management, including preliminary budget discussions provided no budget decisions are finalized.

(h) The conflict of interest standards set forth in section 317A.255 are required of officers and directors and apply to an actual or potential conflict of interest that arises concerning an officer or director, regardless of whether appointed or elected, and in addition to those requirements:

(1) a board member must not participate in deliberations or vote on the approval of a contract where the board member or a member of the family of a board member has a material financial interest which is likely to result in financial gains. For the purposes of this section, "member of the family" has the meaning given in section 317A.255, subdivision 4;

(2) a board member or management company must not solicit or accept any money or other compensation from any person as an inducement for the board member, or the management company, to contract with the person for property maintenance, construction, repair, or reconstruction services. A gift of nominal value is not a violation of this section; or

(3) prior to entering into any contract for property maintenance, construction, repair, or reconstruction services with an estimated cost exceeding $50,000, the board or management company must solicit a minimum of three written competitive bids. All bids from a person affiliated with a board member, a member of the family of a board member, a management company or any of its employees, or a member of the family of an employee must be disclosed prior to consideration or a vote on the bids.

(i) The board must review all bids and select a vendor based on reasonable business criteria, including but not limited to the cost of the project, the contractor's qualifications, available warranties, the extent to which the bidder has met the bid solicitation requirements, and the length of time estimated to complete the project.

(j) The competitive bid requirement outlined in this section may be waived if:

(1) multiple bids cannot be obtained despite reasonable efforts;

(2) emergency repairs are required to protect the health or safety of the unit owners;

(3) there has been significant damage to the property that must be addressed without delay to prevent further damage to the property;

(4) the work is covered by a warranty; or

(5) the vendor is the only available vendor capable of providing the required goods or services.

(k) The association must maintain a record of the bid selection process and the contracts awarded. The records must be made available for inspection for a period of six years.

(l) Upon request of a unit owner, a report must be prepared by the board of directors listing all contracts for goods or services for the previous budget year, including the purpose of the contract, the amount of the contract, and the identity of the recipient of the contract award. The requestor may be charged a reasonable amount for preparation of the report.

(m) A property management company that is hired by a declarant or board of directors on behalf of an association may not enter into an automatically renewing contract for goods or services unless the contract allows for termination of the contract at any time with no less than 90 days' notice.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 515B.3-106, is amended to read:

**515B.3-106 BYLAWS; ANNUAL REPORT.**

(a) A common interest community shall have bylaws which comply with this chapter and the statute under which the association is incorporated. The bylaws and any amendments may be recorded, but need not be recorded to be effective unless so provided in the bylaws. Any amendment, addition, or repeal of the bylaws must be approved at the annual or special meeting, or by mail or electronic mail, and an association must give unit owners adequate notice and the opportunity to comment on the proposed change at a meeting at which the change is considered. Upon receipt of a petition to revoke a bylaw signed by at least 20 percent of the total votes in the association that are allocated, the board must notify the unit owners of the meeting at which revocation of the bylaw will be considered. The bylaw may be revoked if approved by the majority vote of the total votes in the association that are allocated.

(b) The bylaws shall provide that, in addition to any statutory requirements:

(1) A meeting of the members shall be held at least once each year, and a specified officer of the association shall give notice of the meeting as provided in section 515B.3-108.

(2) An annual report shall be prepared by the association and a copy of the report shall be provided to each unit owner at or prior to the annual meeting.

(c) The annual report shall contain at a minimum:

(1) a statement of any capital expenditures in excess of two percent of the current budget or $5,000, whichever is greater, approved by the association for the current fiscal year or succeeding two fiscal years;

(2) a statement of the association's total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amounts of the reserves, if any, that the board has allocated for the replacement of each of those components;

(3) a copy of the statement of revenues and expenses for the association's last fiscal year, and a balance sheet as of the end of said fiscal year;

(4) a statement of the status of any pending litigation or judgments to which the association is a party;

(5) a detailed description of the insurance coverage provided by the association including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association; and

(6) a statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 515B.3-107, is amended to read:

**515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

(a) Except to the extent provided by the declaration, this subsection or section 515B.3-113, the association is responsible for the maintenance, repair and replacement of the common elements, and each unit owner is responsible for the maintenance, repair and replacement of the unit owner's unit. A management company may not require an association to work with a particular vendor. Damage to the common elements or any unit as a result of the acts or omissions of a unit owner or the association, including damage resulting from the unit owner's or association's lack of maintenance or failure to perform necessary repairs or replacement, is the responsibility of the unit owner or association responsible for causing the damage, or whose agents or, subject to section 515B.3-115, subsection (g), and section 515B.3-1151, subsection (g), invitees caused the damage.

(b) The association's board of directors shall prepare and approve a written preventative maintenance plan, maintenance schedule, and maintenance budget for the common elements. The association shall follow the approved preventative maintenance plan. The association's board may amend, modify, or replace an approved preventative maintenance plan or an approved maintenance schedule from time to time. The association must provide all unit owners with a paper copy, electronic copy, or electronic access to the preventative maintenance plan, the maintenance schedule, and any amendments or modifications to or replacements of the preventative maintenance plan and the maintenance schedule. If a common interest community was created on or before August 1, 2017, the association's board of directors shall have until January 1, 2019, to comply with the requirements of this subsection.

(c) The association shall have access through and into each unit for purposes of performing maintenance, repair or replacement for which the association may be responsible. The association and any public safety personnel shall also have access for purposes of abating or correcting any condition in the unit which violates any governmental law, ordinance or regulation, which may cause material damage to or jeopardize the safety of the common interest community, or which may constitute a health or safety hazard for occupants of units.

(d) Neither the association, nor any unit owner other than the declarant or its affiliates, is subject to a claim for payment of expenses incurred in connection with any additional real estate.

(e) In exercising any authority granted to it under the declaration to approve or disapprove proposed changes to a unit or limited common element, the association's board shall provide a fair, reasonable, and expeditious procedure for making any decision. The procedure shall be set forth in the association's governing documents which may include rules and regulations. The procedures shall state the maximum time for issuance of any decision on a proposal or a request for consideration. At a minimum, the association's board must make a decision within 90 days after the initial submission of the proposal or submission of any additional information or changes to the proposal requested by the association's board in response to the initial submission. A decision must be in writing, must be made in good faith, and must be reasonable.

(f) Unless expressly provided for in the declaration, the association must not enforce any restriction on parking of a personal vehicle on a public street or public road for which the state or local government has assumed responsibility for maintenance and repairs, unless the authority to regulate such parking has been expressly delegated to the association by the state or local government under terms prescribing the manner in which the association may exercise that authority. Any such delegation is valid for a period not to exceed five years, at which time the association must reapply to the delegating entity. As used in this subsection, "personal vehicle" means an automobile with a gross vehicle weight of less than 26,001 pounds that is used for personal pleasure, travel, or commuting to and from a place of work, including but not limited to a van, pickup truck, small truck, ambulance, law enforcement vehicle, emergency response vehicle, or utility company vehicle. A personal vehicle does not include a motor home, a self-propelled recreational vehicle, or a commercial vehicle used primarily for commercial business unless otherwise stated in this section. A unit owner or resident must be permitted to park a personal or work vehicle on the unit owner's property, the limited common elements allocated to the unit owner, or a common element driveway that serves only the owner's unit, provided the vehicle's length does not encroach on another unit owner's property or interfere with the association's ability to maintain roads or common elements. An association must not prohibit or restrict parking with the exception of the exclusions listed in this section.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 515B.3-108, is amended to read:

**515B.3-108 MEETINGS.**

(a) A meeting of the association shall be held at least once each year. At each annual meeting, there shall be, at a minimum, (i) an election of successor directors for those directors whose terms have expired, (ii) a report on the activities and financial condition of the association, and (iii) consideration of and action on any other matters included in the notice of meeting. Unless the bylaws provide otherwise, special meetings of the association may be called by the president and shall be called by the president or secretary upon the written petition of a majority of the board or unit owners entitled to cast at least 20 percent of the votes in the association.

(b) Not less than 21 nor more than 30 days in advance of any annual meeting, and not less than seven nor more than 30 days in advance of any special meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or sent postage prepaid by United States mail to the mailing address of each unit, or to any other address designated in writing by the unit owner to the association as provided in the bylaws or by statute.

(c) The notice of any meeting shall state the date, time and place of the meeting, the purposes of the meeting, and, if proxies are permitted, the procedures for appointing proxies. The notice must include copies or a link to electronic copies of any documents that are subject to discussion or approval at the meeting, including the budget.

(d) The board may provide for reasonable procedures governing the conduct of meetings and elections.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 515B.3-115, is amended to read:

**515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED BEFORE AUGUST 1, 2010.**

(a) The obligation of a unit owner to pay common expense assessments shall be as follows:

(1) If a common expense assessment has not been levied, the declarant shall pay all operating expenses of the common interest community, and shall fund the replacement reserve component of the common expenses as required by subsection (b).

(2) If a common expense assessment has been levied, all unit owners, including the declarant, shall pay the assessments allocated to their units, subject to the following:

(i) If the declaration so provides, a declarant's liability, and the assessment lien, for the common expense assessments, exclusive of replacement reserves, on any unit owned by the declarant may be limited to 25 percent or more of any assessment, exclusive of replacement reserves, until the unit or any building located in the unit is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(ii) If the declaration provides for a reduced assessment pursuant to paragraph (2)(i), the declarant shall be obligated, within 60 days following the termination of the period of declarant control, to make up any operating deficit incurred by the association during the period of declarant control. The existence and amount, if any, of the operating deficit shall be determined using the accrual basis of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(b) The replacement reserve component of the common expenses shall be funded for each unit in accordance with the projected annual budget required by section 515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit shall commence no later than the date that the unit or any building located within the unit boundaries is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon a budget approved at least annually by the association. The association shall provide each unit owner with a copy of the proposed annual budget prior to the annual meeting at which the budget is to be approved and allow unit owners to provide input on the budget prior to or during the meeting.

(d) Except as modified by subsections (a)(1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to subsection (k) and section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments against a unit owner, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations against a unit owner, may be assessed against the unit owner's unit subject to section 515B.3-116(h), provided that no fees or costs may be assessed if the association uses a collection agency as defined in section 332.31 if the fees of the collection agency are contingent on the amount collected; and

(5) subject to subsection (k), fees, charges, late charges, and fines ~~and interest~~ may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association may offer a unit owner a reasonable payment agreement and take into consideration the financial circumstances of the unit owner.

~~(k)~~ (l) This section applies only to common interest communities created before August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 515B.3-1151, is amended to read:

**515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) The association shall approve an annual budget of common expenses at or prior to the conveyance of the first unit in the common interest community to a purchaser and annually thereafter. The association shall provide each unit owner with a copy of the proposed annual budget prior to the annual meeting at which the budget is to be approved and allow unit owners to provide input on the budget prior to or during the meeting. The annual budget shall include all customary and necessary operating expenses and replacement reserves for the common interest community, consistent with this section and section 515B.3-114. For purposes of replacement reserves under subsection (b), until an annual budget has been approved, the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102. The obligation of a unit owner to pay common expenses shall be as follows:

(1) If a common expense assessment has not been levied by the association, the declarant shall pay all common expenses of the common interest community, including the payment of the replacement reserve component of the common expenses for all units in compliance with subsection (b).

(2) If a common expense assessment has been levied by the association, all unit owners, including the declarant, shall pay the assessments levied against their units, except as follows:

(i) The declaration may provide for an alternate common expense plan whereby the declarant's common expense liability, and the corresponding assessment lien against the units owned by the declarant, is limited to: (A) paying when due, in compliance with subsection (b), an amount equal to the full share of the replacement reserves allocated to units owned by the declarant, as set forth in the association's annual budget approved as provided in this subsection; and (B) paying when due all accrued expenses of the common interest community in excess of the aggregate assessments payable with respect to units owned by persons other than a declarant; provided, that the alternate common expense plan shall not affect a declarant's obligation to make up any operating deficit pursuant to item (iv), and shall terminate upon the termination of any period of declarant control unless terminated earlier pursuant to item (iii).

(ii) The alternate common expense plan may be authorized only by including in the declaration and the disclosure statement required by section 515B.4-102 provisions authorizing and disclosing the alternate common expense plan as described in item (i), and including in the disclosure statement either (A) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget contained in the disclosure statement, or (B) a statement describing how the services or amenities may be affected.

(iii) A declarant shall give notice to the association of its intent to utilize the alternate common expense plan and a commencement date after the date the notice is given. The alternate common expense plan shall be valid only for periods after the notice is given. A declarant may terminate its right to utilize the alternate common expense plan prior to the termination of the period of declarant control only by giving notice to the association and the unit owners at least 30 days prior to a selected termination date set forth in the notice.

(iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause to be prepared and delivered to the association, at the declarant's expense, within 90 days after the termination of the period of declarant control, an audited balance sheet and profit and loss statement certified to the association and prepared by an accountant having the qualifications set forth in section 515B.3-121(b). The audit shall be binding on the declarant and the association.

(v) If the audited profit and loss statement shows an accumulated operating deficit, the declarant shall be obligated to make up the deficit within 15 days after delivery of the audit to the association, and the association shall have a claim against the declarant for an amount equal to the deficit until paid. A declarant who does not utilize an alternate common expense plan is not liable to make up any operating deficit. If more than one declarant utilizes an alternate common expense plan, all declarants who utilize the plan are jointly and severally liable to the association for any operating deficit.

(vi) The existence and amount, if any, of the operating deficit shall be determined using the accrual method of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(vii) Unless approved by a vote of the unit owners other than the declarant and its affiliates, the operating deficit shall not be made up, prior to the election by the unit owners of a board of directors pursuant to section 515B.3-103(d), through the use of a special assessment described in subsection (c) or by assessments described in subsections (e), (f), and (g).

(viii) The use by a declarant of an alternate common expense plan shall not affect the obligations of the declarant or the association as provided in the declaration, the bylaws, or this chapter, or as represented in the disclosure statement required by section 515B.4-102, except as to matters authorized by this chapter.

(b) The replacement reserves required by section 515B.3-114 shall be paid to the association by each unit owner for each unit owned by that unit owner in accordance with the association's annual budget approved pursuant to subsection (a), regardless of whether an annual assessment has been levied or whether the declarant has utilized an alternate common expense plan under subsection (a)(2). Replacement reserves shall be paid with respect to a unit commencing as of the later of (1) the date of creation of the common interest community or (2) the date that the structure and exterior of the building containing the unit, or the structure and exterior of any building located within the unit boundaries, but excluding the interior finishing of the structure itself, are substantially completed. If the association has not approved an annual budget as of the commencement date for the payment of replacement reserves, then the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon an annual budget approved by the association. In addition to and not in lieu of annual assessments, an association may, if so provided in the declaration, levy special assessments against all units in the common interest community based upon the same formula required by the declaration for levying annual assessments. Special assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures or operating expenses, or (4) to replace certain components of the common interest community described in section 515B.3-114(a), if such alternative method of funding is approved under section 515B.3-114(a)(5). The association may also levy assessments against fewer than all units as provided in subsections (e), (f), and (g). An assessment under subsection (e)(2) for replacement reserves is subject to the requirements of section 515B.3-1141(a)(5).

(d) Except as modified by subsections (a), ~~clauses~~ paragraphs (1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to subsection (k) and section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner's unit, subject to section 515B.3-116(h), provided that no fees or costs may be assessed if the association uses a collection agency as defined in section 332.31 if the fees of the collection agency are contingent on the amount collected; and

(5) subject to subsection (k), fees, charges, late charges, and fines~~, and interest~~ may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable

in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association may offer a unit owner a reasonable payment agreement and take into consideration the financial circumstances of the unit owner.

~~(k)~~ (l) This section applies only to common interest communities created on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 515B.3-116, is amended to read:

**515B.3-116 LIEN FOR ASSESSMENTS.**

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, fines as specified in subsection (h), and late charges~~, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12)~~ are liens, and are enforceable as assessments, under this section. Recording of the declaration constitutes record notice and perfection of any assessment lien under this section, and no further recording of any notice of or claim for the lien is required.

(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security

interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection. An association's lien may not be foreclosed for unpaid fines unless the fine is for a violation that meets the conditions for exception to the limit specified in section 515B.3-102, subsection (c). If a unit owner is delinquent in the payment of assessments properly imposed under this chapter, an association may not commence foreclosure for the fees or charges unless the total amount of the association's lien for unpaid assessments of all types, other than assessments for attorney fees, exceeds $1,500 or the total amount of unpaid assessments has been outstanding for 120 days or more, for a unit with a monthly assessment for common expenses of $500 or less; or exceeds $2,500 or the total amount of unpaid assessments has been outstanding for 120 days or more, for a unit with a monthly assessment for common expenses of more than $500.

(1) In a condominium or planned community, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580, except that any portion of the assessment that represents attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate under section 580.30 or chapter 581.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding

the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

(3) $500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR INCURRED; PLUS

(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees ~~authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a,~~ up to a maximum of $3,500 for a foreclosure under chapter 580, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the redemption period in a foreclosure of the association's assessment lien, the association may bring an action for eviction against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 13. **[515B.3-122] DISPUTE RESOLUTION.**

(a) If a dispute arises between a unit owner and an association, the unit owner may make a written request that the parties engage in an informal, good faith process to resolve the dispute. If the unit owner requests the association engage in the dispute resolution process, the association must participate.

(b) If the dispute involves the imposition of a fine, the unit owner may choose to either request the parties engage in the informal process or instead request a hearing before the board or a committee appointed by the board, as provided in section 515B.3-102(a)(11). The dispute resolution process must take place prior to the association or management company, or an attorney or another person on their behalf, taking any collection action. If the informal dispute resolution process does not result in a resolution of the dispute, the association may proceed with collection actions. The unit owner is not required to engage in the informal dispute resolution process.

(c) An association may make a written request to a unit owner that the owner engage in an informal, good faith process to resolve a dispute. If the unit owner agrees to an informal, good faith process and the dispute involves the imposition of a fine, the association may not proceed with collection actions until the parties have met and no agreement has been reached.

(d) The dispute resolution process may take place in person, by phone, or virtually at a mutually convenient time. Another person may appear for the association. A unit owner must not be charged any fees, including attorney fees, to participate in the dispute resolution process.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 14. **[515B.3-125] LEGAL FEES; NOTICE REQUIRED.**

(a) Prior to referring a unit owner's inquiry to an attorney for a response for which the association may be assessed attorney fees, the board must provide a notice to the unit owner with the following information:

(1) a statement that the board plans to refer the matter at issue to an attorney;

(2) the name of the person responsible for payment of any resulting legal fees; and

(3) the hourly rate the attorney charges.

(b) The board must provide the notification under subsection (a) at no cost to the unit owner.

(c) The board must provide to a unit owner an itemized invoice for any legal fees charged to the unit owner detailing the attorney's rate, the time the attorney spent on the matter, the specific services the attorney provided, and the date or dates of service.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 15. Minnesota Statutes 2024, section 515B.4-102, is amended to read:

**515B.4-102 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED BEFORE AUGUST 1, 2010.**

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of the declarant;

(3) the number of units which the declarant has the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community and the nature of the occupancy, and (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or a master association will be required to maintain;

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that a declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; and an explanation of declarant's limited assessment liability under section 515B.3-115(b);

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD) or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 through 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that: (i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a); (ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement; and (iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association;

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative: (i) whether the unit owners will be entitled for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative; (ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and (iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement: (i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest and penalties, and stating the years for which taxes are delinquent, and (ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the association or the purchaser of the unit will be a member of a master association, a statement to that effect, and all of the following information with respect to the master association: (i) a copy of the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto; (ii) the name, address and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members; (iii) a description of any nonresidential use permitted on any property subject to the master association; (iv) a statement as to the estimated maximum number of associations, unit owners or other persons which may become members of the master association, and the degree and period of control of the master association by a declarant or other person; (v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member or the master association; (vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made; (vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly common expense assessment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment; (viii) a description of any expenses or services not reflected in the budget, paid for or provided by a declarant or a person executing the master declaration, which may become an expense of the master association in the future; (ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(f)(2); (x) identification of any liens, defects or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members; (xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-112(b); (xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association; (xiii) a description of any insurance coverage provided for the benefit of its members by the master association; and (xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) a copy of the declaration and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, or reservations affecting the common interest community; the articles of incorporation, bylaws and any rules or regulations of the association; any agreement excluding or modifying any implied warranties; any agreement reducing the statute

of limitations for the enforcement of warranties; any contracts or leases to be signed by purchaser at closing; and a brief narrative description of any (i) contracts or leases that are or may be subject to cancellation by the association under section 515B.3-105 and (ii) any material agreements entered into between the declarant and a governmental entity that affect the common interest community; ~~and~~

(23) a balance sheet for the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation: (i) a statement of the amount included in the budget as a reserve for replacement; (ii) a statement of any other reserves; (iii) the projected common expense for each category of expenditures for the association; (iv) the projected monthly common expense assessment for each type of unit; and (v) a footnote or other reference to those components of the common interest community the maintenance, repair, or replacement of which the budget assumes will be funded by assessments under section 515B.3-115(e), rather than by assessments included in the association's annual budget, and a statement referencing section 515B.3-115(e)(1) or (2), as the source of funding. If, based upon the association's then current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included;

(24) a copy of any fact sheet or other publication by the attorney general that describes, in plain language, common interest communities and homeowner associations and explains the rights and responsibilities of unit owners and associations; and

(25) the schedules of fines required under section 515B.3-102, subsections (a), paragraph (10), and (c).

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20) is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created before August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 16. Minnesota Statutes 2024, section 515B.4-1021, is amended to read:

**515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of each declarant holding any special declarant rights; a description of the special declarant rights held by each declarant; a description of the units or additional real estate to which the respective special declarant rights apply; and a copy of any recorded transfer of special declarant rights pursuant to section 515B.3-104(a), or any instrument recorded pursuant to section 515B.3-104(b), (g), or (h);

(3) the total number of units which all declarants have the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community, and the nature of the occupancy, (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or master association will be required to maintain, (vii) a description of any declarant licensing rights under section 515B.2-109(e), and (viii) the initial maintenance plan, initial maintenance schedule, and maintenance budget under section 515B.3-107(b). The initial maintenance plan prepared by the declarant must be based on the best available information listing all building elements to which the plan will apply and the generally accepted standards of maintenance on which the plan is based. The initial plan must be dated and signed by the declarant and be fully funded by the initial budget provided by the declarant;

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that the declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; a description of any alternate common expense plan under section 515B.3-115(a)(2)(i); and, if the declaration provides for an alternate common expense plan, either (i) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget or disclosed in the disclosure statement, or (ii) a statement describing how the services or amenities may be affected;

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal

Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD), or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 to 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that:

(i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a);

(ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement; and

(iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113(b), are insured by the association;

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative:

(i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative;

(ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and

(iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement:

(i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties, and stating the years for which taxes are delinquent; and

(ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the unit or other parcel of real estate being purchased is or may be subject to a master declaration at the time of the conveyance from the declarant to the purchaser, a statement to that effect, and all of the following information with respect to the master association:

(i) copies of the following documents (which may be in proposed form if the master declaration has not been recorded): the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto;

(ii) the name and address of the master developer, and the name, address, and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members;

(iii) a description of any nonresidential use permitted on any property subject to the master declaration;

(iv) a statement as to the estimated maximum number of associations, unit owners, or other persons which may become members of the master association, and a description of any period of control of the master association and rights to appoint master association directors by a master developer or other person pursuant to section 515B.2-121(c);

(v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member of the master association;

(vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made;

(vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other periodic common expense

assessment payment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;

(viii) a description of any expenses or services not reflected in the budget, paid for or provided by a master developer or another person executing the master declaration, which may become an expense of the master association in the future;

(ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(e)(2);

(x) identification of any liens, defects, or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members;

(xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-113(b)(2);

(xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association;

(xiii) a description of any insurance coverage provided for the benefit of its members by the master association; and

(xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and, if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) copies of the following documents (which may be in proposed form if the declaration has not been recorded): the declaration and any supplemental declaration, and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, and reservations affecting the common interest community; the articles of incorporation, bylaws, and any rules or regulations of the association; the names of the current members of the association's board of directors; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by the purchaser at closing; and a description of any material contracts, leases, or other agreements affecting the common interest community; ~~and~~

(23) a balance sheet for the association, following the creation of the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation:

(i) a statement of the amount included in the budget as a reserve for replacement, the components of the common interest community for which the reserves are budgeted, and the amounts of the reserves, if any, that are allocated for the replacement of each of those components;

(ii) a statement of any other reserves;

(iii) the projected common expense for each category of expenditures for the association;

(iv) the projected monthly common expense assessment for each type of unit;

(v) a statement as to the components of the common interest community whose replacement will be funded by assessments under section 515B.3-115(c) or (e), rather than by replacement reserves as approved pursuant to section 515B.3-114(a). If, based upon the association's then-current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included;

(24) a copy of any fact sheet or other publication by the attorney general that describes, in plain language, common interest communities and homeowner associations and explains the rights and responsibilities of unit owners and associations; and

(25) the schedules of fines required under section 515B.3-102, subsections (a), paragraph (10), and (c).

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 515B.4-116, is amended to read:

**515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEY'S FEES.**

(a) In addition to any other rights to recover damages, attorney's fees, costs or expenses, whether authorized by this chapter or otherwise, if a declarant, an association, or any other person violates any provision of this chapter, or any provision of the declaration, bylaws, or rules and regulations any person or class of persons adversely affected by the failure to comply has a claim for appropriate

relief. Subject to the requirements of section 515B.3-102, the association shall have standing to pursue claims on behalf of the unit owners of two or more units.

(b) The court may award reasonable attorney's fees and costs of litigation to the prevailing party. Punitive damages may be awarded for a willful failure to comply.

(c) As a condition precedent to any construction defect claim, the parties to the claim must submit the matter to mediation before a mutually agreeable neutral third party. For the purposes of this section, mediation has the meaning given under the General Rules of Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator from the roster maintained by the Minnesota Supreme Court, the parties may petition the district court in the jurisdiction in which the common interest community is located to appoint a mediator. The applicable statute of limitations and statute of repose for an action based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged construction defect, is tolled from the date that any party makes a written demand for mediation under this section until the latest of the following:

(1) five business days after mediation is completed; or

(2) 180 days.

Notwithstanding the foregoing, mediation shall not be required prior to commencement of a construction defect claim if the parties have completed home warranty dispute resolution under section 327A.051.

(d) The remedies provided for under this chapter are not exclusive and do not abrogate any remedies under other statutes or the common law, notwithstanding whether those remedies are referred to in this chapter.

(e) An association may not retaliate against a unit owner for asserting any right the unit owner has under this chapter or other law.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 18. Laws 2024, chapter 96, article 2, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2025~~ 2026."

Amend the title accordingly

Senator Latz moved that S.F. No. 1750 be re-referred to the Committee on Judiciary and Public Safety.

The question was taken on the adoption of the Latz motion.

The roll was called, and there were yeas 26 and nays 41, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Hauschild | Kreun | Nelson | Westrom |
| Champion | Hoffman | Kupec | Pappas | Wiklund |
| Clark | Howe | Lang | Pratt | |
| Coleman | Jasinski | Latz | Rest | |
| Frentz | Johnson | Limmer | Seeberger | |
| Gustafson | Klein | Mohamed | Westlin | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Johnson and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Drazkowski | Johnson Stewart | McEwen | Rasmusson |
| Bahr | Duckworth | Koran | Miller | Utke |
| Boldon | Farnsworth | Kunesh | Mitchell | Weber |
| Carlson | Fateh | Lieske | Murphy | Wesenberg |
| Cwodzinski | Green | Lucero | Oumou Verbeten | Xiong |
| Dahms | Gruenhagen | Mann | Pha | |
| Dibble | Hawj | Marty | Port | |
| Dornink | Heintzeman | Mathews | Putnam | |
| Draheim | Housley | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Murphy, Oumou Verbeten, and Port.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Farnsworth.

The motion did not prevail.

The question was taken on the adoption of the Lucero (A15) amendment. The motion prevailed. So the amendment was adopted.

Senator Rasmusson moved to amend the Lucero (A15) amendment to S.F. No. 1750, adopted by the Senate May 6, 2025, as follows (A19):

Page 54, after line 9, insert:

"Sec. 18. **[515B.200] LOCAL GOVERNMENT REGULATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "local government" means a county; a municipality as defined in section 462.352, subdivision 2; a joint planning board; or a public corporation, including the Metropolitan Council.

Subd. 2. **Prohibited regulations.** Except as required by state or federal law or rule, a local government must not condition approval of a residential building permit or conditional use permit, residential subdivision development or residential planned unit development, or any other permit related to residential development on the:

(1) creation of a homeowners association;

(2) inclusion of any service, feature, or common property necessitating a homeowners association, unless requested by the developer;

(3) inclusion of any terms in a homeowners association declaration, bylaws, articles of incorporation, or any other governing document; or

(4) adoption or revocation of, or amendment to, a rule or regulation governing the homeowners association or its members.

Subd. 3. **Exemptions.** Nothing in this section prohibits:

(1) a local government from requiring the maintenance or insurance of common elements; or

(2) a project applicant from providing an easement to access public infrastructure.

**EFFECTIVE DATE.** This section is effective January 1, 2026."

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Marty | Putnam |
| Anderson | Duckworth | Johnson Stewart | Mathews | Rarick |
| Bahr | Farnsworth | Klein | Maye Quade | Rasmusson |
| Boldon | Fateh | Koran | McEwen | Utke |
| Carlson | Green | Kreun | Miller | Weber |
| Champion | Gruenhagen | Kunesh | Mitchell | Wesenberg |
| Clark | Gustafson | Kupec | Murphy | Westlin |
| Coleman | Hawj | Lang | Nelson | Westrom |
| Cwodzinski | Heintzeman | Lieske | Oumou Verbeten | Wiklund |
| Dibble | Housley | Limmer | Pha | Xiong |
| Dornink | Howe | Lucero | Port | |
| Draheim | Jasinski | Mann | Pratt | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Marty, Murphy, Oumou Verbeten, Port, and Westlin.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Farnsworth, Johnson, Lang, and Nelson.

Those who voted in the negative were:

| | | |
|---|---|---|
| Frentz | Latz | Rest |
| Hoffman | Pappas | Seeberger |

The motion prevailed. So the amendment was adopted.

Senator Draheim moved to amend the Lucero (A15) amendment to S.F. No. 1750, adopted by the Senate May 6, 2025, as follows (A17):

Page 19, line 12, after "not" insert ": (i)"

Page 19, line 14, before the semicolon, insert "; or (ii) charge an amount greater than $150 for furnishing copies of any documents required for the sale of a unit"

The motion prevailed. So the amendment was adopted.

Senator Westrom moved to amend the Lucero (A15) amendment to S.F. No. 1750, adopted by the Senate May 6, 2025, as follows (A59):

Page 54, after line 12, insert:

"Sec. 19. **CICS CREATED ON OR BEFORE JANUARY 1, 2026; GOVERNING DOCUMENTS.**

An association created on or before January 1, 2026 is not required to update the governing documents solely to comply with the amendments in this act."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 46, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Heintzeman | Koran | Limmer |
| Anderson | Farnsworth | Housley | Kreun | Rarick |
| Bahr | Green | Howe | Lang | Wesenberg |
| Coleman | Gruenhagen | Johnson | Lieske | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Farnsworth, Johnson, and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Fateh | Kupec | Murphy | Seeberger |
| Carlson | Frentz | Latz | Nelson | Utke |
| Champion | Gustafson | Lucero | Oumou Verbeten | Weber |
| Clark | Hauschild | Mann | Pappas | Westlin |
| Cwodzinski | Hawj | Marty | Pha | Wiklund |
| Dahms | Hoffman | Mathews | Port | Xiong |
| Dibble | Jasinski | Maye Quade | Pratt | |
| Dornink | Johnson Stewart | McEwen | Putnam | |
| Draheim | Klein | Miller | Rasmusson | |
| Duckworth | Kunesh | Mitchell | Rest | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Marty, Murphy, Oumou Verbeten, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Coleman moved to amend the Lucero (A15) amendment to S.F. No. 1750, adopted by the Senate May 6, 2025, as follows (A58):

Page 25, line 30, before the period, insert ", unless the material financial interest is disclosed to the board members and recorded in the meeting minutes"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Green | Koran | Mathews | Utke |
| Bahr | Gruenhagen | Kreun | Miller | Weber |
| Coleman | Heintzeman | Lang | Nelson | Wesenberg |
| Dahms | Housley | Latz | Pappas | Westrom |
| Dornink | Howe | Lieske | Pratt | |
| Draheim | Jasinski | Limmer | Rarick | |
| Farnsworth | Johnson | Lucero | Rasmusson | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Farnsworth, Johnson, and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Hoffman | Maye Quade | Putnam |
| Boldon | Duckworth | Johnson Stewart | McEwen | Rest |
| Carlson | Fateh | Klein | Mitchell | Seeberger |
| Champion | Frentz | Kunesh | Murphy | Westlin |
| Clark | Gustafson | Kupec | Oumou Verbeten | Wiklund |
| Cwodzinski | Hauschild | Mann | Pha | Xiong |
| Dibble | Hawj | Marty | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Marty, Murphy, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Kreun moved to amend the Lucero (A15) amendment to S.F. No. 1750, adopted by the Senate May 6, 2025, as follows (A56):

Page 13, lines 12 to 19, delete the new language

The motion prevailed. So the amendment was adopted.

Senator Kreun moved to amend the Lucero (A15) amendment to S.F. No. 1750, adopted by the Senate May 6, 2025, as follows (A60):

Page 26, line 6, delete "solicit a minimum of three written competitive bids" and insert "disclose" and delete "bids" and insert "proposed contracts"

Page 26, line 8, delete ", must be" and insert a period

Page 26, delete lines 9 to 27

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Gustafson | Koran | Nelson | Weber |
| Coleman | Hauschild | Kreun | Pappas | Westrom |
| Dahms | Housley | Kupec | Pratt | |
| Dornink | Jasinski | Lang | Rest | |
| Frentz | Johnson | Latz | Seeberger | |
| Gruenhagen | Klein | Mathews | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Johnson, and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Howe | Maye Quade | Putnam |
| Bahr | Drazkowski | Johnson Stewart | McEwen | Rarick |
| Boldon | Duckworth | Kunesh | Miller | Rasmusson |
| Carlson | Fateh | Lieske | Mitchell | Wesenberg |
| Champion | Green | Limmer | Murphy | Westlin |
| Clark | Hawj | Lucero | Oumou Verbeten | Wiklund |
| Cwodzinski | Heintzeman | Mann | Pha | Xiong |
| Dibble | Hoffman | Marty | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Marty, Murphy, and Port.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Miller.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1750 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 22, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Duckworth | Johnson | Marty | Port |
| Carlson | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Champion | Fateh | Klein | Maye Quade | Rarick |
| Clark | Green | Koran | McEwen | Rasmusson |
| Cwodzinski | Gruenhagen | Lang | Miller | Weber |
| Dibble | Hawj | Lieske | Mitchell | Wesenberg |
| Dornink | Heintzeman | Limmer | Murphy | Westlin |
| Draheim | Hoffman | Lucero | Oumou Verbeten | Xiong |
| Drazkowski | Howe | Mann | Pha | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Marty, Maye Quade, Murphy, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Farnsworth, Johnson, and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Frentz | Kreun | Pappas | Westrom |
| Anderson | Gustafson | Kunesh | Pratt | Wiklund |
| Bahr | Hauschild | Kupec | Rest | |
| Coleman | Housley | Latz | Seeberger | |
| Dahms | Jasinski | Nelson | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Housley.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2300:** A bill for an act relating to employment; modifying earned sick and safe time provisions; amending Minnesota Statutes 2024, sections 181.9447, subdivisions 2, 3, 4; 181.9448, subdivision 1.

Senator Dornink moved to amend S.F. No. 2300 as follows (A-5):

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 181.9445, subdivision 5, is amended to read:

Subd. 5. **Employee.** "Employee" means any person who is employed by an employer, including temporary and part-time employees, who is anticipated by the employer to perform work for at least 80 hours in a year for that employer in Minnesota. Employee does not include:

(1) an independent contractor;

(2) an individual who is a volunteer firefighter or paid on-call firefighter, with a department charged with the prevention or suppression of fires within the boundaries of the state; is a volunteer ambulance attendant as defined in section 144E.001, subdivision 15; or is an ambulance service personnel as defined in section 144E.001, subdivision 3a, who serves in a paid on-call position;

(3) an individual who is an elected official or a person who is appointed to fill a vacancy in an elected office as part of a legislative or governing body of Minnesota or a political subdivision; or

(4) an individual employed by a farmer, family farm, or a family farm corporation to provide physical labor on or management of a farm if: (i) the farmer, family farm, or family farm corporation employs five or fewer employees; or (ii) the individual is employed by the farmer, family farm, or family farm corporation to perform work for 28 days or less each year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

## CALL OF THE SENATE

Senator Rasmusson imposed a call of the Senate for the balance of the proceedings on S.F. No. 2300. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Dornink (A-5) amendment.

The roll was called, and there were yeas 41 and nays 26, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Coleman | Draheim | Farnsworth | Gruenhagen |
| Anderson | Dahms | Drazkowski | Frentz | Gustafson |
| Bahr | Dornink | Duckworth | Green | Hauschild |

# 067. SF 2300

**Vote:** 2025-05-06 | **Workbook row:** 72
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 38 yeas, 29 nays

**Workbook subject:** Earned sick and safe time provisions modifications

## Included complete bill documents

**1. 1st Engrossment, posted 2025-04-30** - 5 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/2300/versions/1/pdf/

## Original Senate journal context

PDF pages 58-61. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250506031.pdf#page=60

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/2300/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2300

**(SENATE AUTHORS: SEEBERGER, Rasmusson, Frentz and Dornink)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/10/2025 | 702 | Introduction and first reading<br>Referred to Labor |
| 04/02/2025 | 1280 | Withdrawn and re-referred to Rules and Administration |
| 04/30/2025 | 4272a | Comm report: To pass as amended |
| | 4277 | Second reading |
| 05/01/2025 | 4333 | Author stricken Rest |
| 05/06/2025 | | Special Order: Amended<br>Third reading Passed as amended |

A bill for an act

relating to employment; modifying earned sick and safe time provisions; amending Minnesota Statutes 2024, sections 181.9447, subdivisions 2, 3, 4; 181.9448, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 181.9447, subdivision 2, is amended to read:

Subd. 2. **Notice.** An employer may require notice of the need for use of earned sick and safe time as provided in this paragraph. If the need for use is foreseeable, an employer may require advance notice of the intention to use earned sick and safe time but must not require more than seven days' advance notice. If the need is unforeseeable, an employer may require an employee to give notice of the need for earned sick and safe time as ~~soon as practicable~~ reasonably required by the employer. An employer that requires notice of the need to use earned sick and safe time in accordance with this subdivision shall have a written policy containing reasonable procedures for employees to provide notice of the need to use earned sick and safe time, and shall provide a written copy of such policy to employees. If a copy of the written policy has not been provided to an employee, an employer shall not deny the use of earned sick and safe time to the employee on that basis.

Sec. 2. Minnesota Statutes 2024, section 181.9447, subdivision 3, is amended to read:

Subd. 3. **Documentation.** (a) When an employee uses earned sick and safe time for more than ~~three~~ two consecutive scheduled work days, an employer may require reasonable documentation that the earned sick and safe time is covered by subdivision 1.

(b) For earned sick and safe time under subdivision 1, clauses (1), (2), (5), and (6), reasonable documentation may include a signed statement by a health care professional indicating the need for use of earned sick and safe time. However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation for the purposes of this paragraph may include a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose covered by subdivision 1, clause (1), (2), (5), or (6).

(c) For earned sick and safe time under subdivision 1, clause (3), an employer must accept a court record or documentation signed by a volunteer or employee of a victims services organization, an attorney, a police officer, or an antiviolence counselor as reasonable documentation. If documentation cannot be obtained in a reasonable time or without added expense, then reasonable documentation for the purposes of this paragraph may include a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose covered under subdivision 1, clause (3).

(d) For earned sick and safe time to care for a family member under subdivision 1, clause (4), an employer must accept as reasonable documentation a written statement from the employee indicating that the employee is using or used earned sick and safe time for a qualifying purpose as reasonable documentation.

(e) An employer must not require disclosure of details relating to domestic abuse, sexual assault, or stalking or the details of an employee's or an employee's family member's medical condition as related to an employee's request to use earned sick and safe time under this section.

(f) Written statements by an employee may be written in the employee's first language and need not be notarized or in any particular format.

Sec. 3. Minnesota Statutes 2024, section 181.9447, subdivision 4, is amended to read:

Subd. 4. **Replacement worker.** An employer may not require, as a condition of an employee using earned sick and safe time, that the employee seek or find a replacement worker to cover the hours the employee uses as earned sick and safe time. This subdivision does not prohibit an employee from voluntarily seeking or trading shifts with a replacement worker to cover the hours the employee uses as earned sick and safe time.

Sec. 4. Minnesota Statutes 2024, section 181.9448, subdivision 1, is amended to read:

Subdivision 1. **Effect on more generous sick and safe time policies.** (a) Nothing in sections 181.9445 to 181.9448 shall be construed to discourage employers from adopting or retaining earned sick and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9448. ~~All paid time off and other paid leave made available to an employee by an employer in excess of the minimum amount required in section 181.9446 for absences from work due to personal illness or injury, but not including short-term or long-term disability or other salary continuation benefits, must meet or exceed the minimum standards and requirements provided in sections 181.9445 to 181.9448, except for section 181.9446. For paid leave accrued prior to January 1, 2024, for absences from work due to personal illness or injury, an employer may require an employee who uses such leave to follow the written notice and documentation requirements in the employer's applicable policy or applicable collective bargaining agreement as of December 31, 2023, in lieu of the requirements of section 181.9447, subdivisions 2 and 3, provided that an employer does not require an employee to use leave accrued on or after January 1, 2024, before using leave accrued prior to that date.~~

(b) If an employer makes available paid time off or other paid leave in excess of the minimum amount required in section 181.9446 for absences from work due to personal illness or injury, an employer may limit the application of the minimum standards and requirements provided in sections 181.9445, 181.9447, and 181.9448 to no less than the available leave or 160 hours in a 12-month period, whichever is less. An employer may not require an employee to use leave covered by the minimum standards and requirements pursuant to this section prior to other available paid time off or other paid leave. The requirements of this paragraph do not apply to short-term or long-term disability benefits administered under chapter 268B, or other salary continuation benefits.

~~(b)~~ (c) Nothing in sections 181.9445 to 181.9448 shall be construed to limit the right of parties to a collective bargaining agreement to bargain and agree with respect to earned sick and safe time policies or to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in this section.

~~(c)~~ (d) Nothing in sections 181.9445 to 181.9448 shall be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or

standard that provides for a greater amount, accrual, or use by employees of paid sick and safe time or that extends other protections to employees.

~~(d)~~ (e) Nothing in sections 181.9445 to 181.9448 shall be construed or applied so as to create any power or duty in conflict with federal law.

~~(e)~~ (f) Employers who provide earned sick and safe time to their employees under a paid time off policy or other paid leave policy that may be used for the same purposes and under the same conditions as earned sick and safe time, and that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9448 are not required to provide additional earned sick and safe time.

~~(f)~~ (g) The provisions of sections 181.9445 to 181.9448 may be waived by a collective bargaining agreement with a bona fide building and construction trades labor organization that has established itself as the collective bargaining representative for the affected building and construction industry employees, provided that for such waiver to be valid, it shall explicitly reference sections 181.9445 to 181.9448 and clearly and unambiguously waive application of those sections to such employees.

~~(g)~~ (h) The requirements of section 181.9447, subdivision 3, may be waived for paid leave made available to an employee by an employer for absences from work in excess of the minimum amount required in section 181.9446 through a collective bargaining agreement with a labor organization that has established itself as the collective bargaining representative for the employees, provided that for such waiver to be valid, it shall explicitly reference section 181.9447, subdivision 3, and clearly and unambiguously waive application of that subdivision to such employees.

~~(h)~~ (i) An individual provider, as defined in section 256B.0711, subdivision 1, paragraph (d), who provides services through a consumer support grant under section 256.476, consumer-directed community supports under section 256B.4911, or community first services and supports under section 256B.85, to a family member who is a participant, as defined in section 256B.0711, subdivision 1, paragraph (e), may individually waive the provisions of sections 181.9445 to 181.9448 for the remainder of the participant's service plan year, provided that the funds are returned to the participant's budget. Once an individual provider has waived the provisions of sections 181.9445 to 181.9448, they may not accrue earned sick and safe time until the start of the participant's next service plan year.

~~(i)~~ (j) Sections 181.9445 to 181.9448 do not prohibit an employer from establishing a policy whereby employees may donate unused accrued sick and safe time to another employee.

~~(j)~~ (k) Sections 181.9445 to 181.9448 do not prohibit an employer from advancing sick and safe time to an employee before accrual by the employee. An employer is permitted to advance earned sick and safe time to an employee based on the number of hours the employee is anticipated to work for the remaining portion of an accrual year. If the advanced amount is less than the amount the employee would have accrued based on the actual hours worked, the employer must provide additional earned sick and safe time to make up the difference.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2300:** A bill for an act relating to employment; modifying earned sick and safe time provisions; amending Minnesota Statutes 2024, sections 181.9447, subdivisions 2, 3, 4; 181.9448, subdivision 1.

Senator Dornink moved to amend S.F. No. 2300 as follows (A-5):

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 181.9445, subdivision 5, is amended to read:

Subd. 5. **Employee.** "Employee" means any person who is employed by an employer, including temporary and part-time employees, who is anticipated by the employer to perform work for at least 80 hours in a year for that employer in Minnesota. Employee does not include:

(1) an independent contractor;

(2) an individual who is a volunteer firefighter or paid on-call firefighter, with a department charged with the prevention or suppression of fires within the boundaries of the state; is a volunteer ambulance attendant as defined in section 144E.001, subdivision 15; or is an ambulance service personnel as defined in section 144E.001, subdivision 3a, who serves in a paid on-call position;

(3) an individual who is an elected official or a person who is appointed to fill a vacancy in an elected office as part of a legislative or governing body of Minnesota or a political subdivision; or

(4) an individual employed by a farmer, family farm, or a family farm corporation to provide physical labor on or management of a farm if: (i) the farmer, family farm, or family farm corporation employs five or fewer employees; or (ii) the individual is employed by the farmer, family farm, or family farm corporation to perform work for 28 days or less each year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

## CALL OF THE SENATE

Senator Rasmusson imposed a call of the Senate for the balance of the proceedings on S.F. No. 2300. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Dornink (A-5) amendment.

The roll was called, and there were yeas 41 and nays 26, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Coleman | Draheim | Farnsworth | Gruenhagen |
| Anderson | Dahms | Drazkowski | Frentz | Gustafson |
| Bahr | Dornink | Duckworth | Green | Hauschild |

| | | | | |
|---|---|---|---|---|
| Heintzeman | Klein | Limmer | Rarick | Wesenberg |
| Hoffman | Koran | Lucero | Rasmusson | Westrom |
| Housley | Kreun | Mathews | Rest | |
| Howe | Kupec | Miller | Seeberger | |
| Jasinski | Lang | Nelson | Utke | |
| Johnson | Lieske | Pratt | Weber | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Farnsworth, Housley, Johnson, and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Fateh | Marty | Oumou Verbeten | Wiklund |
| Carlson | Hawj | Maye Quade | Pappas | Xiong |
| Champion | Johnson Stewart | McEwen | Pha | |
| Clark | Kunesh | Mitchell | Port | |
| Cwodzinski | Latz | Mohamed | Putnam | |
| Dibble | Mann | Murphy | Westlin | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Marty, Murphy, and Port.

The motion prevailed. So the amendment was adopted.

Senator Rasmusson moved to amend S.F. No. 2300 as follows (A-7):

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 181.9445, subdivision 6, is amended to read:

Subd. 6. **Employer.** "Employer" means a person who has ~~one~~ four or more employees. Employer includes an individual, a corporation, a partnership, an association, a business trust, a nonprofit organization, a group of persons, the state of Minnesota, a county, town, city, school district, or other governmental subdivision. In the case of an employee leasing company or professional employer organization, the taxpaying employer, as described in section 268.046, subdivision 1, remains the employer. In the case of an individual provider within the meaning of section 256B.0711, subdivision 1, paragraph (d), the employer includes any participant within the meaning of section 256B.0711, subdivision 1, paragraph (e), or participant's representative within the meaning of section 256B.0711, subdivision 1, paragraph (f). In the event that a temporary employee is supplied by a staffing agency, absent a contractual agreement stating otherwise, that individual shall be an employee of the staffing agency for all purposes of section 177.50 and sections 181.9445 to 181.9448. Employer does not include the United States government."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 29, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Bahr | Dahms | Draheim | Duckworth |
| Anderson | Coleman | Dornink | Drazkowski | Farnsworth |

| | | | | |
|---|---|---|---|---|
| Frentz | Howe | Kupec | Miller | Utke |
| Green | Jasinski | Lang | Nelson | Weber |
| Gruenhagen | Johnson | Lieske | Pratt | Wesenberg |
| Hauschild | Klein | Limmer | Rarick | Westrom |
| Heintzeman | Koran | Lucero | Rasmusson | |
| Housley | Kreun | Mathews | Seeberger | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Farnsworth, Housley, Lang, and Lieske.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Fateh | Latz | Mohamed | Putnam |
| Carlson | Gustafson | Mann | Murphy | Rest |
| Champion | Hawj | Marty | Oumou Verbeten | Westlin |
| Clark | Hoffman | Maye Quade | Pappas | Wiklund |
| Cwodzinski | Johnson Stewart | McEwen | Pha | Xiong |
| Dibble | Kunesh | Mitchell | Port | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Marty, Murphy, and Port.

The motion prevailed. So the amendment was adopted.

S.F. No. 2300 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 38 and nays 29, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Farnsworth | Jasinski | Limmer | Rasmusson |
| Bahr | Frentz | Johnson | Lucero | Seeberger |
| Coleman | Green | Klein | Mathews | Utke |
| Dahms | Gruenhagen | Koran | Miller | Weber |
| Dornink | Hauschild | Kreun | Nelson | Wesenberg |
| Draheim | Heintzeman | Kupec | Pratt | Westrom |
| Drazkowski | Housley | Lang | Putnam | |
| Duckworth | Howe | Lieske | Rarick | |

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Duckworth, Farnsworth, Housley, Johnson, Lang, Lieske, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dibble | Kunesh | Mitchell | Port |
| Boldon | Fateh | Latz | Mohamed | Rest |
| Carlson | Gustafson | Mann | Murphy | Westlin |
| Champion | Hawj | Marty | Oumou Verbeten | Wiklund |
| Clark | Hoffman | Maye Quade | Pappas | Xiong |
| Cwodzinski | Johnson Stewart | McEwen | Pha | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Marty, Murphy, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Abeler.

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## APPOINTMENTS

Senator Murphy from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2077: Senators Hawj, Kunesh, Johnson Stewart, Green, and McEwen.

S.F. No. 2370: Senators Dibble, Port, and Rasmusson.

H.F. No. 2432: Senators Latz, Oumou Verbeten, Seeberger, Westlin, and Clark.

H.F. No. 2446: Senators Putnam, Kupec, and Westrom.

H.F. No. 2431: Senators Fateh, Putnam, and Duckworth.

H.F. No. 2438: Senators Dibble, Johnson Stewart, Jasinski, Carlson, and Clark.

Senator Murphy moved that the foregoing appointments be approved. The motion prevailed.

## MEMBERS EXCUSED

Senator Dahms was excused from the Session of today from 12:40 to 1:10 p.m.

## ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Wednesday, May 7, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 068. HF 2130

**Vote:** 2025-05-07 | **Workbook row:** 73
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Public safety; various provisions modified relating to driver's license revocations, ignition interlock participation length, treatment or rehabilitation program, criminal penalties for participants who operate a vehicle not equipped with interlock device, criminal vehicular homicide offenders, judicial review of an extension, impounded and reissued license plate process, temporary driver's licenses, and criminal penalties; and money appropriated.

## Included complete bill documents

**1. 4th Engrossment, posted 2025-05-01** - 24 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/2130/versions/4/pdf/

**2. 1st Unofficial Engrossment, posted 2025-05-07** - 25 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2025/0/HF/2130/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 10-12. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250507032.pdf#page=12

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/2130/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 2130

03/10/2025 Authored by Kraft, Witte, Moller, Stier, Youakim and others
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
03/24/2025 Adoption of Report: Amended and re-referred to the Committee on Public Safety Finance and Policy
04/03/2025 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/28/2025 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
05/01/2025 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/12/2025 Returned to the House as Amended by the Senate
Refused to concur and a Conference Committee was appointed

A bill for an act

relating to public safety; extending the length of driver's license revocations related to certain offenses; modifying the length of time certain individuals must participate in the ignition interlock program; requiring all ignition interlock participants to complete a treatment or rehabilitation program before reinstatement of full driving privileges; imposing criminal penalties for ignition interlock program participants who operate vehicles not equipped with an interlock device; making criminal vehicular homicide offenders eligible for the ignition interlock program; providing for judicial review of an extension of a person's driver's license revocation for a violation of the ignition interlock program; modifying how license plates are impounded and reissued under the DWI law; expanding the time period that a temporary driver's license issued after a DWI is valid; providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 169A.37, subdivision 1; 169A.52, subdivisions 3, 4, 7; 169A.54, subdivision 1; 169A.60, subdivisions 4, 5, 6; 169A.63, subdivision 13; 171.177, subdivisions 4, 5; 171.187, subdivision 3; 171.19; 171.24, subdivision 2; 171.306, subdivisions 1, 4, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, 4; 169A.55, subdivisions 4, 5; 171.17, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 169A.37, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for a person:

(1) to fail to comply with an impoundment order under section 169A.60 (administrative plate impoundment);

(2) to file a false statement under section 169A.60, subdivision 7, 8, or 14;

(3) to operate a self-propelled motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under section 169A.60, unless specially coded plates have been issued for the vehicle pursuant to section 169A.60, subdivision 13;

(4) to fail to notify the commissioner of the impoundment order when requesting new plates;

(5) who is subject to a plate impoundment order under section 169A.60, to drive, operate, or be in control of any motor vehicle during the impoundment period, unless the vehicle is employer-owned and is not required to be equipped with an ignition interlock device pursuant to section 171.306, subdivision 4, paragraph (b), or Laws 2013, chapter 127, section 70, or has specially coded plates issued pursuant to section 169A.60, subdivision 13, and the person is validly licensed to drive; ~~or~~

(6) who is the transferee of a motor vehicle and who has signed a sworn statement under section 169A.60, subdivision 14, to allow the previously registered owner to drive, operate, or be in control of the vehicle during the impoundment period~~.~~; or

(7) to intentionally remove all or a portion of or to otherwise obliterate or damage a permanent sticker affixed on and invalidating a registration plate under section 169A.60, subdivision 4.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 169A.52, subdivision 3, is amended to read:

Subd. 3. **Test refusal; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, even if a test was obtained pursuant to this section after the person refused to submit to testing. The commissioner shall revoke the license, permit, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 169A.52, subdivision 4, is amended to read:

Subd. 4. **Test failure; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired) and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, then the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a period of 90 days, or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than one year, or if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165 (commercial driver's license disqualification).

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension, or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 4. Minnesota Statutes 2024, section 169A.52, subdivision 7, is amended to read:

Subd. 7. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card;

(2) issue the person a temporary license effective for only ~~seven~~ 14 days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 5. Minnesota Statutes 2024, section 169A.54, subdivision 1, is amended to read:

Subdivision 1. **Revocation periods for DWI convictions.** Except as provided in subdivision 7, the commissioner shall revoke the driver's license of a person convicted of violating section 169A.20 (driving while impaired) or an ordinance in conformity with it~~,~~ as ~~follows:~~ provided in section 171.178.

~~(1) not less than 30 days for an offense under section 169A.20, subdivision 1 (driving while impaired crime);~~

~~(2) not less than 90 days for an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test crime);~~

~~(3) not less than one year for:~~

~~(i) an offense occurring within ten years of a qualified prior impaired driving incident;~~

~~(ii) an offense occurring after two qualified prior impaired driving incidents; or~~

~~(iii) an offense occurring when a person has an alcohol concentration of twice the legal limit or more as measured at the time or within two hours of the time of the offense and the person has no qualified prior impaired driving incident within ten years;~~

~~(4) not less than two years for an offense occurring under clause (3), item (i) or (ii), and where the test results indicate an alcohol concentration of twice the legal limit or more, and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70 (chemical use assessments);~~

~~(5) not less than three years for an offense occurring within ten years of the first of two qualified prior impaired driving incidents or occurring after three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; and~~

~~(6) not less than four years for an offense occurring within ten years of the first of three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; or~~

~~(7) not less than six years for an offense occurring after four or more qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner.~~

Sec. 6. Minnesota Statutes 2024, section 169A.60, subdivision 4, is amended to read:

Subd. 4. **Peace officer as agent for notice of impoundment.** On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation for a plate impoundment violation shall also serve a notice of intent to impound and an order of impoundment. On behalf of the commissioner, a peace officer who is arresting a person for or charging a person with a plate impoundment violation described in subdivision 1, paragraph (d), clause (5), shall also serve a notice of intent to impound and an order of impoundment. If the vehicle involved in the plate impoundment violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. Alternatively, the officer may invalidate the plates by affixing a permanent sticker on them. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed or have been affixed with the permanent sticker.

Sec. 7. Minnesota Statutes 2024, section 169A.60, subdivision 5, is amended to read:

Subd. 5. **Temporary permit.** If the motor vehicle is registered to the violator, the officer shall issue a temporary vehicle permit that is valid for ~~seven~~ 14 days when the officer issues the notices under subdivision 4. If the motor vehicle is registered in the name of another, the officer shall issue a temporary vehicle permit that is valid for 45 days when the notices are issued under subdivision 3. The permit must be in a form determined by the registrar and whenever practicable must be posted on the left side of the inside rear window of the vehicle. A permit is valid only for the vehicle for which it is issued.

Sec. 8. Minnesota Statutes 2024, section 169A.60, subdivision 6, is amended to read:

Subd. 6. **Surrender of plates.** Within ~~seven~~ 14 days after issuance of the impoundment notice, a person who receives a notice of impoundment and impoundment order shall surrender all registration plates subject to the impoundment order that were not seized by a peace officer under subdivision 4. Registration plates required to be surrendered under this subdivision must be surrendered to a Minnesota police department, sheriff, or the State Patrol, along with a copy of the impoundment order. A law enforcement agency receiving

registration plates under this subdivision shall destroy the plates and notify the commissioner that they have been destroyed. The notification to the commissioner shall also include a copy of the impoundment order.

Sec. 9. Minnesota Statutes 2024, section 169A.63, subdivision 13, is amended to read:

Subd. 13. **Exception.** (a) A forfeiture proceeding is stayed and the vehicle must be returned if the driver becomes a program participant in the ignition interlock program under section 171.306, in any motor vehicle eligible to be equipped with the ignition interlock device, at any time before the seized motor vehicle is forfeited and any of the following apply:

(1) the ~~driver committed~~ motor vehicle has been seized for a designated offense other than a violation of section 169A.20 under the circumstances described in section 169A.24; or

(2) the driver is accepted into a treatment court dedicated to changing the behavior of alcohol- and other drug-dependent offenders arrested for driving while impaired.

(b) Notwithstanding paragraph (a), the vehicle whose forfeiture was stayed in paragraph (a) may be seized and the forfeiture action may proceed under this section if the program participant described in paragraph (a):

(1) subsequently operates a motor vehicle:

(i) to commit a violation of section 169A.20 (driving while impaired);

(ii) in a manner that results in a license revocation under section 169A.52 (license revocation for test failure or refusal) or 171.177 (revocation; search warrant) or a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52 or 171.177;

(iii) after tampering with, circumventing, or bypassing an ignition interlock device; or

(iv) without an ignition interlock device at any time when the driver's license requires such device;

(2) either voluntarily or involuntarily ceases to participate in the program for more than 30 days, or fails to successfully complete it as required by the Department of Public Safety due to:

(i) two or more occasions of the participant's driving privileges being withdrawn for violating the terms of the program, unless the withdrawal is determined to be caused by an error of the department or the interlock provider; or

(ii) violating the terms of the contract with the provider as determined by the provider; or

(3) was the driver, forfeiture was stayed after the driver entered a treatment court, and the driver ceases to be a participant in the treatment court for any reason.

(c) Paragraph (b) applies only if the described conduct occurs before the participant has been restored to full driving privileges or within three years of the original designated offense or designated license revocation, whichever occurs latest.

(d) The requirement in subdivision 2, paragraph (b), that device manufacturers provide a discounted rate to indigent program participants applies also to device installation under this subdivision.

(e) An impound or law enforcement storage lot operator must allow an ignition interlock manufacturer sufficient access to the lot to install an ignition interlock device under this subdivision.

(f) Notwithstanding paragraph (a), an entity in possession of the vehicle is not required to release it until the reasonable costs of the towing, seizure, and storage of the vehicle have been paid by the vehicle owner.

(g) At any time prior to the vehicle being forfeited, the appropriate agency may require that the owner or driver of the vehicle surrender the title of the seized vehicle.

(h) If an event described in paragraph (b) occurs in a jurisdiction other than the one in which the original forfeitable event occurred, and the vehicle is subsequently forfeited, the proceeds shall be divided equally, after payment of seizure, towing, storage, forfeiture, and sale expenses and satisfaction of valid liens against the vehicle, among the appropriate agencies and prosecuting authorities in each jurisdiction.

(i) Upon successful completion of the program, the stayed forfeiture proceeding is terminated or dismissed and any vehicle, security, or bond held by an agency must be returned to the owner of the vehicle.

(j) A claimant of a vehicle for which a forfeiture action was stayed under paragraph (a) but which later proceeds under paragraph (b), may file a demand for judicial forfeiture as provided in subdivision 8, in which case the forfeiture proceedings must be conducted as provided in subdivision 9.

Sec. 10. Minnesota Statutes 2024, section 171.177, subdivision 4, is amended to read:

Subd. 4. **Test refusal; license revocation.** (a) Upon certification under subdivision 3 that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person refused to comply with the execution of the search warrant, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege. The commissioner shall revoke the license, permit, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) When a person who had been driving, operating, or in physical control of a commercial motor vehicle refuses to comply with the search warrant and permit testing, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 11. Minnesota Statutes 2024, section 171.177, subdivision 5, is amended to read:

Subd. 5. **Test failure; license revocation.** (a) Upon certification under subdivision 3 pursuant to a search warrant, that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section

169A.20, and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege: as provided in section 171.178.

~~(1) for a period of 90 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than one year or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165.

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test. Upon receipt of both

certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 12. **[171.178] REVOCATION, DENIAL, AND REINSTATEMENT; DRIVING WHILE IMPAIRED; CRIMINAL VEHICULAR HOMICIDE AND OPERATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Ignition interlock device" has the meaning given in section 171.306, subdivision 1.

(c) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Subd. 2. **Qualified prior impaired driving incident; determination.** Section 169A.09 applies for determining the number of qualified prior impaired driving incidents under this section.

Subd. 3. **Test refusal; period of license revocation.** A revocation by the commissioner as required under section 169A.52, subdivision 3, or 171.177, subdivision 4, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years, not less than one year; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 4. **Test failure; period of license revocation.** A revocation by the commissioner as required under section 169A.52, subdivision 4, or 171.177, subdivision 5, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 90 days;

(ii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iii) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 5. **Driving while impaired conviction or adjudication; period of license revocation.** (a) Notwithstanding the periods specified in subdivisions 3 and 4 and except as provided in section 169A.54, subdivision 7, a revocation by the commissioner as required under section 169A.54, subdivision 1, or 171.17, subdivision 1, paragraph (a), clause (2) or (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 30 days if the person is convicted of an offense under section 169A.20, subdivision 1 (driving while impaired);

(ii) not less than 90 days if the person is convicted of an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test);

(iii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iv) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

(b) Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in paragraph (a), clause (1), items (i) to (iv).

Subd. 6. **Criminal vehicular operation or homicide conviction; period of license revocation.** Notwithstanding the periods specified in subdivisions 3 to 5, a revocation by the commissioner under section 171.17, subdivision 1, paragraph (a), clause (1), after the commissioner receives a record of a conviction for a violation of section:

(1) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(2) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(3) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6); or

(5) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or subdivision 2, clause (2), (3), (4), (5), or (6),

must be until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 7. **Driving while impaired; license cancellation and denial.** (a) The commissioner must designate a person with two or more qualified prior impaired driving incidents as inimical to public safety pursuant to section 171.04, subdivision 1, clause (10), if the person is convicted of a violation of section:

(1) 169A.20, subdivision 1;

(2) 169A.20, subdivision 2;

(3) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(5) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(6) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6);

(7) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or

(8) 609.2114, subdivision 2, clause (2), (3), (4), (5), or (6).

(b) The commissioner must cancel the person's driver's license pursuant to section 171.14 and must not issue the person a driver's license until the person complies with the provisions of this section and establishes rehabilitation according to standards established by the commissioner.

Subd. 8. **Ignition interlock periods; reduction.** (a) Until the commissioner reinstates a person's full driving privileges, the following persons must not operate a motor vehicle, off-road recreational vehicle, or a motorboat unless the person participates in the ignition interlock device program:

(1) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 3, 4, or 5, at a time when the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents; and

(2) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 6, at a time when the person has one qualified prior impaired driving incident.

(b) The commissioner must not reinstate full driving privileges for a person described in paragraph (a) until the person completes a licensed substance use disorder treatment or rehabilitation program and participates in the ignition interlock device program in compliance with section 171.306 for a period of not less than:

(1) two years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has one qualified prior impaired driving incident within the past 20 years; or

(ii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has no qualified prior impaired driving incidents;

(2) five years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has one qualified prior impaired driving incident;

(3) six years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has two qualified prior impaired driving incidents;

(ii) subdivision 6 when the violation resulted in great bodily harm to another and the person has no qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in death to another and the person has no qualified prior impaired driving incidents;

(4) eight years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in subdivision 6 when the violation resulted in:

(i) great bodily harm to another and the person has one qualified prior impaired driving incident; or

(ii) bodily harm or substantial bodily harm to another and the person has two qualified prior impaired driving incidents;

(5) ten years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in:

(i) subdivision 6 when the violation resulted in great bodily harm to another and the person has two or more qualified prior impaired driving incidents;

(ii) subdivision 3, 4, or 5 when the person has three or more qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has three or more qualified prior impaired driving incidents;

(6) 15 years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has one qualified prior impaired driving incident; or

(7) for the remainder of the person's life if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has two or more qualified prior impaired driving incidents.

(c) The commissioner must establish standards allowing a person to submit proof that the person completed a licensed substance use disorder treatment or rehabilitation program. A person seeking reinstatement of full driving privileges must submit proof of completion in the form and manner established by the commissioner.

(d) Nothing in this section prohibits the commissioner from extending the period of time that a person must use an ignition interlock device pursuant to section 171.306, subdivision 5.

(e) If the commissioner learns that a person whose driving privileges have not been fully reinstated and whose mandated period of use of an ignition interlock device was reduced under this subdivision subsequently (1) registers a positive breath alcohol concentration of 0.02 or higher on an ignition interlock device, or (2) is convicted of, or adjudicated delinquent for, an offense involving the use of alcohol, the commissioner must extend the time period that the person must use an ignition interlock device until the participant demonstrates abstinence for a period equal to the applicable reduced period under paragraph (b).

Sec. 13. Minnesota Statutes 2024, section 171.187, subdivision 3, is amended to read:

Subd. 3. **Credit.** If a person whose driver's license was suspended under subdivision 1 is later convicted of the underlying offense that resulted in the suspension and the

commissioner revokes the person's license, the commissioner shall credit the time accrued under the suspension period toward the revocation period imposed under section ~~171.17, subdivision 4~~ 171.178, subdivision 6, or for violations of section:

(1) 609.20~~,~~;

(2) 609.205~~, or~~;

(3) 609.2112, subdivision 1, paragraph (a), clause (1), (7), or (8);

(4) 609.2113, subdivision 1, clause (1), (7), or (8); subdivision 2, clause (1), (7), or (8); or subdivision 3, clause (1), (7), or (8); or

(5) 609.2114, subdivision 1, paragraph (a), clause (1), (7), or (8), or subdivision 2, clause (1), (7), or (8).

Sec. 14. Minnesota Statutes 2024, section 171.19, is amended to read:

**171.19 PETITION FOR COURT HEARING ON LICENSE REINSTATEMENT.**

Any person whose driver's license has been refused, revoked, suspended, canceled, or disqualified by the commissioner, except where the license is revoked or disqualified under section 169A.52, 171.177, or 171.186, or whose driver's license revocation, suspension, or cancellation period has been extended by the commissioner based on a violation of the ignition interlock program guidelines, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, disqualification, or refusal of license, or whether the commissioner's extension determination is valid or should be modified, and shall render judgment accordingly. The petition for hearing must either be filed within 180 days of the effective date of the order of revocation, suspension, cancellation, disqualification, or refusal to license, or of the date on the commissioner's notice of extension, or be filed before expiration of the withdrawal period, whichever occurs first. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have

no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 15. Minnesota Statutes 2024, section 171.24, subdivision 2, is amended to read:

Subd. 2. **Driving after revocation; ~~misdemeanor~~ penalties.** (a) A person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been revoked;

(2) the person has been given notice of or reasonably should know of the revocation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.

(b) A person who violates paragraph (a) is guilty of a gross misdemeanor if the person is prohibited from operating a motor vehicle unless the person participates in the ignition interlock device program.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2024, section 171.306, subdivision 1, is amended to read:

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

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4), resulting in bodily harm, substantial bodily harm, ~~or~~ great bodily harm~~.~~, or death.

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Sec. 17. Minnesota Statutes 2024, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. Notwithstanding any law to the contrary, the commissioner must not require a program participant to pay the reinstatement fee and surcharge described in section 171.29, subdivision 2, before issuing a restricted license under this section. A program participant is not eligible for full reinstatement of driving privileges until the person pays the full reinstatement fee and surcharge. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant ~~whose~~ may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant's driver's license ~~has been~~ was:

(1) revoked, canceled, or denied under section:

(i) 169A.52, subdivision 3, paragraph (a), ~~clause (1), (2), or (3),~~ or subdivision 4, paragraph (a)~~, clause (1), (2), or (3)~~;

(ii) 169A.54, subdivision 1~~, clause (1), (2), (3), or (4)~~; ~~or~~

(iii) 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or

(iv) 171.177, subdivision 4, paragraph (a), ~~clause (1), (2), or (3),~~ or subdivision 5, paragraph (a)~~, clause (1), (2), or (3)~~; ~~or~~

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4); or

(3) suspended under section 171.187, for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4)~~, resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction~~.

(d) ~~A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed substance use disorder treatment or rehabilitation program as recommended in a chemical use assessment.~~ As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant who either had one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents when the person's driver's license was revoked, canceled, or denied under the conditions described in paragraph (c), clause (1), or whose driver's license was revoked or suspended under the conditions described in paragraph (c), clause (2) or (3), and whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed substance use disorder treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section ~~169A.55, subdivision 4~~ 171.178, subdivision 8.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under ~~section~~ sections 169A.55 and 171.178 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 18. Minnesota Statutes 2024, section 171.306, subdivision 5, is amended to read:

Subd. 5. **Penalties; program violations.** (a) If a program participant tampers with, circumvents, or bypasses a device; drives, operates, or exercises physical control over a

motor vehicle not equipped with a device certified by the commissioner; violates a condition of a license conditionally reinstated under subdivision 4 and section 171.30; or violates the program guidelines of subdivision 3, the commissioner shall extend the person's revocation period and the period of time that a person must use an ignition interlock device under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by:

(1) 180 days for a first violation;

(2) one year for a second violation; or

(3) 545 days for a third and each subsequent violation.

(b) Notwithstanding paragraph (a), the commissioner may terminate participation in the program by any person when, in the commissioner's judgment, termination is necessary to the interests of public safety and welfare. In the event of termination, the commissioner shall not reduce the applicable revocation period under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by the amount of time during which the person possessed a limited or restricted driver's license issued under the authority of subdivision 4.

Sec. 19. Minnesota Statutes 2024, section 171.306, subdivision 6, is amended to read:

Subd. 6. **Penalties; tampering.** (a) A person who lends, rents, or leases a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner to a person with a license issued under this section knowing that the person is subject to the ignition interlock restriction is guilty of a misdemeanor.

(b) A person who tampers with, circumvents, or bypasses the ignition interlock device, or assists another to tamper with, circumvent, or bypass the device, is guilty of a misdemeanor except when the action was taken for emergency purposes or for mechanical repair, and the person limited to the use of an ignition interlock device does not operate the motor vehicle while the device is disengaged.

(c) A person with a license issued under this section who operates a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner is guilty of a gross misdemeanor.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 20. **DRIVER'S LICENSE REVOCATION AND IGNITION INTERLOCK REQUIREMENTS; APPROPRIATION.**

$382,000 in fiscal year 2026 and $382,000 in fiscal year 2027 are appropriated from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705, to the commissioner of public safety for staffing and other expenses related to an increase in the length of time individuals are participants in the ignition interlock program. If this appropriation is enacted more than once during the 2025 regular legislative session, the appropriation must be given effect only once.

Sec. 21. **REPEALER.**

Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, and 4; 169A.55, subdivisions 4 and 5; and 171.17, subdivision 4, are repealed.

**169A.54 DWI CONVICTIONS, ADJUDICATIONS; ADMINISTRATIVE PENALTIES.**

Subd. 2. **Driving while impaired by person under age 21.** If the person convicted of violating section 169A.20 (driving while impaired) is under the age of 21 years at the time of the violation, the commissioner shall revoke the offender's driver's license or operating privileges for a period of not less than 180 days or for the appropriate period of time under subdivision 1, clauses (1) to (6), for the offense committed, whichever is the longer period.

Subd. 3. **Juvenile adjudications.** For purposes of this section, a juvenile adjudication under section 169A.20 (driving while impaired), an ordinance in conformity with it, or a statute or ordinance from another state in conformity with it is an offense.

Subd. 4. **Violations involving personal injury.** Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in subdivisions 1 to 3.

**169A.55 LICENSE REVOCATION TERMINATION; LICENSE REINSTATEMENT.**

Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose driver's license has been revoked as a result of an offense listed under clause (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the commissioner certifies that either:

(1) the person did not own or lease a vehicle at the time of the offense or at any time between the time of the offense and the driver's request for reinstatement, or commit a violation of chapter 169, 169A, or 171 between the time of the offense and the driver's request for reinstatement or at the time of the arrest for the offense listed under clause (2), item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

(i) a request by the person for reinstatement, on a form to be provided by the Department of Public Safety;

(ii) the person's attestation under penalty of perjury; and

(iii) the submission by the driver of certified copies of vehicle registration records and driving records for the period from the arrest until the driver seeks reinstatement of driving privileges; or

(2) the person used the ignition interlock device and complied with section 171.306 for a period of not less than:

(i) one year, for a person whose driver's license was revoked for:

(A) an offense occurring within ten years of a qualified prior impaired driving incident; or

(B) an offense occurring after two qualified prior impaired driving incidents; or

(ii) two years, for a person whose driver's license was revoked for:

(A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated an alcohol concentration of twice the legal limit or more; or

(B) an offense occurring under item (i), subitem (A) or (B), and the current offense is for a violation of section 169A.20, subdivision 2.

(b) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of abstinence from alcohol and controlled substances under paragraph (c), as evidenced by the person's use of an ignition interlock device or other chemical monitoring device approved by the commissioner.

(c) The verification of abstinence must show that the person has abstained from the use of alcohol and controlled substances for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

Subd. 5. **Reinstatement of driving privileges; certain criminal vehicular operation offenses.** A person whose driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) (revocation, criminal vehicular operation), or suspended under section 171.187 (suspension, criminal vehicular operation), for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4), subdivision 2, clause (2), item (i) or (iii), (3), or (4), or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or section 609.2114, subdivision 2, clause (2), item (i) or (iii) (criminal vehicular operation, alcohol-related provisions), resulting in bodily harm, substantial bodily harm, or great bodily harm, shall not be eligible for reinstatement of driving privileges until the person has submitted to the commissioner verification of the use of ignition interlock for the applicable time period specified in those sections. To be eligible for reinstatement under this subdivision, a person shall utilize an ignition interlock device that meets the performance standards and certification requirements under subdivision 4, paragraph (c).

**171.17 REVOCATION.**

Subd. 4. **Criminal vehicular operation; revocation periods.** (a) As used in this subdivision, "qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon receiving a record of a conviction for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6); subdivision 2, clause (2), (3), (4), (5), or (6); or subdivision 3, clause (2), (3), (4), (5), or (6); or 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6), or subdivision 2, clause (2), (3), (4), (5), or (6); the commissioner shall revoke the driver's license or driving privileges of a person as follows:

(1) not less than ten years if the violation resulted in great bodily harm or death to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(2) not less than eight years if the violation resulted in great bodily harm or death to another and the person has a qualified prior impaired driving incident within the past ten years;

(3) not less than six years if the violation resulted in great bodily harm or death to another;

(4) not less than six years if the violation resulted in bodily harm or substantial bodily harm to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(5) not less than four years if the violation resulted in bodily harm or substantial bodily harm to another and the person has a qualified prior impaired driving incident within the past ten years; or

(6) not less than two years if the violation resulted in bodily harm or substantial bodily harm to another.

(c) Section 169A.09 applies when determining the number of qualified prior impaired driving incidents under this subdivision.

A bill for an act

relating to public safety; extending the length of driver's license revocations related to certain offenses; modifying the length of time certain individuals must participate in the ignition interlock program; requiring all ignition interlock participants to complete a treatment or rehabilitation program before reinstatement of full driving privileges; imposing criminal penalties on certain persons who operate vehicles not equipped with an interlock device; making criminal vehicular homicide offenders eligible for the ignition interlock program; providing for judicial review of an extension of a person's driver's license revocation for a violation of the ignition interlock program; providing for suspension, termination, and reinstatement to ignition interlock program in certain circumstances; modifying how license plates are impounded and reissued under the DWI law; expanding the time period that a temporary driver's license issued after a DWI is valid; modifying the exception to the DWI vehicle forfeiture law relating to drivers who become ignition interlock device program participants; providing criminal penalties; amending Minnesota Statutes 2024, sections 169A.37, subdivision 1; 169A.52, subdivisions 3, 4, 7; 169A.54, subdivision 1; 169A.60, subdivisions 4, 5, 6; 169A.63, subdivision 13; 171.177, subdivisions 4, 5; 171.187, subdivision 3; 171.19; 171.24, subdivision 2; 171.306, subdivisions 1, 2, 4, 5, 6, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, 4; 169A.55, subdivisions 4, 5; 171.17, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 169A.37, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for a person:

(1) to fail to comply with an impoundment order under section 169A.60 (administrative plate impoundment);

(2) to file a false statement under section 169A.60, subdivision 7, 8, or 14;

(3) to operate a self-propelled motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under section 169A.60, unless specially coded plates have been issued for the vehicle pursuant to section 169A.60, subdivision 13;

(4) to fail to notify the commissioner of the impoundment order when requesting new plates;

(5) who is subject to a plate impoundment order under section 169A.60, to drive, operate, or be in control of any motor vehicle during the impoundment period, unless the vehicle is employer-owned and is not required to be equipped with an ignition interlock device pursuant to section 171.306, subdivision 4, paragraph (b), or Laws 2013, chapter 127, section 70, or has specially coded plates issued pursuant to section 169A.60, subdivision 13, and the person is validly licensed to drive; ~~or~~

(6) who is the transferee of a motor vehicle and who has signed a sworn statement under section 169A.60, subdivision 14, to allow the previously registered owner to drive, operate, or be in control of the vehicle during the impoundment period~~.~~; or

(7) to intentionally remove all or a portion of or to otherwise obliterate or damage a permanent sticker affixed on and invalidating a registration plate under section 169A.60, subdivision 4.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 169A.52, subdivision 3, is amended to read:

Subd. 3. **Test refusal; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, even if a test was obtained pursuant to this section after the person refused to submit to testing. The commissioner shall revoke the license, permit, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 169A.52, subdivision 4, is amended to read:

Subd. 4. **Test failure; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired) and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, then the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a period of 90 days, or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than one~~

~~year, or if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165 (commercial driver's license disqualification).

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension, or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 4. Minnesota Statutes 2024, section 169A.52, subdivision 7, is amended to read:

Subd. 7. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of

disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card;

(2) issue the person a temporary license effective for only ~~seven~~ 14 days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 5. Minnesota Statutes 2024, section 169A.54, subdivision 1, is amended to read:

Subdivision 1. **Revocation periods for DWI convictions.** Except as provided in subdivision 7, the commissioner shall revoke the driver's license of a person convicted of violating section 169A.20 (driving while impaired) or an ordinance in conformity with it~~,~~ as ~~follows:~~ provided in section 171.178.

~~(1) not less than 30 days for an offense under section 169A.20, subdivision 1 (driving while impaired crime);~~

~~(2) not less than 90 days for an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test crime);~~

~~(3) not less than one year for:~~

~~(i) an offense occurring within ten years of a qualified prior impaired driving incident;~~

~~(ii) an offense occurring after two qualified prior impaired driving incidents; or~~

~~(iii) an offense occurring when a person has an alcohol concentration of twice the legal limit or more as measured at the time or within two hours of the time of the offense and the person has no qualified prior impaired driving incident within ten years;~~

~~(4) not less than two years for an offense occurring under clause (3), item (i) or (ii), and where the test results indicate an alcohol concentration of twice the legal limit or more, and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70 (chemical use assessments);~~

~~(5) not less than three years for an offense occurring within ten years of the first of two qualified prior impaired driving incidents or occurring after three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; and~~

~~(6) not less than four years for an offense occurring within ten years of the first of three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; or~~

~~(7) not less than six years for an offense occurring after four or more qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner.~~

Sec. 6. Minnesota Statutes 2024, section 169A.60, subdivision 4, is amended to read:

Subd. 4. **Peace officer as agent for notice of impoundment.** On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation for a plate impoundment violation shall also serve a notice of intent to impound and an order of impoundment. On behalf of the commissioner, a peace officer who is arresting a person for or charging a person with a plate impoundment violation described in subdivision 1, paragraph (d), clause (5), shall also serve a notice of intent to impound and an order of impoundment. If the vehicle involved in the plate impoundment violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. Alternatively, the officer may invalidate the plates by affixing a permanent sticker on them. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed or have been affixed with the permanent sticker.

Sec. 7. Minnesota Statutes 2024, section 169A.60, subdivision 5, is amended to read:

Subd. 5. **Temporary permit.** If the motor vehicle is registered to the violator, the officer shall issue a temporary vehicle permit that is valid for ~~seven~~ 14 days when the officer issues the notices under subdivision 4. If the motor vehicle is registered in the name of another, the officer shall issue a temporary vehicle permit that is valid for 45 days when the notices are issued under subdivision 3. The permit must be in a form determined by the registrar and whenever practicable must be posted on the left side of the inside rear window of the vehicle. A permit is valid only for the vehicle for which it is issued.

Sec. 8. Minnesota Statutes 2024, section 169A.60, subdivision 6, is amended to read:

Subd. 6. **Surrender of plates.** Within ~~seven~~ 14 days after issuance of the impoundment notice, a person who receives a notice of impoundment and impoundment order shall surrender all registration plates subject to the impoundment order that were not seized by a peace officer under subdivision 4. Registration plates required to be surrendered under this subdivision must be surrendered to a Minnesota police department, sheriff, or the State Patrol, along with a copy of the impoundment order. A law enforcement agency receiving registration plates under this subdivision shall destroy the plates and notify the commissioner that they have been destroyed. The notification to the commissioner shall also include a copy of the impoundment order.

Sec. 9. Minnesota Statutes 2024, section 169A.63, subdivision 13, is amended to read:

Subd. 13. **Exception.** (a) A forfeiture proceeding is stayed and the vehicle must be returned if the driver becomes a program participant in the ignition interlock program under section 171.306, in any motor vehicle eligible to be equipped with the ignition interlock device, at any time before the seized motor vehicle is forfeited and any of the following apply:

(1) the ~~driver committed~~ motor vehicle has been seized for a designated offense other than a violation of section 169A.20 under the circumstances described in section 169A.24; or

(2) the driver is accepted into a treatment court dedicated to changing the behavior of alcohol- and other drug-dependent offenders arrested for driving while impaired.

(b) Notwithstanding paragraph (a), the vehicle whose forfeiture was stayed in paragraph (a) may be seized and the forfeiture action may proceed under this section if the program participant described in paragraph (a):

(1) subsequently operates a motor vehicle:

(i) to commit a violation of section 169A.20 (driving while impaired);

(ii) in a manner that results in a license revocation under section 169A.52 (license revocation for test failure or refusal) or 171.177 (revocation; search warrant) or a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52 or 171.177;

(iii) after tampering with, circumventing, or bypassing an ignition interlock device; or

(iv) without an ignition interlock device at any time when the driver's license requires such device;

(2) either voluntarily or involuntarily ceases to participate in the program for more than 30 days, or fails to successfully complete it as required by the Department of Public Safety due to:

(i) two or more occasions of the participant's driving privileges being withdrawn for violating the terms of the program, unless the withdrawal is determined to be caused by an error of the department or the interlock provider; or

(ii) violating the terms of the contract with the provider as determined by the provider; or

(3) was the driver, forfeiture was stayed after the driver entered a treatment court, and the driver ceases to be a participant in the treatment court for any reason.

(c) Paragraph (b) applies only if the described conduct occurs before the participant has been restored to full driving privileges or within three years of the original designated offense or designated license revocation, whichever occurs latest.

(d) The requirement in subdivision 2, paragraph (b), that device manufacturers provide a discounted rate to indigent program participants applies also to device installation under this subdivision.

(e) An impound or law enforcement storage lot operator must allow an ignition interlock manufacturer sufficient access to the lot to install an ignition interlock device under this subdivision.

(f) Notwithstanding paragraph (a), an entity in possession of the vehicle is not required to release it until the reasonable costs of the towing, seizure, and storage of the vehicle have been paid by the vehicle owner.

(g) At any time prior to the vehicle being forfeited, the appropriate agency may require that the owner or driver of the vehicle surrender the title of the seized vehicle.

(h) If an event described in paragraph (b) occurs in a jurisdiction other than the one in which the original forfeitable event occurred, and the vehicle is subsequently forfeited, the proceeds shall be divided equally, after payment of seizure, towing, storage, forfeiture, and sale expenses and satisfaction of valid liens against the vehicle, among the appropriate agencies and prosecuting authorities in each jurisdiction.

(i) Upon successful completion of the program, the stayed forfeiture proceeding is terminated or dismissed and any vehicle, security, or bond held by an agency must be returned to the owner of the vehicle.

(j) A claimant of a vehicle for which a forfeiture action was stayed under paragraph (a) but which later proceeds under paragraph (b), may file a demand for judicial forfeiture as provided in subdivision 8, in which case the forfeiture proceedings must be conducted as provided in subdivision 9.

Sec. 10. Minnesota Statutes 2024, section 171.177, subdivision 4, is amended to read:

Subd. 4. **Test refusal; license revocation.** (a) Upon certification under subdivision 3 that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person refused to comply with the execution of the search warrant, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege. The commissioner shall revoke the license, permit, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) When a person who had been driving, operating, or in physical control of a commercial motor vehicle refuses to comply with the search warrant and permit testing, the commissioner shall disqualify the person from operating a commercial motor vehicle

and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 11. Minnesota Statutes 2024, section 171.177, subdivision 5, is amended to read:

Subd. 5. **Test failure; license revocation.** (a) Upon certification under subdivision 3 pursuant to a search warrant, that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a period of 90 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than one year or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165.

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 12. **[171.178] REVOCATION, DENIAL, AND REINSTATEMENT; DRIVING WHILE IMPAIRED; CRIMINAL VEHICULAR HOMICIDE AND OPERATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Ignition interlock device" has the meaning given in section 171.306, subdivision 1.

(c) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Subd. 2. **Qualified prior impaired driving incident; determination.** Section 169A.09 applies for determining the number of qualified prior impaired driving incidents under this section.

Subd. 3. **Test refusal; period of license revocation.** A revocation by the commissioner as required under section 169A.52, subdivision 3, or 171.177, subdivision 4, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years, not less than one year; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 4. **Test failure; period of license revocation.** A revocation by the commissioner as required under section 169A.52, subdivision 4, or 171.177, subdivision 5, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 90 days;

(ii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iii) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 5. **Driving while impaired conviction or adjudication; period of license revocation.** (a) Notwithstanding the periods specified in subdivisions 3 and 4 and except as provided in section 169A.54, subdivision 7, a revocation by the commissioner as required under section 169A.54, subdivision 1, or 171.17, subdivision 1, paragraph (a), clause (2) or (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 30 days if the person is convicted of an offense under section 169A.20, subdivision 1 (driving while impaired);

(ii) not less than 90 days if the person is convicted of an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test);

(iii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iv) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

(b) Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in paragraph (a), clause (1), items (i) to (iv).

Subd. 6. **Criminal vehicular operation or homicide conviction; period of license revocation.** Notwithstanding the periods specified in subdivisions 3 to 5, a revocation by the commissioner under section 171.17, subdivision 1, paragraph (a), clause (1), after the commissioner receives a record of a conviction for a violation of section:

(1) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(2) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(3) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6); or

(5) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or subdivision 2, clause (2), (3), (4), (5), or (6),

must be until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 7. **Driving while impaired; license cancellation and denial.** (a) The commissioner must designate a person with two or more qualified prior impaired driving incidents as inimical to public safety pursuant to section 171.04, subdivision 1, clause (10), if the person is convicted of a violation of section:

(1) 169A.20, subdivision 1;

(2) 169A.20, subdivision 2;

(3) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(5) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(6) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6);

(7) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or

(8) 609.2114, subdivision 2, clause (2), (3), (4), (5), or (6).

(b) The commissioner must cancel the person's driver's license pursuant to section 171.14 and must not issue the person a driver's license until the person complies with the provisions of this section and establishes rehabilitation according to standards established by the commissioner.

Subd. 8. **Ignition interlock periods; reduction.** (a) Until the commissioner reinstates a person's full driving privileges, the following persons must not operate a motor vehicle,

off-road recreational vehicle, or a motorboat unless the person participates in the ignition interlock device program:

(1) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 3, 4, or 5, at a time when the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents; and

(2) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 6, at a time when the person has one qualified prior impaired driving incident.

(b) The commissioner must not reinstate full driving privileges for a person described in paragraph (a) until the person completes a licensed substance use disorder treatment or rehabilitation program and participates in the ignition interlock device program in compliance with section 171.306 for a period of not less than:

(1) two years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has one qualified prior impaired driving incident within the past 20 years; or

(ii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has no qualified prior impaired driving incidents;

(2) five years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has one qualified prior impaired driving incident;

(3) six years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has two qualified prior impaired driving incidents;

(ii) subdivision 6 when the violation resulted in great bodily harm to another and the person has no qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in death to another and the person has no qualified prior impaired driving incidents;

(4) eight years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in subdivision 6 when the violation resulted in:

(i) great bodily harm to another and the person has one qualified prior impaired driving incident; or

(ii) bodily harm or substantial bodily harm to another and the person has two qualified prior impaired driving incidents;

(5) ten years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in:

(i) subdivision 6 when the violation resulted in great bodily harm to another and the person has two or more qualified prior impaired driving incidents;

(ii) subdivision 3, 4, or 5 when the person has three or more qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has three or more qualified prior impaired driving incidents;

(6) 15 years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has one qualified prior impaired driving incident; or

(7) for the remainder of the person's life if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has two or more qualified prior impaired driving incidents.

(c) The commissioner must establish standards allowing a person to submit proof that the person completed a licensed substance use disorder treatment or rehabilitation program. A person seeking reinstatement of full driving privileges must submit proof of completion in the form and manner established by the commissioner.

(d) Nothing in this section prohibits the commissioner from extending the period of time that a person must use an ignition interlock device pursuant to section 171.306, subdivision 5.

(e) If the commissioner learns that a person whose driving privileges have not been fully reinstated and whose mandated period of use of an ignition interlock device was reduced under this subdivision subsequently (1) registers a positive breath alcohol concentration of 0.02 or higher on an ignition interlock device, or (2) is convicted of, or adjudicated delinquent

for, an offense involving the use of alcohol, the commissioner must extend the time period that the person must use an ignition interlock device until the participant demonstrates abstinence for a period equal to the applicable reduced period under paragraph (b).

Sec. 13. Minnesota Statutes 2024, section 171.187, subdivision 3, is amended to read:

Subd. 3. **Credit.** If a person whose driver's license was suspended under subdivision 1 is later convicted of the underlying offense that resulted in the suspension and the commissioner revokes the person's license, the commissioner shall credit the time accrued under the suspension period toward the revocation period imposed under section ~~171.17, subdivision 4~~ 171.178, subdivision 6, or for violations of section:

(1) 609.20~~,~~;

(2) 609.205~~, or~~;

(3) 609.2112, subdivision 1, paragraph (a), clause (1), (7), or (8);

(4) 609.2113, subdivision 1, clause (1), (7), or (8); subdivision 2, clause (1), (7), or (8); or subdivision 3, clause (1), (7), or (8); or

(5) 609.2114, subdivision 1, paragraph (a), clause (1), (7), or (8), or subdivision 2, clause (1), (7), or (8).

Sec. 14. Minnesota Statutes 2024, section 171.19, is amended to read:

**171.19 PETITION FOR COURT HEARING ON LICENSE REINSTATEMENT.**

Any person whose driver's license has been refused, revoked, suspended, canceled, or disqualified by the commissioner, except where the license is revoked or disqualified under section 169A.52, 171.177, or 171.186, or whose driver's license revocation, suspension, or cancellation period has been extended by the commissioner based on a violation of the ignition interlock program guidelines, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, disqualification, or refusal of license, or whether the commissioner's extension determination is valid or should be modified, and shall render judgment accordingly. The petition for hearing must either be filed within 180 days of the effective date of the order of revocation, suspension, cancellation, disqualification, or refusal to license, or of the date

on the commissioner's notice of extension, or be filed before expiration of the withdrawal period, whichever occurs first. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 15. Minnesota Statutes 2024, section 171.24, subdivision 2, is amended to read:

Subd. 2. **Driving after revocation; ~~misdemeanor~~ penalties.** (a) A person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been revoked;

(2) the person has been given notice of or reasonably should know of the revocation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.

(b) A person who violates paragraph (a) is guilty of a gross misdemeanor if the person is prohibited from operating a motor vehicle unless the person participates in the ignition interlock device program.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2024, section 171.306, subdivision 1, is amended to read:

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

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4), resulting in bodily harm, substantial bodily harm, ~~or~~ great bodily harm, or death.

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Sec. 17. Minnesota Statutes 2024, section 171.306, subdivision 2, is amended to read:

Subd. 2. **Performance standards; certification; manufacturer and provider requirements.** (a) The commissioner shall establish performance standards and a process for certifying devices used in the ignition interlock program, except that the commissioner may not establish standards that, directly or indirectly, require devices to use or enable location tracking capabilities without a court order.

(b) The manufacturer of a device must apply annually for certification of the device by submitting the form prescribed by the commissioner. The commissioner shall require manufacturers of certified devices to:

(1) provide device installation, servicing, and monitoring to indigent program participants at a discounted rate, according to the standards established by the commissioner;

(2) include in an ignition interlock device contract a provision that a program participant who voluntarily terminates participation in the program or suspends participation as provided in subdivision 10 is only liable for servicing and monitoring costs incurred during the time the device is installed on the motor vehicle, regardless of whether the term of the contract has expired; and

(3) include in an ignition interlock device contract a provision that requires manufacturers of certified devices to pay any towing or repair costs caused by device failure or malfunction, or by damage caused during device installation, servicing, or monitoring.

(c) The manufacturer of a certified device must include with an ignition interlock device contract a separate notice to the program participant regarding any location tracking capabilities of the device.

Sec. 18. Minnesota Statutes 2024, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. Notwithstanding any law to the contrary, the commissioner must not require a program participant to pay the reinstatement fee and surcharge described in section 171.29, subdivision 2, before issuing a restricted license under this section. A program participant is not eligible for full reinstatement of driving privileges until the person pays the full reinstatement fee and surcharge. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant ~~whose~~ may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant's driver's license ~~has been~~ was:

(1) revoked, canceled, or denied under section:

(i) 169A.52, subdivision 3, paragraph (a), ~~clause (1), (2), or (3),~~ or subdivision 4, paragraph (a)~~, clause (1), (2), or (3)~~;

(ii) 169A.54, subdivision 1~~, clause (1), (2), (3), or (4)~~; ~~or~~

(iii) 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or

(iv) 171.177, subdivision 4, paragraph (a), ~~clause (1), (2), or (3),~~ or subdivision 5, paragraph (a)~~, clause (1), (2), or (3)~~; ~~or~~

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4); or

(3) suspended under section 171.187, for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4)~~, resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction~~.

(d) ~~A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed substance use disorder treatment or rehabilitation program as recommended in a chemical use assessment.~~ As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant who either had one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents when the person's driver's license was revoked, canceled, or denied under the conditions described in paragraph (c), clause (1), or whose driver's license was revoked or suspended under the conditions described in paragraph (c), clause (2) or (3), and whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed substance use disorder treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section ~~169A.55, subdivision 4~~ 171.178, subdivision 8.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under ~~section~~ sections 169A.55 and 171.178 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 19. Minnesota Statutes 2024, section 171.306, subdivision 5, is amended to read:

Subd. 5. **Penalties; program violations.** (a) If a program participant tampers with, circumvents, or bypasses a device; drives, operates, or exercises physical control over a

motor vehicle not equipped with a device certified by the commissioner; violates a condition of a license conditionally reinstated under subdivision 4 and section 171.30; or violates the program guidelines of subdivision 3, the commissioner shall extend the person's revocation period and the period of time that a person must use an ignition interlock device under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by:

(1) 180 days for a first violation;

(2) one year for a second violation; or

(3) 545 days for a third and each subsequent violation.

(b) Notwithstanding paragraph (a), the commissioner may terminate participation in the program by any person when, in the commissioner's judgment, termination is necessary to the interests of public safety and welfare. In the event of termination, the commissioner shall not reduce the applicable revocation period under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by the amount of time during which the person possessed a limited or restricted driver's license issued under the authority of subdivision 4.

Sec. 20. Minnesota Statutes 2024, section 171.306, subdivision 6, is amended to read:

Subd. 6. **Penalties; tampering.** (a) A person who lends, rents, or leases a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner to a person with a license issued under this section knowing that the person is subject to the ignition interlock restriction is guilty of a misdemeanor.

(b) A person who tampers with, circumvents, or bypasses the ignition interlock device, or assists another to tamper with, circumvent, or bypass the device, is guilty of a misdemeanor except when the action was taken for emergency purposes or for mechanical repair, and the person limited to the use of an ignition interlock device does not operate the motor vehicle while the device is disengaged.

(c) A person with a license issued under this section who operates a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner is guilty of a gross misdemeanor.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 21. Minnesota Statutes 2024, section 171.306, is amended by adding a subdivision to read:

Subd. 10. **Suspension of participation in program.** (a) A program participant whose motor vehicle is inoperable or who has transferred ownership of the vehicle, and who is not operating or planning to operate a motor vehicle, may inform the commissioner of this. Upon receiving this notice, the commissioner shall suspend the person's participation in the program. A person whose participation is suspended is not subject to further tests and may, if the person so chooses, remove the ignition interlock device from the vehicle. Except as provided in paragraph (c), the person is not subject to sanctions for program violations.

(b) If the person intends to resume operating a motor vehicle, the person shall inform the commissioner of this, and the commissioner shall reinstate the person to the program. The commissioner shall credit the person with the time spent in the program before suspension.

(c) If the person is required by law to abstain from the use of alcohol or controlled substances, the commissioner shall provide the person with a method of documenting this during the period of program suspension other than by use of an ignition interlock device. If the commissioner determines that the person has not maintained abstinence, the commissioner may take appropriate action including but not limited to extending the period of the person's ineligibility to operate a motor vehicle as provided in subdivision 5.

Sec. 22. Minnesota Statutes 2024, section 171.306, is amended by adding a subdivision to read:

Subd. 11. **Termination from program; reentry.** When a person who was involuntarily terminated from the ignition interlock program reenters the program, the commissioner shall credit the person with the time spent in the program before termination.

Sec. 23. **REPEALER.**

Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, and 4; 169A.55, subdivisions 4 and 5; and 171.17, subdivision 4, are repealed.

**169A.54 DWI CONVICTIONS, ADJUDICATIONS; ADMINISTRATIVE PENALTIES.**

Subd. 2. **Driving while impaired by person under age 21.** If the person convicted of violating section 169A.20 (driving while impaired) is under the age of 21 years at the time of the violation, the commissioner shall revoke the offender's driver's license or operating privileges for a period of not less than 180 days or for the appropriate period of time under subdivision 1, clauses (1) to (6), for the offense committed, whichever is the longer period.

Subd. 3. **Juvenile adjudications.** For purposes of this section, a juvenile adjudication under section 169A.20 (driving while impaired), an ordinance in conformity with it, or a statute or ordinance from another state in conformity with it is an offense.

Subd. 4. **Violations involving personal injury.** Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in subdivisions 1 to 3.

**169A.55 LICENSE REVOCATION TERMINATION; LICENSE REINSTATEMENT.**

Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose driver's license has been revoked as a result of an offense listed under clause (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the commissioner certifies that either:

(1) the person did not own or lease a vehicle at the time of the offense or at any time between the time of the offense and the driver's request for reinstatement, or commit a violation of chapter 169, 169A, or 171 between the time of the offense and the driver's request for reinstatement or at the time of the arrest for the offense listed under clause (2), item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

(i) a request by the person for reinstatement, on a form to be provided by the Department of Public Safety;

(ii) the person's attestation under penalty of perjury; and

(iii) the submission by the driver of certified copies of vehicle registration records and driving records for the period from the arrest until the driver seeks reinstatement of driving privileges; or

(2) the person used the ignition interlock device and complied with section 171.306 for a period of not less than:

(i) one year, for a person whose driver's license was revoked for:

(A) an offense occurring within ten years of a qualified prior impaired driving incident; or

(B) an offense occurring after two qualified prior impaired driving incidents; or

(ii) two years, for a person whose driver's license was revoked for:

(A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated an alcohol concentration of twice the legal limit or more; or

(B) an offense occurring under item (i), subitem (A) or (B), and the current offense is for a violation of section 169A.20, subdivision 2.

(b) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of abstinence from alcohol and controlled substances under paragraph (c), as evidenced by the person's use of an ignition interlock device or other chemical monitoring device approved by the commissioner.

(c) The verification of abstinence must show that the person has abstained from the use of alcohol and controlled substances for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

Subd. 5. **Reinstatement of driving privileges; certain criminal vehicular operation offenses.** A person whose driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) (revocation, criminal vehicular operation), or suspended under section 171.187 (suspension, criminal vehicular operation), for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4), subdivision 2, clause (2), item (i) or (iii), (3), or (4), or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or section 609.2114, subdivision 2, clause (2), item (i) or (iii) (criminal vehicular operation, alcohol-related provisions), resulting in bodily harm, substantial bodily harm, or great bodily harm, shall not be eligible for reinstatement of driving privileges until the person has submitted to the commissioner verification of the use of ignition interlock for the applicable time period specified in those sections. To be eligible for reinstatement under this subdivision, a person shall utilize an ignition interlock device that meets the performance standards and certification requirements under subdivision 4, paragraph (c).

**171.17 REVOCATION.**

Subd. 4. **Criminal vehicular operation; revocation periods.** (a) As used in this subdivision, "qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon receiving a record of a conviction for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6); subdivision 2, clause (2), (3), (4), (5), or (6); or subdivision 3, clause (2), (3), (4), (5), or (6); or 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6), or subdivision 2, clause (2), (3), (4), (5), or (6); the commissioner shall revoke the driver's license or driving privileges of a person as follows:

(1) not less than ten years if the violation resulted in great bodily harm or death to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(2) not less than eight years if the violation resulted in great bodily harm or death to another and the person has a qualified prior impaired driving incident within the past ten years;

(3) not less than six years if the violation resulted in great bodily harm or death to another;

(4) not less than six years if the violation resulted in bodily harm or substantial bodily harm to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(5) not less than four years if the violation resulted in bodily harm or substantial bodily harm to another and the person has a qualified prior impaired driving incident within the past ten years; or

(6) not less than two years if the violation resulted in bodily harm or substantial bodily harm to another.

(c) Section 169A.09 applies when determining the number of qualified prior impaired driving incidents under this subdivision.

## SPECIAL ORDER

**H.F. No. 2130:** A bill for an act relating to public safety; extending the length of driver's license revocations related to certain offenses; modifying the length of time certain individuals must participate in the ignition interlock program; requiring all ignition interlock participants to complete a treatment or rehabilitation program before reinstatement of full driving privileges; imposing criminal penalties for ignition interlock program participants who operate vehicles not equipped with an interlock device; making criminal vehicular homicide offenders eligible for the ignition interlock program; providing for judicial review of an extension of a person's driver's license revocation for a violation of the ignition interlock program; modifying how license plates are impounded and reissued under the DWI law; expanding the time period that a temporary driver's license issued after a DWI is valid; providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 169A.37, subdivision 1; 169A.52, subdivisions 3, 4, 7; 169A.54, subdivision 1; 169A.60, subdivisions 4, 5, 6; 169A.63, subdivision 13; 171.177, subdivisions 4, 5; 171.187, subdivision 3; 171.19; 171.24, subdivision 2; 171.306, subdivisions 1, 4, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, 4; 169A.55, subdivisions 4, 5; 171.17, subdivision 4.

President Champion called Senator Frentz to preside.

Senator Champion moved to amend H.F. No. 2130, as amended pursuant to Rule 45, adopted by the Senate May 6, 2025, as follows (A-2):

(The text of the amended House File is identical to S.F. No. 2068.)

Page 18, after line 9, insert:

"Sec. 17. Minnesota Statutes 2024, section 171.306, subdivision 2, is amended to read:

Subd. 2. **Performance standards; certification; manufacturer and provider requirements.** (a) The commissioner shall establish performance standards and a process for certifying devices used in the ignition interlock program, except that the commissioner may not establish standards that, directly or indirectly, require devices to use or enable location tracking capabilities without a court order.

(b) The manufacturer of a device must apply annually for certification of the device by submitting the form prescribed by the commissioner. The commissioner shall require manufacturers of certified devices to:

(1) provide device installation, servicing, and monitoring to indigent program participants at a discounted rate, according to the standards established by the commissioner;

(2) include in an ignition interlock device contract a provision that a program participant who voluntarily terminates participation in the program or suspends participation as provided in subdivision 10 is only liable for servicing and monitoring costs incurred during the time the device is installed on the motor vehicle, regardless of whether the term of the contract has expired; and

(3) include in an ignition interlock device contract a provision that requires manufacturers of certified devices to pay any towing or repair costs caused by device failure or malfunction, or by damage caused during device installation, servicing, or monitoring.

(c) The manufacturer of a certified device must include with an ignition interlock device contract a separate notice to the program participant regarding any location tracking capabilities of the device."

Page 21, after line 29, insert:

"Sec. 21. Minnesota Statutes 2024, section 171.306, is amended by adding a subdivision to read:

Subd. 10. **Suspension of participation in program.** (a) A program participant whose motor vehicle is inoperable or who has transferred ownership of the vehicle, and who is not operating or planning to operate a motor vehicle, may inform the commissioner of this. Upon receiving this notice, the commissioner shall suspend the person's participation in the program. A person whose participation is suspended is not subject to further tests and may, if the person so chooses, remove the ignition interlock device from the vehicle. Except as provided in paragraph (c), the person is not subject to sanctions for program violations.

(b) If the person intends to resume operating a motor vehicle, the person shall inform the commissioner of this, and the commissioner shall reinstate the person to the program. The commissioner shall credit the person with the time spent in the program before suspension.

(c) If the person is required by law to abstain from the use of alcohol or controlled substances, the commissioner shall provide the person with a method of documenting this during the period of program suspension other than by use of an ignition interlock device. If the commissioner determines that the person has not maintained abstinence, the commissioner may take appropriate action including but not limited to extending the period of the person's ineligibility to operate a motor vehicle as provided in subdivision 5.

Sec. 22. Minnesota Statutes 2024, section 171.306, is amended by adding a subdivision to read:

Subd. 11. **Termination from program; reentry.** When a person who was involuntarily terminated from the ignition interlock program reenters the program, the commissioner shall credit the person with the time spent in the program before termination."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 39 and nays 28, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Coleman | Gustafson | Johnson Stewart | Limmer |
| Boldon | Cwodzinski | Hauschild | Klein | Mann |
| Carlson | Dibble | Hawj | Kunesh | Marty |
| Champion | Fateh | Hoffman | Kupec | Maye Quade |
| Clark | Frentz | Housley | Latz | McEwen |

| | | | | |
|---|---|---|---|---|
| Mitchell | Nelson | Pha | Rest | Wiklund |
| Mohamed | Oumou Verbeten | Port | Seeberger | Xiong |
| Murphy | Pappas | Putnam | Westlin | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Marty, McEwen, Murphy, Port, and Westlin.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Dahms | Green | Koran | Miller | Wesenberg |
| Dornink | Gruenhagen | Kreun | Pratt | Westrom |
| Draheim | Heintzeman | Lang | Rarick | |
| Drazkowski | Howe | Lieske | Rasmusson | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Draheim and Green.

The motion prevailed. So the amendment was adopted.

President Champion resumed the Chair.

H.F. No. 2130 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Mathews | Rarick |
| Anderson | Farnsworth | Johnson Stewart | Maye Quade | Rasmusson |
| Bahr | Fateh | Klein | McEwen | Rest |
| Boldon | Frentz | Koran | Miller | Seeberger |
| Carlson | Green | Kreun | Mitchell | Utke |
| Champion | Gruenhagen | Kunesh | Mohamed | Weber |
| Clark | Gustafson | Kupec | Murphy | Wesenberg |
| Coleman | Hauschild | Lang | Nelson | Westlin |
| Cwodzinski | Hawj | Latz | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Lieske | Pappas | Wiklund |
| Dibble | Hoffman | Limmer | Pha | Xiong |
| Dornink | Housley | Lucero | Port | |
| Draheim | Howe | Mann | Pratt | |
| Drazkowski | Jasinski | Marty | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Marty, McEwen, Murphy, Port, and Westlin.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim and Green.

So the bill, as amended, was passed and its title was agreed to.

# 069. SF 3446

**Vote:** 2025-05-08 | **Workbook row:** 74
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 1 nays

**Workbook subject:** Claims bill

## Included complete bill documents

**1. 1st Engrossment, posted 2025-05-07** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/3446/versions/1/pdf/

## Original Senate journal context

PDF pages 39-40. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250508033.pdf#page=39

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/SF/3446/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3446

**(SENATE AUTHORS: CLARK, Latz and Carlson)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 04/28/2025 | 4112 | Introduction and first reading |
| | | Referred to Finance |
| 05/07/2025 | 4519a | Comm report: To pass as amended |
| | 4519 | Second reading |
| 05/08/2025 | 4639 | Special Order |
| | 4639 | Third reading Passed |
| 05/16/2025 | 5132 | Returned from House |
| | | Presentment date 05/17/25 |
| | 5861 | Governor's action Approval 05/19/25 |
| | 5861 | Secretary of State Chapter 26 05/19/25 |
| | | Effective date 07/01/2025 |

A bill for an act

relating to claims against the state; providing for the settlement of certain claims; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **EXONERATION AWARD.**

$65,000 is appropriated in fiscal year 2026 from the general fund to the commissioner of management and budget for full payment of awards of damages under the Imprisonment and Exoneration Remedies Act, Minnesota Statutes, sections 611.362 to 611.368. This appropriation is available until June 30, 2026, for payment to the Vincent Beaulieu Estate.

Sec. 2. **DEPARTMENT OF CORRECTIONS; APPROPRIATIONS.**

The amounts in this section are appropriated from the general fund to the commissioner of corrections in fiscal year 2026 for full and final payment under Minnesota Statutes, sections 3.738 and 3.739, of claims against the state for losses suffered while incarcerated in a state correctional facility or for injuries suffered by and medical services provided to persons injured while performing community service or sentence-to-service work for correctional purposes or while incarcerated in a state correctional facility. This appropriation is available until June 30, 2026:

(1) for community service and sentence-to-service work claims under $7,000 and other claims already paid by the department, $849.86; and

(2) for payment to Victor Lynch for permanent injuries, $6,531.25.

**Senator Pappas introduced--**

**S.F. No. 3501:** A bill for an act relating to capital investment; appropriating money for capital improvements at the Hallie Q. Brown Community Center in the city of St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

## MOTIONS AND RESOLUTIONS

**Senators Mann, Klein, Abeler, Marty, and Wiklund introduced --**

**Senate Resolution No. 42:** A Senate resolution recognizing Dave Renner for his accomplishments over a decades-long career in advocacy, education, and service to the physicians and patients of Minnesota.

Referred to the Committee on Rules and Administration.

**Senator Howe introduced --**

**Senate Resolution No. 43:** A Senate resolution congratulating Brice Wolbeck for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 3446 and 856.

## SPECIAL ORDER

**S.F. No. 3446:** A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

S.F. No. 3446 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Clark | Draheim | Green | Hoffman |
| Anderson | Coleman | Drazkowski | Gruenhagen | Housley |
| Bahr | Cwodzinski | Duckworth | Gustafson | Howe |
| Boldon | Dahms | Farnsworth | Hauschild | Jasinski |
| Carlson | Dibble | Fateh | Hawj | Johnson |
| Champion | Dornink | Frentz | Heintzeman | Johnson Stewart |

| | | | | |
|---|---|---|---|---|
| Klein | Limmer | Mitchell | Pratt | Westlin |
| Koran | Lucero | Mohamed | Putnam | Westrom |
| Kreun | Mann | Murphy | Rarick | Wiklund |
| Kunesh | Marty | Nelson | Rest | Xiong |
| Kupec | Mathews | Oumou Verbeten | Seeberger | |
| Lang | Maye Quade | Pappas | Utke | |
| Latz | McEwen | Pha | Weber | |
| Lieske | Miller | Port | Wesenberg | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Port, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim and Lucero.

Those who voted in the negative were:

Rasmusson

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 856:** A bill for an act relating to state government; creating the Office of the Inspector General; creating an advisory committee; requiring reports; transferring certain agency duties; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 15A.0815, subdivision 2; 142A.03, by adding a subdivision; 142A.12, subdivision 5; 144.05, by adding a subdivision; 245.095, subdivision 5; 256.01, by adding a subdivision; 609.456, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 15D; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21.

Senator Gustafson moved to amend S.F. No. 856 as follows (A91):

Page 5, line 4, after the period, insert "An appointment to an additional term must be confirmed by a vote of three-fifths of the senate."

Page 7, after line 15, insert:

"(h) The Department of Information Technology Services shall provide services to the Office of the Inspector General, under a managed services contract, according to section 16E.016."

Page 11, line 17, before the period, insert ", or by the managerial plan under section 43A.18, subdivision 3, depending on the employee's job classification"

Page 16, after line 33, insert:

"(c) By December 31, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Health. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The agency and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency

# 070. SF 856

**Vote:** 2025-05-08 | **Workbook row:** 75
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 60 yeas, 7 nays

**Workbook subject:** Office of the Inspector General creation and appropriation

## Included complete bill documents

**1. 9th Engrossment, posted 2025-05-07** - 25 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/856/versions/9/pdf/

## Original Senate journal context

PDF pages 40-54. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250508033.pdf#page=53

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/856/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 856

**(SENATE AUTHORS: GUSTAFSON, Draheim, Kreun, Putnam and Latz)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/30/2025 | 233 | Introduction and first reading |
| | | Referred to State and Local Government |
| 02/13/2025 | 353a | Comm report: To pass as amended and re-refer to Judiciary and Public Safety |
| 02/24/2025 | 525a | Comm report: To pass as amended and re-refer to Education Finance |
| 02/27/2025 | 548a | Comm report: To pass as amended and re-refer to Health and Human Services |
| 03/13/2025 | 740a | Comm report: To pass as amended and re-refer to Human Services |
| 03/17/2025 | 876a | Comm report: Amended, No recommendation, re-referred to State and Local Government |
| 03/24/2025 | 956a | Comm report: To pass as amended and re-refer to Rules and Administration |
| 03/27/2025 | 1117 | Withdrawn and re-referred to Judiciary and Public Safety |
| 04/01/2025 | 1158a | Comm report: To pass as amended and re-refer to Rules and Administration |
| 04/07/2025 | 1704a | Comm report: To pass as amended and re-refer to Finance |
| 05/07/2025 | 4516a | Comm report: To pass as amended |
| | 4519 | Second reading |
| 05/08/2025 | | Special Order: Amended |
| | | Third reading |
| | | Motion did not prevail to reconsider third reading |
| | | Third reading Passed as amended |

A bill for an act

relating to state government; creating the Office of the Inspector General; creating an advisory committee; requiring reports; transferring certain agency duties; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 15A.0815, subdivision 2; 142A.03, by adding a subdivision; 142A.12, subdivision 5; 144.05, by adding a subdivision; 245.095, subdivision 5; 256.01, by adding a subdivision; 609.456, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 15D; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1
## OFFICE OF THE INSPECTOR GENERAL

Section 1. Minnesota Statutes 2024, section 3.971, is amended by adding a subdivision to read:

Subd. 3b. **Public reports of fraud and misuse.** Notwithstanding the classification of data as not public, the legislative auditor must refer all reports from the public about potential fraud or misuse, as those terms are defined in chapter 15D, to the inspector general. The legislative auditor may coordinate reviews and investigations with the inspector general when coordination conserves resources and does not compromise the reviews or investigations.

Sec. 2. Minnesota Statutes 2024, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of

management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation;

Commissioner of veterans affairs;

Executive director of the Gambling Control Board;

Executive director of the Minnesota State Lottery;

Executive director of the Office of Cannabis Management;

Inspector general;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for mental health and developmental disabilities;

Ombudsperson for corrections;

Chair, Metropolitan Council;

Chair, Metropolitan Airports Commission;

School trust lands director;

Executive director of pari-mutuel racing;

Commissioner, Public Utilities Commission;

Chief Executive Officer, Direct Care and Treatment; and

Director of the Office of Emergency Medical Services.

Sec. 3. **[15D.01] OFFICE OF THE INSPECTOR GENERAL.**

(a) The inspector general serves as an independent entity responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs.

(b) In exercising the inspector general's powers and duties, the inspector general is in the executive branch and must operate independently of all state executive branch agencies and report directly to the governor. The inspector general must not be subject to direction or interference from any executive or legislative authority.

(c) The inspector general shall direct an Office of the Inspector General.

(d) The inspector general serves in the unclassified service.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 4. **[15D.02] DEFINITIONS.**

For the purposes of this chapter, the following terms have the meanings given:

(1) "agency program" means a program funded or administered by a state agency, including grants and contracts;

(2) "fraud" means an intentional or deceptive act or failure to act to gain an unlawful benefit;

(3) "investigation" means an audit, review, or inquiry conducted by the inspector general to detect or prevent fraud or misuse;

(4) "misuse" means improper use of authority or position for personal gain or to cause harm to others, including the improper use of public resources or programs contrary to their intended purpose; and

(5) "personal gain" means a benefit to a person; to a person's spouse, parent, child, or other legal dependent; or to an in-law of the person or the person's child.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 5. **[15D.03] INSPECTOR GENERAL.**

Subdivision 1. **Minimum qualifications.** (a) To be eligible to be appointed as inspector general, a candidate must:

(1) have a bachelor's or higher degree in criminal justice, public administration, law, or a related field;

(2) have at least ten years of professional experience in auditing, investigations, law enforcement, or a related area;

(3) hold a professional certificate from the Association of Inspectors General, including Certified Inspector General or Certified Inspector General Investigator; and

(4) demonstrate a commitment to safeguarding the mission of public service and provide a public disclosure of prior professional opinions, positions, or actions that may influence the candidate's approach to the role.

(b) Current or former commissioners, agency heads, deputy agency heads, governors, or legislators are not eligible to serve as inspector general within five years of their service in those roles. A person elected to an office other than the governor or legislature is not eligible until ten years after the end of service in an elected position.

Subd. 2. **Appointment.** The Legislative Inspector General Advisory Commission will recommend candidates for inspector general after a competitive process from among eligible applicants for the position of inspector general. To be recommended by the commission, a candidate must be approved for recommendation by five of the eight members of the commission. The commission must assess eligible candidates based on qualifications, including experience in auditing, financial analysis, public administration, law enforcement, or related fields. The inspector general is appointed by the governor, after consideration of recommendations from the Legislative Inspector General Advisory Commission, with

confirmation by a vote of three-fifths of the senate. Section 15.066, subdivision 3, does not apply.

Subd. 3. **Term.** The inspector general serves a five-year term and may be appointed to unlimited additional terms.

Subd. 4. **Vacancy.** The Legislative Inspector General Advisory Commission must provide recommendations to the governor for appointment to fill a vacancy in the position of the inspector general within 90 days of a vacancy occurring or within 60 days of being advised by the inspector general that a vacancy is expected to occur. The governor must appoint an inspector general within 30 days of receiving recommendations from the Legislative Inspector General Advisory Commission or within 45 days of a vacancy occurring if the advisory commission does not provide recommendations within the time allotted for recommendations under this subdivision.

Subd. 5. **Disclosure.** A candidate considered by the Legislative Inspector General Oversight Commission or selected for appointment by the governor must disclose all political affiliations, appointments, campaign work, or partisan activities prior to confirmation.

Subd. 6. **Nonpartisanship.** The inspector general, and all employees of the office, must perform duties of the office without regard to partisan preferences or influences. While serving, the inspector general, and all employees of the office, may not engage in partisan activities, campaign work, or public political speech, unless protected by the state or United States Constitution.

Subd. 7. **Conflict of interest; code of ethics.** The inspector general and all employees of the office are public officials for purposes of the conflict of interest and statement of economic interest requirements in chapter 10A, and are subject to the code of ethics in section 43A.38, where applicable.

Subd. 8. **Removal.** The inspector general may only be removed by the governor before the expiration of the term for cause after a public hearing conducted by the governor and with approval of both the senate and the house of representatives.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 6. **[15D.04] POWERS AND DUTIES.**

Subdivision 1. **Authorized powers and responsibilities.** The inspector general is authorized and responsible to:

(1) conduct inspections, evaluations, and investigations of state executive branch agencies and programs according to professional auditing standards to: (i) identify fraud and misuse; (ii) make recommendations for changes to programs to prevent fraud and misuse; and (iii) protect the integrity of the use of public funds, data, and systems;

(2) refer matters for civil, criminal, or administrative action to the Bureau of Criminal Apprehension, the attorney general's office, or other appropriate authorities;

(3) recommend legislative or policy changes to improve program efficiency and effectiveness;

(4) publish reports on completion of an audit or investigation summarizing findings, recommendations, and outcomes of the inspector general's activities;

(5) investigate any public or private entity that receives public funds to ensure compliance with applicable laws, proper use of funds, and adherence to program requirements;

(6) submit an annual report summarizing the work of the office to the Legislative Inspector General Advisory Commission and make the report publicly available by posting the report on the inspector general's website;

(7) alert relevant commissioners or heads of agencies when the inspector general has a reasonable suspicion that fraud or misuse is being committed, whether or not the inspector general is conducting an investigation, as provided in subdivision 3; and

(8) establish and maintain a current exclusion list in a format readily accessible to agencies that identifies each program and individual for which the inspector general has obtained a court order to freeze or cease distribution of funds or made a recommendation under clause (7) to freeze or cease distribution of funds.

Subd. 2. **Relationship to powers and duties of other agencies.** (a) The inspector general has authority to investigate fraud and misuse of public funds across all programs administered by state agencies.

(b) The inspector general may perform the inspector general's duties and apply the inspector general's authority without obtaining approval from another agency.

(c) The Department of Human Services has primary responsibility to investigate fraud in the Medicaid program, but the inspector general has authority to conduct independent investigations related to the Medicaid program as necessary.

(d) The Department of Children, Youth, and Families has primary responsibility to investigate fraud in the child care assistance program, but the inspector general has authority to conduct independent investigations related to the child care assistance program.

(e) The Department of Health has primary responsibility to investigate fraud related to women, infants, and children (WIC) and food support programs, but the inspector general has authority to conduct independent investigations related to WIC and food support programs.

(f) The inspector general has concurrent authority over general compliance reviews, information technology security audits, or administrative program integrity assessments that are related to fraud or misuse.

(g) The inspector general must refer all reports from the public about potential fraud or misuse to the legislative auditor, and to the commissioner of human services for reports related to Medicaid. The inspector general may coordinate investigations with the legislative auditor, and the commissioner of human services for investigations related to Medicaid, when coordination conserves resources and does not compromise an investigation.

Subd. 3. **Alerting agency of issue; seeking a court order to freeze funds.** (a) If the agency does not have primary investigative authority under subdivision 2, the inspector general shall investigate and, if the inspector general has a reasonable suspicion that fraud or misuse is occurring, then the inspector general may, at the inspector general's discretion, alert the commissioner and seek a court order to freeze or stop distribution of public funds, including any applicable due process and appeal rights, working in cooperation with the agency where practical and where it would not jeopardize an investigation.

(b) If the agency has primary investigative authority under subdivision 2 but the inspector general is not satisfied that the agency's internal investigation is adequate or proceeding quickly enough, the inspector general may independently investigate and, if the inspector general has a reasonable suspicion that fraud or misuse is being committed, may make a recommendation to the agency to freeze or cease distribution of funds and notify the appropriate law enforcement agencies.

(c) If a commissioner or head of an agency does not act on a recommendation to freeze or cease distribution of funds as requested, after reasonable notice and consistent with any applicable interagency agreements under section 17, unless prohibited by federal requirements, the inspector general may, at the inspector general's discretion, seek a court order to freeze or stop distribution of public funds, consistent with applicable due process and appeal rights.

Subd. 4. **Exceptions for federal funding.** The inspector general must not comply with any provision under this section if compliance with the provision would prevent the state from receiving federal financial participation for the medical assistance program or result in a lower level of coverage or reduced access to coverage for medical assistance enrollees.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 7. **[15D.042] AUXILIARY POWERS.**

Subdivision 1. **Subpoena power.** In all matters relating to official duties, the inspector general has the powers possessed by courts of law to issue and have subpoenas served.

Subd. 2. **Inquiry and inspection power; duty to aid inspector general.** All public officials and their deputies and employees, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times:

(1) afford reasonable facilities for examinations by the inspector general;

(2) provide returns and reports required by the inspector general;

(3) attend and answer under oath the inspector general's lawful inquiries;

(4) produce and exhibit all books, accounts, documents, data of any classification, and property that the inspector general requests to inspect; and

(5) in all things cooperate with the inspector general.

Subd. 3. **Penalties.** (a) If a person refuses or neglects to obey any lawful direction of the inspector general, a deputy or assistant, or withholds any information, book, record, paper or other document called for by the inspector general for the purpose of examination, after having been lawfully required by order or subpoena, upon application by the inspector general, a judge of the district court in the county where the order or subpoena was made returnable shall compel obedience or punish disobedience as for contempt, as in the case of a similar order or subpoena issued by the court.

(b) A person who swears falsely concerning any matter stated under oath is guilty of a gross misdemeanor.

Sec. 8. **[15D.043] IDENTIFICATION OF FRAUD REPORTING TOOL.**

(a) The commissioner or other chief executive officer of each agency must prominently highlight on the agency's website the fraud reporting tools administered by the Office of the Inspector General and the Office of the Legislative Auditor under chapter 3.

(b) As part of any grant agreement between the state and a nonprofit organization, the agreement must require the nonprofit organization to prominently highlight on the organization's website the fraud reporting tools administered by the Office of the Inspector General, under chapter 15, and the Office of the Legislative Auditor, under chapter 3. The state agency administering the grant must regularly confirm and document the organization's compliance with the requirement under this paragraph for the life of the grant agreement.

Sec. 9. **[15D.046] DATA PRACTICES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Confidential data on individuals" has the meaning given in section 13.02, subdivision 3.

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(d) "Nonpublic data" has the meaning given in section 13.02, subdivision 9.

(e) "Not public data" has the meaning given in section 13.02, subdivision 8a.

(f) "Private data on individuals" has the meaning given in section 13.02, subdivision 12.

(g) "Protected nonpublic data" has the meaning given in section 13.02, subdivision 13.

Subd. 2. **Government Data Practices Act.** The inspector general is a government entity and is subject to the Government Data Practices Act, chapter 13.

Subd. 3. **Access.** In order to perform the duties authorized by this chapter, the inspector general shall have access to data of any classification, including data classified as not public data. It is not a violation of chapter 13 or any other statute classifying government data as not public data if a government entity provides data pursuant to a subpoena issued under this chapter.

Subd. 4. **Dissemination.** The inspector general may disseminate data of any classification, including not public data, to:

(1) a government entity, other than a law enforcement agency or prosecuting authority, if the dissemination of the data aids a pending investigation or administrative action;

(2) a law enforcement agency or prosecuting authority if there is reason to believe that the data are evidence of criminal activity within the agency's or authority's jurisdiction; or

(3) the legislative auditor or commissioner of human services as provided in section 15D.04, subdivision 2, paragraph (g).

Subd. 5. **Data classifications.** (a) Notwithstanding any other law, data relating to an investigation conducted under this chapter are confidential data on individuals or protected nonpublic data while the investigation is active. Whether an investigation is active shall be determined by the inspector general.

(b) Data relating to an investigation conducted under this chapter become public data upon the inspector general's completion of the investigation, unless:

(1) the release of the data would jeopardize another active investigation by the inspector general or another government entity;

(2) the inspector general reasonably believes the data will be used in litigation related to any civil, criminal, or administrative actions, including reconsideration or appeal of any such action; or

(3) the data are classified as not public under another statute or paragraph (e).

(c) Data subject to paragraph (b), clause (2), are confidential data on individuals or protected nonpublic data and become public when the litigation has been completed or the time period to appeal has expired, or the litigation is no longer being actively pursued.

(d) Unless the data are subject to a more restrictive classification, upon the inspector general's decision to no longer actively pursue an investigation under this chapter, data relating to an investigation are private data on individuals or nonpublic data except the following data are public:

(1) data relating to the investigation's general description, existence, status, and disposition; and

(2) data that document the inspector general's work.

(e) Inactive investigative data on an individual supplying information for an investigation that could reasonably be used to determine the individual's identity are private data on individuals if the information supplied was needed for the investigation and would not have been provided to the inspector general without an assurance to the individual that the individual's identity would remain private.

(f) Data relating to an investigation conducted under this chapter that are obtained from an entity that is not a government entity have the same classification that the data would have if obtained from a government entity.

Subd. 6. **Privileges.** Nothing in this section or section 15D.042 requires the disclosure of documents or information that is legally privileged under statute or other law, including documents or information subject to section 13.393 or 595.02.

Sec. 10. **[15D.05] RESOURCES.**

Subdivision 1. **Staff.** (a) The inspector general may hire and manage staff as necessary and in accordance with chapter 43A. The inspector general must employ at least two individuals with experience in criminal investigations to serve as investigators for the office. To the extent the inspector general deems advisable, these individuals must have previous experience in complex investigations as law enforcement officers. Except for the inspector general, the staff in the Office of the Inspector General shall serve in the classified civil service. Except as provided in paragraph (b), compensation for employees of the inspector general in the classified service who are represented by an exclusive representative shall be governed by a collective bargaining agreement negotiated between the commissioner of management and budget and the exclusive representative. Compensation for employees of the inspector general in the classified service who are not represented by an exclusive representative shall be as provided in the commissioner's plan under section 43A.18, subdivision 2.

(b) Section 15.039, subdivision 7, applies to employees transferred into the Office of the Inspector General from other offices of inspectors general within the first year following enactment of chapter 15D.

Subd. 2. **Contracting.** The inspector general may contract with external experts to support the work of the office, subject to section 16C.08.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 11. **[15D.06] REPORTING AND TRANSPARENCY.**

Subdivision 1. **Reports.** The inspector general must issue public reports detailing completed audits, investigations, and corrective actions taken.

Subd. 2. **Public tips.** The inspector general must maintain a phone line and website for reporting fraud and misuse that allows the person making the report to remain anonymous.

Subd. 3. **Report; inactive investigations.** By December 1, 2026, and each December 1 thereafter, the inspector general must submit a report to the legislative auditor and the chairs and ranking minority members of the legislative committees with jurisdiction over state government and data practices regarding all investigations the inspector general did

not open after receiving a tip or complaint or decided to no longer actively pursue for the preceding calendar year. The report must include, at a minimum, summary data as defined in section 13.02, subdivision 19, for:

(1) all complaints or tips received;

(2) the type of allegation;

(3) if the complaint or tip was not frivolous, the reason that the inspector general did not open an investigation or decided to no longer pursue the investigation; and

(4) referrals to other agencies or the legislative auditor.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 12. **[15D.07] PROFESSIONAL STANDARDS AND REVIEW.**

(a) The inspector general's activities must adhere to professional standards as promulgated by the Association of Inspectors General or other recognized bodies.

(b) The governor may contract for an external quality assurance review of the inspector general every three years and must make findings from the review public.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 13. **[15D.08] LEGISLATIVE INSPECTOR GENERAL ADVISORY COMMISSION.**

Subdivision 1. **Membership.** The Legislative Inspector General Advisory Commission is comprised of:

(1) two senators appointed by the majority leader of the senate;

(2) two senators appointed by the minority leader of the senate;

(3) two members of the house of representatives appointed by the speaker of the house of representatives; and

(4) two members of the house of representatives appointed by the minority leader of the house of representatives.

Subd. 2. **Terms.** Members serve at the pleasure of their appointing authorities and each member serves until a replacement is appointed.

Subd. 3. **Chair.** The commission must select a chair after consideration of its members by January 31 of each odd-numbered year. The chair shall serve until a successor is elected. The chair must alternate biennially between the senate and the house of representatives.

Subd. 4. **Duties.** The Legislative Inspector General Advisory Commission must:

(1) consider applicants for and make recommendations to the governor for the position of inspector general; and

(2) may conduct hearings to review the work of the inspector general to ensure impartiality, independence, and effectiveness.

Subd. 5. **Per diem; expense reimbursement.** Members may be compensated for time spent on commission duties and may be reimbursed for expenses according to the rules of their respective bodies.

Subd. 6. **Meeting space; staff.** The Legislative Coordinating Commission must provide meeting space and staff to assist the commission in performing its duties.

Subd. 7. **Open meetings.** The Legislative Inspector General Advisory Commission is subject to the requirements in section 3.055.

**EFFECTIVE DATE.** This section is effective the day following final enactment. The commission must submit recommendations for an inspector general by January 1, 2026.

Sec. 14. Minnesota Statutes 2024, section 609.456, subdivision 2, is amended to read:

Subd. 2. **Legislative auditor and inspector general.** Whenever an employee or officer of the state, University of Minnesota, or other organization listed in section 3.971, subdivision 6, discovers evidence of fraud, theft, embezzlement, or other unlawful use of public funds or property, the employee or officer shall~~, except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation,~~ promptly report in writing to the legislative auditor or inspector general a detailed description of the alleged incident or incidents.

Sec. 15. **OFFICE OF THE INSPECTOR GENERAL ESTABLISHMENT AND TRANSITION.**

Subdivision 1. **Appointment.** Notwithstanding Minnesota Statutes, section 15D.03, subdivision 4, by January 1, 2026, the Legislative Inspector General Advisory Commission must make recommendations for appointment of an inspector general under Minnesota

Statutes, section 15D.03. By February 1, 2026, the governor must appoint an inspector general from among the recommended candidates.

Subd. 2. **Operational.** By September 1, 2026, the Office of the Inspector General must be fully operational.

Subd. 3. **Transition of employees.** (a) Before September 1, 2026, all officers and employees employed in an office of inspector general for a state agency shall transition to employment under the Office of the Inspector General under Minnesota Statutes, chapter 15D, except as specified in subdivision 6.

(b) The following protections shall apply to employees who are transferred to the Office of the Inspector General under Minnesota Statutes, chapter 15D, from state agencies:

(1) no transferred employee shall have their employment status and job classification altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) any applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for transferred employees after the transfer while the agreement remains in effect;

(4) when an employee in a temporary unclassified position is transferred to the Office of the Inspector General, the total length of time that the employee has served in the appointment must include all time served in the appointment at the transferring agency and the time served in the appointment at the Office of the Inspector General. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process under a policy enacted by the commissioner of management and budget is considered to have been hired through a competitive selection process after the transfer;

(5) the state must meet and negotiate with the exclusive representatives of the transferred employees about proposed changes to the transferred employees' terms and conditions of employment to the extent that the proposed changes are not addressed in the applicable collective bargaining agreement; and

(6) if the state transfers ownership or control of any facilities, services, or operations of the Office of the Inspector General to another private or public entity by subcontracting,

sale, assignment, lease, or other transfer, the state must require as a written condition of the transfer of ownership or control the following:

(i) employees who perform work in the facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer; and

(ii) the wage and benefit standards of the transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the department.

Subd. 4. **Assets.** Before September 1, 2026, assets and unused appropriations for existing offices of inspectors general shall be transferred to the Office of the Inspector General under Minnesota Statutes, chapter 15D, except as specified in subdivision 6.

Subd. 5. **Office space.** The commissioner of administration must provide office space on the Capitol Mall complex for the Office of the Inspector General under Minnesota Statutes, chapter 15D, under a rental agreement.

Subd. 6. **Exceptions.** (a) Positions, and assets and unused appropriations related to these positions, in the Department of Human Services will not transfer to the Office of the Inspector General.

(b) No employees or positions in the Department of Corrections are transferred under this section.

(c) No employees or positions in the student maltreatment program of the Department of Education or other Department of Education employees or positions dedicated to student maltreatment investigations under Minnesota Statutes, chapter 260E, are transferred under this section.

(d) No employees or positions in the Department of Children, Youth, and Families will transfer to the Office of the Inspector General.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 16. **LEGISLATIVE INSPECTOR GENERAL ADVISORY COMMISSION; INITIAL APPOINTMENTS AND FIRST MEETING.**

Subdivision 1. **Initial appointments.** Appointing authorities must make appointments to the Legislative Inspector General Advisory Commission by August 1, 2025.

Subd. 2. **First meeting.** The senate majority leader must designate one member of the Legislative Inspector General Advisory Commission to convene the first meeting of the Legislative Inspector General Advisory Commission by September 15, 2025.

Subd. 3. **Chair.** The Legislative Inspector General Advisory Commission must elect a chair from among its senate members at its first meeting. The first chair shall serve until a successor is selected at the start of the next biennium as provided in Minnesota Statutes, section 15D.08, subdivision 3.

Sec. 17. **INTERAGENCY AGREEMENTS.**

(a) By December 31, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Human Services. The agreement must not preclude the agency from performing, or give the inspector general authority to take actions that would interfere with the agency's ability to perform, duties required as a condition for securing or maintaining federal funding. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The agency and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

(b) By December 31, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Children, Youth, and Families. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The agency and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

Sec. 18. **APPROPRIATIONS.**

(a) $644,000 in fiscal year 2026 and $430,000 in fiscal year 2027 are appropriated from the general fund to the commissioner of administration to establish the Office of the Inspector General. This is a onetime appropriation.

(b) $3,034,000 in fiscal year 2026 and $4,432,000 in fiscal year 2027 are appropriated from the general fund to the Office of the Inspector General for purposes of this act. The base for this appropriation is $4,439,000 in fiscal year 2028 and $4,474,000 in fiscal year 2029 and each fiscal year thereafter. The commissioner of administration, in consultation with the commissioner of management and budget, may transfer amounts in fiscal year 2026 to the commissioner of administration for office build out, cost of space, office equipment, and other costs directly related to the establishment of the office.

## ARTICLE 2
## CONFORMING ITEMS AND REPEALERS

Section 1. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 35. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general, serving under section 15D.01, for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15D.02, within the child care assistance program.

Sec. 2. Minnesota Statutes 2024, section 142A.12, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; ~~and~~

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants; and

(5) information from the inspector general, including information listed on the inspector general's exclusion list under section 15D.04, subdivision 1, clause (8).

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.0451 or chapter 14.

Sec. 3. Minnesota Statutes 2024, section 144.05, is amended by adding a subdivision to read:

Subd. 9. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general serving under section 15D.01 for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15D.02, within the special supplemental nutrition program for women, infants, and children.

Sec. 4. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; ~~and~~

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants; and

(5) information from the inspector general, including information listed on the inspector general's exclusion list under section 15D.04, subdivision 1, clause (8).

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

Sec. 5. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 44. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general, serving under section 15D.01, for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15D.02, within the Medicaid program.

Sec. 6. **EXISTING DUTIES ABOLISHED; TRANSFERS PROVIDED.**

Subdivision 1. **Duties abolished.** Except as exempted in article 1, section 15, subdivision 6, and Minnesota Statutes, section 15D.04, subdivision 2, duties pertaining to the investigation of fraud, misuse, and other unlawful use of public funds in the Office of Inspector General in the Department of Education are abolished effective the day after the inspector general under Minnesota Statutes, section 15D.01, certifies in writing to the commissioner of the respective department and the commissioner of management and budget that the inspector general has assumed responsibility for these duties.

Subd. 2. **Inspector general transfers.** Pursuant to Minnesota Statutes, section 15.039, all active investigations, obligations, court actions, contracts, and records shall transfer from the department in subdivision 1 to the inspector general under Minnesota Statutes, section 15D.01, except as provided by the inspector general and as provided in article 1, section 15, subdivision 6, and Minnesota Statutes, section 15D.04, subdivision 2.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 7. **REPEALER.**

Minnesota Statutes 2024, sections 13.321, subdivision 12; and 127A.21, are repealed.

**EFFECTIVE DATE.** This section is effective the day after the inspector general under Minnesota Statutes, section 15D.01, notifies the revisor of statutes that the Office of the Inspector General under Minnesota Statutes, section 15D.01, has assumed responsibility for identifying and investigating fraud, misuse, and other unlawful use of public funds in the Department of Education.

APPENDIX
Article locations for S0856-9

ARTICLE 1 OFFICE OF THE INSPECTOR GENERAL..... Page.Ln 1.11
ARTICLE 2 CONFORMING ITEMS AND REPEALERS..... Page.Ln 17.12

**13.321 PREKINDERGARTEN TO GRADE 12 EDUCATIONAL DATA CODED ELSEWHERE.**

Subd. 12. **Office of the Inspector General; access to data.** Data involving the Department of Education's Office of the Inspector General are governed by section 127A.21.

**127A.21 OFFICE OF THE INSPECTOR GENERAL.**

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The inspector general shall report directly to the commissioner. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment.

(c) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant. "Department program" includes state and federal aids or grants received by a school district or charter school or other program participant.

(d) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by the department.

(e) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office of the Inspector General related to a program participant in a department program.

(f) "Program participant" means any entity or person, including associated persons, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a department program.

(g) "Waste" means practices that, directly or indirectly, result in unnecessary costs to department programs, such as misusing resources.

(h) For purposes of this section, neither "fraud," "waste," nor "abuse" includes decisions on instruction, curriculum, personnel, or other discretionary policy decisions made by a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

Subd. 2. **Hiring; reporting; procedures.** (a) The commissioner, or the commissioner's designee, must hire an inspector general to lead the Office of the Inspector General. The inspector general must hire a deputy inspector general and, at the discretion of the inspector general, sufficient assistant inspectors general to carry out the duties of the office. The inspector general, deputy inspector general, and any assistant inspectors general serve in the classified service.

(b) In a form and manner determined by the inspector general, the Office of the Inspector General must develop a public platform for the public to report instances of potential fraud, waste, or abuse of public funds administered by the department. Nothing in this paragraph shall be construed to give a member of the public standing to sue based on allegations of fraud, waste, or abuse.

(c) The inspector general shall establish procedures for conducting investigations. Procedures adopted under this subdivision are not subject to chapter 14, including section 14.386.

Subd. 3. **Subpoenas.** (a) For the purpose of an investigation, the inspector general or a designee may administer oaths and affirmations, subpoena witnesses, compel attendance, take evidence, and issue subpoenas duces tecum to require the production of books, papers, correspondence, memoranda, agreements, financial records, or other documents or records relevant to the investigation.

(b) A subpoena issued pursuant to this subdivision must state that the subpoena recipient may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to the inspector general, or their staff, except:

(1) in so far as the disclosure is necessary to find and disclose the records;

(2) pursuant to court order; or

(3) to legal counsel for the purposes of responding to the subpoena.

(c) The fees for service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued by a district court.

(d) The subpoena issued under this subdivision shall be enforceable through the district court in the district where the subpoena is issued.

Subd. 4. **Access to records.** (a) For purposes of an investigation, and regardless of the data's classification under chapter 13, the Office of the Inspector General shall have access to all relevant books, accounts, documents, data, and property related to department programs that are maintained by a program participant, charter school, or government entity as defined by section 13.02.

(b) Notwithstanding paragraph (a), the Office of the Inspector General must issue a subpoena under subdivision 3 in order to access routing and account numbers to which Department of Education funds have been disbursed.

(c) Records requested by the Office of the Inspector General under this subdivision shall be provided in a format, place, and time frame reasonably requested by the Office of the Inspector General.

(d) The department may enter into specific agreements with other state agencies related to records requests by the Office of the Inspector General.

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate temporary sanctions, including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General if:

(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;

(2) there has been a criminal, civil, or administrative adjudication of fraud, waste, or abuse against the program participant in Minnesota or in another state or jurisdiction;

(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or

(4) the program participant has a pattern of noncompliance with an investigation.

(c) If an investigation finds, by a preponderance of the evidence, fraud, waste, or abuse by a program participant, the inspector general may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the

notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph (e).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General determines there is insufficient evidence of fraud, waste, or abuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Subd. 6. **Data practices.** (a) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for a government entity as defined in section 13.02 to provide data or information under this section.

(b) The inspector general is subject to the Government Data Practices Act, chapter 13, and shall protect from unlawful disclosure data classified as not public. Data collected, created, received, or maintained by the inspector general relating to an audit, investigation, proceeding, or inquiry are subject to section 13.39.

Subd. 7. **Retaliation, interference prohibited.** (a) An employee or other individual who discloses information to the Office of the Inspector General about fraud, waste, or abuse in department programs is protected under section 181.932, governing disclosure of information by employees.

(b) No state employee may interfere with or obstruct an investigation authorized by this section.

| | | | | |
|---|---|---|---|---|
| Klein | Limmer | Mitchell | Pratt | Westlin |
| Koran | Lucero | Mohamed | Putnam | Westrom |
| Kreun | Mann | Murphy | Rarick | Wiklund |
| Kunesh | Marty | Nelson | Rest | Xiong |
| Kupec | Mathews | Oumou Verbeten | Seeberger | |
| Lang | Maye Quade | Pappas | Utke | |
| Latz | McEwen | Pha | Weber | |
| Lieske | Miller | Port | Wesenberg | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Port, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim and Lucero.

Those who voted in the negative were:

Rasmusson

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 856:** A bill for an act relating to state government; creating the Office of the Inspector General; creating an advisory committee; requiring reports; transferring certain agency duties; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 15A.0815, subdivision 2; 142A.03, by adding a subdivision; 142A.12, subdivision 5; 144.05, by adding a subdivision; 245.095, subdivision 5; 256.01, by adding a subdivision; 609.456, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 15D; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21.

Senator Gustafson moved to amend S.F. No. 856 as follows (A91):

Page 5, line 4, after the period, insert "An appointment to an additional term must be confirmed by a vote of three-fifths of the senate."

Page 7, after line 15, insert:

"(h) The Department of Information Technology Services shall provide services to the Office of the Inspector General, under a managed services contract, according to section 16E.016."

Page 11, line 17, before the period, insert ", or by the managerial plan under section 43A.18, subdivision 3, depending on the employee's job classification"

Page 16, after line 33, insert:

"(c) By December 31, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Health. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The agency and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency

agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued."

Page 17, line 10, after "2026" insert "and fiscal year 2027"

The motion prevailed. So the amendment was adopted.

Senator Latz moved to amend S.F. No. 856 as follows (A85):

Page 6, line 5, after "to" insert "the Office of the Inspector General Anti-Fraud and Waste Bureau under section 15D.041,"

Page 8, after line 5, insert:

"Sec. 7. **[15D.041] LAW ENFORCEMENT POWERS.**

Subdivision 1. **Authorization.** (a) The inspector general may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Office of the Inspector General Anti-Fraud and Waste Bureau, to conduct statewide investigations, and to make statewide arrests under sections 629.30 and 629.34. The primary jurisdiction of the agency is limited to offenses involving fraud, abuse, and any other criminal conduct within the jurisdiction of the Office of the Inspector General as described in this chapter.

(b) Upon request and at the inspector general's discretion, the bureau may respond to a law enforcement agency's request to exercise law enforcement duties in cooperation with the law enforcement agency that has jurisdiction over the particular matter.

Subd. 2. **Arrests and investigations.** The initial processing of a person arrested by the bureau for an offense within its jurisdiction is the responsibility of the bureau unless otherwise directed by the law enforcement agency with primary jurisdiction. Subsequent investigation is the responsibility of the bureau unless otherwise directed by the law enforcement agency with primary jurisdiction. At the request of the primary jurisdiction, the bureau may assist in a subsequent investigation being carried out by the primary jurisdiction.

Subd. 3. **Policy for notice of investigations.** The bureau must develop a policy for notifying the law enforcement agency with primary jurisdiction when it has initiated investigation of any person within the jurisdiction of that agency.

Subd. 4. **Chief law enforcement officer.** If the inspector general establishes a law enforcement agency under this section, the inspector general shall appoint a peace officer employed full time to be the chief law enforcement officer and to be responsible for the management of the bureau. The chief law enforcement officer shall possess the necessary police and management experience to manage a law enforcement agency. The chief law enforcement officer may appoint, discipline, and discharge all employees of the bureau. All police managerial and supervisory personnel must be full-time employees of the bureau. Supervisory personnel must be on duty and available any time peace officers of the bureau are on duty.

Subd. 5. **Compliance; powers and duties.** (a) Except as otherwise provided in this section, the bureau shall comply with all statutes and administrative rules relating to the operation and management of a law enforcement agency.

(b) The bureau has the powers and duties of a law enforcement agency as provided by law, including this section. Other powers and duties provided to the inspector general or the Office of the Inspector General under this chapter do not apply to the bureau.

Subd. 6. **Evidence, documentation, and related materials.** If the bureau seeks evidence, documentation, and related materials pertinent to an investigation, and the matter is located outside of this state, the bureau may designate representatives, including officials of the state where the matter is located, to secure the matter or inspect the matter on its behalf.

Subd. 7. **Annual report on activities and cost-effectiveness.** The bureau shall maintain records and information in order to produce an annual report of its activities as may be prescribed by the inspector general. The inspector general shall report annually to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the inspector general as to the activities and the cost-effectiveness of the bureau.

Subd. 8. **Assignment of peace officers.** Regardless of whether a law enforcement agency is established under this section, the inspector general may enter into memorandums of understanding with chief law enforcement officers of state and local law enforcement agencies to allow peace officers from those agencies to be assigned with the Office of the Inspector General to enforce criminal laws and investigate matters within the jurisdiction of the office. A peace officer assigned under this subdivision must be a licensed peace officer as defined in section 626.84, subdivision 1, paragraph (c). Participating officers remain employees of the same entity that employed them before being assigned under this subdivision. Participating officers are subject to annual performance reviews conducted by the entity's operational supervisor. Peace officers assigned under this subdivision have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff.

Subd. 9. **Data practices.** The Office of the Inspector General Anti-Fraud and Waste Bureau is subject to chapter 13.

**EFFECTIVE DATE.** This section is effective January 1, 2026."

Page 10, line 1, after "classifications" insert "; civil investigations" and delete "an" and insert "a civil"

Page 10, lines 3, 5, 17, 18, and 28, delete "an" and insert "a civil"

Page 10, line 23, after "Inactive" insert "civil"

Page 11, after line 3, insert:

"Subd. 7. **Criminal investigations.** This section does not apply to criminal investigations conducted by the Office of the Inspector General Anti-Fraud and Waste Bureau under section 15D.041."

Page 11, line 6, delete everything after the period

Page 11, delete lines 7 and 8

Page 11, line 9, delete everything before the period and insert "The inspector general must employ and manage at least one attorney to serve as legal counsel for the office and to advise the inspector general on all legal matters relating to the office"

Page 17, after line 13, insert:

"Section 1. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, the Department of Commerce, the Office of the Inspector General Anti-Fraud and Waste Bureau, and county human service agency client and provider fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

**EFFECTIVE DATE.** This section is effective January 1, 2026."

Page 20, after line 25, insert:

"Sec. 7. Minnesota Statutes 2024, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, Department of Commerce Fraud Bureau Unit officers, Office of the Inspector General Anti-Fraud and Waste Bureau officers, the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state;

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101:

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

**EFFECTIVE DATE.** This section is effective January 1, 2026."

Page 20, line 29, after "Office of" insert "the"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 50 and nays 14, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Housley | Lang | Putnam |
| Anderson | Drazkowski | Howe | Latz | Rarick |
| Bahr | Duckworth | Jasinski | Lieske | Rasmusson |
| Carlson | Farnsworth | Johnson | Limmer | Seeberger |
| Clark | Frentz | Johnson Stewart | Lucero | Utke |
| Coleman | Green | Klein | Mathews | Weber |
| Cwodzinski | Gruenhagen | Koran | Miller | Wesenberg |
| Dahms | Gustafson | Kreun | Nelson | Westlin |
| Dibble | Hauschild | Kunesh | Pappas | Westrom |
| Dornink | Heintzeman | Kupec | Pratt | Xiong |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Klein, Kunesh, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim, Johnson, and Lucero.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Hawj | Marty | Mitchell | Rest |
| Champion | Hoffman | Maye Quade | Pha | Wiklund |
| Fateh | Mann | McEwen | Port | |

Pursuant to Rule 40, Senator Westlin cast the negative vote on behalf of the following Senators: Boldon and Port.

The motion prevailed. So the amendment was adopted.

Senator Drazkowski moved to amend S.F. No. 856 as follows (A86):

Page 13, line 4, before "The" insert "(a)"

Page 13, after line 8, insert:

"(b) By January 1, 2026, the commission must conduct at least one hearing on, and provide recommendations to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over commerce and public safety on, merging the Financial Crimes and Fraud Section of the Department of Public Safety into the Office of the Inspector General. The recommendations should include proposed legislation to effectuate the merger."

The motion prevailed. So the amendment was adopted.

Senator Mathews moved to amend S.F. No. 856 as follows (A63):

Page 19, after line 6, insert:

"Sec. 4. Minnesota Statutes 2024, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(1) the employee, or a person acting on behalf of an employee, in good faith, reports a violation, suspected violation, or planned violation of any federal or state law or common law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(2) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(3) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason;

(4) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm;

(5) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official; ~~or~~

(6) ~~an~~ a public employee ~~in the classified service of state government~~ communicates information that the public employee, in good faith, believes to be truthful and accurate, and that relates to ~~state~~ public services, including the financing of ~~state~~ public services, to:

(i) a legislator or the legislative auditor; or

(ii) a constitutional officer~~.~~; or

(7) a public employee, in good faith, reports fraud or misuse in programs of a state agency or political subdivision to the employer, any governmental body, a law enforcement official, the legislative auditor, a member of the legislature, or a constitutional officer.

The disclosures protected pursuant to this section do not authorize the disclosure of data otherwise protected by law."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 12.5, Senator Latz moved that the following members be excused for a Conference Committee on H.F. No. 2432 at 2:00 p.m.:

Senators Latz, Oumou Verbeten, Seeberger, Westlin, and Clark. The motion prevailed.

Senator Kreun moved to amend S.F. No. 856 as follows (A87):

Page 8, delete line 5 and insert:

"**EFFECTIVE DATE.** Subdivision 2, paragraph (c), and subdivision 3, paragraphs (b) and (c), are effective January 1, 2026, or upon federal approval from the Centers for Medicare and Medicaid Services, whichever is later. The commissioner of human services must notify the revisor of statutes when the Centers for Medicare and Medicaid Services approve or deny this section. The remainder of this section is effective January 1, 2026."

Page 16, after line 33, insert:

"**EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2026, or upon federal approval from the Centers for Medicare and Medicaid Services, whichever is later. The commissioner of human services must notify the revisor of statutes when the Centers for Medicare and Medicaid Services approve or deny this section. The remainder of this section is effective January 1, 2026."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Johnson | Marty | Putnam |
| Bahr | Duckworth | Johnson Stewart | Mathews | Rarick |
| Boldon | Farnsworth | Koran | Maye Quade | Rasmusson |
| Carlson | Frentz | Kreun | McEwen | Seeberger |
| Champion | Green | Kunesh | Miller | Utke |
| Clark | Gruenhagen | Kupec | Mitchell | Weber |
| Coleman | Gustafson | Lang | Nelson | Wesenberg |
| Cwodzinski | Hauschild | Latz | Oumou Verbeten | Westlin |
| Dahms | Heintzeman | Lieske | Pappas | Westrom |
| Dibble | Housley | Limmer | Pha | Xiong |
| Dornink | Howe | Lucero | Port | |
| Draheim | Jasinski | Mann | Pratt | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Kunesh, Port, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim, Johnson, and Lucero.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Fateh | Hawj | Hoffman | Rest | Wiklund |

The motion prevailed. So the amendment was adopted.

Senator Kreun moved to amend S.F. No. 856 as follows (A89):

Page 16, after line 33, insert:

"(d) As soon as practicable after January 1, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Education. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. Effective immediately, nothing in Minnesota Statutes, chapter 15D, authorizes any sanction by the

commissioner or inspector general that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined by Minnesota Statutes, section 123A.24, subdivision 2; or any library, library system, or library district defined in Minnesota Statutes, section 134.001."

Page 17, after line 13, insert:

"Section 1. Minnesota Statutes 2024, section 127A.21, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

~~(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment.~~

~~(c)~~ (b) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant. "Department program" includes state and federal aids or grants received by a school district or charter school or other program participant.

(c) "Inspector general" refers to the inspector general as defined in section 15D.01.

~~(d) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by the department.~~

~~(e) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office of the Inspector General related to a program participant in a department program.~~

~~(f)~~ (d) "Program participant" means any entity or person, including associated persons, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a department program.

~~(g) "Waste" means practices that, directly or indirectly, result in unnecessary costs to department programs, such as misusing resources.~~

~~(h) For purposes of this section, neither "fraud," "waste," nor "abuse" includes decisions on instruction, curriculum, personnel, or other discretionary policy decisions made by a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.~~

Sec. 2. Minnesota Statutes 2024, section 127A.21, subdivision 5, is amended to read:

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate ~~temporary~~ sanctions~~, including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General~~ if:

~~(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;~~

~~(2)~~ (1) there has been a criminal, civil, or administrative adjudication of fraud~~, waste, or abuse~~ or misuse against the program participant in Minnesota or in another state or jurisdiction; or

~~(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or~~

~~(4)~~ (2) the program participant has a pattern of noncompliance with an investigation.

(c) If an investigation finds, by a preponderance of the evidence, fraud, ~~waste,~~ or ~~abuse~~ misuse by a program participant, the inspector general may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph (e).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request

must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General notifies the commissioner that it determines there is insufficient evidence of fraud, ~~waste,~~ or ~~abuse~~ misuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Sec. 3. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 8. **Limits on receiving public funds; prohibition.** (a) This subdivision does not authorize any action that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined in section 123A.24, subdivision 2; or any library, library system, or library district defined in section 134.001.

(b) For purposes of this subdivision, "program participant" includes individuals or persons who have an ownership interest in, control of, or the ability to control a program participant in a department program.

(c) If a program participant is excluded from a department program, the commissioner may:

(1) prohibit the excluded program participant from enrolling in, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(d) If a program participant enrolled, licensed, or receiving funds under any contract or program administered by a Minnesota state agency or federal agency is excluded from that program, the inspector general shall notify the commissioner, who may:

(1) prohibit the excluded program participant from enrolling in, becoming licensed, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(e) The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (c) must last for the longest applicable sanction or disqualifying period in effect for the program participant permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (d) may last up until the longest applicable sanction or disqualifying period in effect for the program participant as permitted by state or federal law.

Sec. 4. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 9. **Notice.** Within five days of taking an action against a program participant under subdivision 8, paragraph (c) or (d), the commissioner must send notice of the action to the program participant. The notice must state the:

(1) basis for the action;

(2) effective date of the action;

(3) right to appeal the action; and

(4) requirements and procedures for reinstatement.

Sec. 5. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 10. **Appeal.** (a) Upon receipt of a notice under subdivision 9, a program participant may request a contested case hearing, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification was mailed to the program participant.

(b) The appeal request must specify:

(1) each disputed item and the reason for the dispute;

(2) the authority in statute or rule upon which the program participant relies for each disputed item;

(3) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(4) other information required by the commissioner.

(c) Unless a timely and proper appeal is received by the commissioner, the action of the commissioner shall be considered final and binding on the effective date of the action as stated in the notice under subdivision 9, clause (2).

Sec. 6. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 11. **Withholding of payments.** (a) This subdivision does not authorize withholding of payments that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined in section 123A.24, subdivision 2; or any library, library system, or library district defined in section 134.001.

(b) Except as otherwise provided by state or federal law, the inspector general shall notify and recommend to the commissioner to withhold payments to a program participant in any program administered by the commissioner, who shall have the authority to withhold such payments to the extent permitted under federal law, if the inspector general determines there is a credible allegation of fraud or misuse for which an investigation is pending for a program administered by the department, a Minnesota state agency, or a federal agency.

(c) Allegations are considered credible when they have indicia of reliability and the inspector general has reviewed the evidence and acts on a case-by-case basis. A credible allegation of fraud is an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining; and

(3) patterns identified through provider audits, civil false claims cases, and investigations.

(d) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this paragraph;

(2) set forth the general allegations as to the reasons for the withholding action, but need not disclose any specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated; and

(4) inform the program participant of the right to submit written evidence for consideration by the commissioner.

(e) The withholding of payments shall not continue after the inspector general determines there is insufficient evidence of fraud by the program participant or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 5 of the intention to take an additional action related to the program participant's participation in a program administered by the commissioner. If the inspector general determines there is insufficient evidence of fraud by the program participant or after legal proceedings relating to the alleged fraud are completed it shall notify the commissioner within ten days of the determination.

(f) The withholding of payments is a temporary action and shall not be subject to appeal under this subdivision or chapter 14."

Page 21, delete section 7 and insert:

"Sec. 13. **REPEALER.**

Minnesota Statutes 2024, sections 13.321, subdivision 12; and 127A.21, subdivisions 1, 2, 3, 4, 6, and 7, are repealed.

**EFFECTIVE DATE.** This section is effective the day after the inspector general under Minnesota Statutes, section 15D.01, notifies the revisor of statutes that the Office of the Inspector General under Minnesota Statutes, section 15D.01, has assumed responsibility for identifying and investigating fraud, misuse, and other unlawful use of public funds in the Department of Education."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Maye Quade moved to amend S.F. No. 856 as follows (A90):

Page 7, after line 34, insert:

"(d) If public funds are stopped or frozen pursuant to this subdivision, the inspector general, working with and through the applicable state agency, must ensure that any person whose public funds are interrupted and who is not implicated in the suspected fraud or misuse receive notice of their rights related to continued receipt of the public funds, services, or programs for which they are eligible."

The motion prevailed. So the amendment was adopted.

S.F. No. 856 was read the third time, as amended.

## RECONSIDERATION

Senator Hoffman moved that the third reading of S.F. No. 856 be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 19 and nays 45, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Lieske | McEwen | Rasmusson |
| Boldon | Fateh | Mann | Mitchell | Rest |
| Champion | Hawj | Marty | Port | Wiklund |
| Duckworth | Hoffman | Maye Quade | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Boldon, Marty, and Port.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Anderson | Draheim | Howe | Latz | Pratt |
| Bahr | Drazkowski | Jasinski | Limmer | Rarick |
| Carlson | Frentz | Johnson Stewart | Lucero | Seeberger |
| Clark | Green | Klein | Mathews | Utke |
| Coleman | Gruenhagen | Koran | Miller | Weber |
| Cwodzinski | Gustafson | Kreun | Nelson | Wesenberg |
| Dahms | Hauschild | Kunesh | Oumou Verbeten | Westlin |
| Dibble | Heintzeman | Kupec | Pappas | Westrom |
| Dornink | Housley | Lang | Pha | Xiong |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Clark, Dibble, Johnson Stewart, Klein, Kunesh, Latz, Oumou Verbeten, Seeberger, Westlin, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Draheim and Lucero.

The motion did not prevail.

The question was taken on the final passage of S.F. No. 856, as amended.

The roll was called, and there were yeas 60 and nays 7, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Howe | Limmer | Port |
| Anderson | Drazkowski | Jasinski | Lucero | Pratt |
| Bahr | Duckworth | Johnson | Mann | Putnam |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Rarick |
| Carlson | Frentz | Klein | Maye Quade | Rasmusson |
| Champion | Green | Koran | Miller | Seeberger |
| Clark | Gruenhagen | Kreun | Mohamed | Utke |
| Coleman | Gustafson | Kunesh | Murphy | Weber |
| Cwodzinski | Hauschild | Kupec | Nelson | Wesenberg |
| Dahms | Hawj | Lang | Oumou Verbeten | Westlin |
| Dibble | Heintzeman | Latz | Pappas | Westrom |
| Dornink | Housley | Lieske | Pha | Xiong |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Clark, Dibble, Johnson Stewart, Klein, Kunesh, Latz, Oumou Verbeten, Seeberger, Westlin, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Draheim, Jasinski, and Johnson.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Fateh | Marty | Mitchell | Wiklund |
| Hoffman | McEwen | Rest | |

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## APPOINTMENTS

Senator Murphy from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2434: Senators Hoffman, Fateh, Maye Quade, Mohamed, and Abeler.

H.F. No. 2115: Senators Hoffman, Fateh, Maye Quade, Rasmusson, and Abeler.

Senator Murphy moved that the foregoing appointments be approved. The motion prevailed.

## MEMBERS EXCUSED

Senator Anderson was excused from the Session of today from 1:50 to 2:00 p.m. Senator Johnson was excused from the Session of today from 2:00 to 2:20 p.m.

# 071. HF 1290

**Vote:** 2025-05-16 | **Workbook row:** 76
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Roadside signage for automatic external defibrillators for qualifying locations authorized.

## Included complete bill documents

**1. 1st Engrossment, posted 2025-03-10** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1290/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2025-05-16** - 2 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2025/0/HF/1290/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 7-8. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250516039.pdf#page=7

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/1290/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 1290**

02/20/2025 Authored by Perryman, Huot and Backer
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
03/10/2025 Adoption of Report: Amended and re-referred to the Committee on Elections Finance and Government Operations
03/26/2025 Adoption of Report: Re-referred to the Committee on Ways and Means
04/10/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
05/01/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to transportation; authorizing roadside signage for automatic external defibrillators for qualifying locations; proposing coding for new law in Minnesota Statutes, chapter 160.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[160.802] AUTOMATIC EXTERNAL DEFIBRILLATOR WAYFINDING SIGNS.**

(a) For purposes of this section, "public access automatic external defibrillator" and "public access AED" have the meaning given in section 403.51, subdivision 1, paragraph (e).

(b) A location or business with an outdoor public access automatic external defibrillator may request that a relevant road authority place appropriate directional signage on a road under the road authority's jurisdiction that clearly identifies the location of the automatic external defibrillator available for public use. The signage must promote the availability of a public access AED by either symbol, text, or both.

(c) To qualify as a participant and request directional signage under this section, a property owner, business, or entity with an outdoor public access AED must:

(1) meet all registration, notice, and inspection requirements provided in section 403.51;

(2) place the device in a recognizable and easily accessible location; and

(3) identify the device with conspicuous and visible signage on the premises.

(d) Within 180 days, and to the extent practicable within 60 days, of receiving a request from a qualified participant under paragraph (c), the relevant road authority must determine

a suitable location and appropriate number of signs and must place directional signage as provided under this section. To the extent practicable, directional signage indicating the location of the public access AED must be placed between 200 and 300 feet prior to an intersection or between 800 and 1,600 feet prior to an interchange. All costs associated with installation, maintenance, and removal of signage must be paid by a qualified participant to the relevant road authority.

(e) If a registered outdoor public access AED is removed or no longer operational, the qualified participant must inform the relevant road authority immediately to remove the directional signage as soon as practicable.

(f) The commissioner must maintain information on the department's website about outdoor public access AED directional signage and best practices, including but not limited to qualifications for a sign under this section; appropriate wayfinding techniques; device registry information; and guidance for local road authorities on appropriate sign placement and context.

**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 2. **AUTOMATIC EXTERNAL DEFIBRILLATORS; MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES.**

(a) For purposes of this section, "public access automatic external defibrillator" has the meaning given in Minnesota Statutes, section 403.51, subdivision 1, paragraph (e).

(b) Notwithstanding the requirements of Minnesota Statutes, section 169.06, subdivision 2, by September 1, 2025, the commissioner of transportation must develop appropriate text and directional signage for locations with outdoor public access automatic external defibrillators as a general service sign that meet the criteria of Minnesota Statutes, section 160.802. The commissioner may make any necessary revisions and additions to chapter 2I of the Minnesota Manual on Uniform Traffic Control Devices. The commissioner must design the sign to incorporate the universal symbol for an automatic external defibrillator and consult with interested stakeholders to ensure best practices for the sign's placement, ensure reliable and easy access by the public in the case of an emergency, and minimize sign clutter and confusion.

(c) The requirements under paragraph (b) expire upon adoption of relevant additions and revisions to the Minnesota Manual on Uniform Traffic Control Devices that pertain to general service signs. The commissioner must notify the revisor of statutes, whether electronically or in writing, of the expiration.

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

A bill for an act

relating to transportation; authorizing roadside signage for automatic external defibrillators for qualifying locations; proposing coding for new law in Minnesota Statutes, chapter 160.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[160.802] AUTOMATIC EXTERNAL DEFIBRILLATOR WAYFINDING SIGNS.**

(a) For purposes of this section, "public access automatic external defibrillator" and "public access AED" have the meaning given in section 403.51, subdivision 1, paragraph (e).

(b) A location or business with an outdoor public access automatic external defibrillator may request that a relevant road authority place appropriate directional signage on a road under the road authority's jurisdiction that clearly identifies the location of the automatic external defibrillator available for public use. The signage must promote the availability of a public access AED by either symbol, text, or both.

(c) To qualify as a participant and request directional signage under this section, a property owner, business, or entity with an outdoor public access AED must:

(1) meet all registration, notice, and inspection requirements provided in section 403.51;

(2) place the device in a recognizable and easily accessible location; and

(3) identify the device with conspicuous and visible signage on the premises.

(d) Within 180 days, and to the extent practicable within 60 days, of receiving a request from a qualified participant under paragraph (c), the relevant road authority must determine

a suitable location and appropriate number of signs and must place directional signage for the public access AED only within the relevant road authority's jurisdiction as provided under this section. All costs associated with installation, maintenance, and removal of signage must be paid by a qualified participant to the relevant road authority.

(e) If a registered outdoor public access AED is removed or no longer operational, the qualified participant must inform the relevant road authority immediately to remove the directional signage as soon as practicable.

(f) The commissioner must maintain information on the department's website about outdoor public access AED directional signage, including but not limited to qualifications for a sign under this section; device registry information; and guidance for local road authorities on appropriate sign placement and context.

**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 2. **AUTOMATIC EXTERNAL DEFIBRILLATORS.**

(a) For purposes of this section, "public access automatic external defibrillator" has the meaning given in Minnesota Statutes, section 403.51, subdivision 1, paragraph (e).

(b) Notwithstanding the requirements of Minnesota Statutes, section 169.06, subdivision 2, by September 1, 2025, the commissioner of transportation must develop appropriate text and directional signage for locations with outdoor public access automatic external defibrillators as a sign that meet the criteria of Minnesota Statutes, section 160.802. The commissioner must design the sign to incorporate the universal symbol for an automatic external defibrillator and consult with interested stakeholders to ensure best practices for the sign's placement, ensure reliable and easy access by the public in the case of an emergency, and minimize sign clutter and confusion.

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

## SPECIAL ORDER

**H.F. No. 1290:** A bill for an act relating to transportation; authorizing roadside signage for automatic external defibrillators for qualifying locations; proposing coding for new law in Minnesota Statutes, chapter 160.

Senator Howe moved to amend H.F. No. 1290 as follows (A-2):

Page 2, line 1, after "signage" insert "for the public access AED only within the relevant road authority's jurisdiction"

Page 2, line 2, delete everything after the period

Page 2, delete line 3

Page 2, line 4, delete everything before "All"

Page 2, line 11, delete "and best practices"

Page 2, line 12, delete "appropriate wayfinding techniques;"

Page 2, line 16, delete "; MANUAL ON UNIFORM"

Page 2, line 17, delete "TRAFFIC CONTROL DEVICES"

Page 2, line 23, delete "general service"

Page 2, line 24, delete everything after the period

Page 2, line 25, delete everything before "The"

Page 2, delete lines 30 to 33

The motion prevailed. So the amendment was adopted.

H.F. No. 1290 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Hoffman | Latz | Murphy |
| Anderson | Drazkowski | Housley | Lieske | Nelson |
| Bahr | Duckworth | Howe | Limmer | Oumou Verbeten |
| Boldon | Farnsworth | Jasinski | Lucero | Pappas |
| Carlson | Fateh | Johnson | Mann | Pha |
| Champion | Frentz | Johnson Stewart | Marty | Port |
| Clark | Green | Klein | Mathews | Pratt |
| Coleman | Gruenhagen | Koran | Maye Quade | Putnam |
| Cwodzinski | Gustafson | Kreun | McEwen | Rarick |
| Dahms | Hauschild | Kunesh | Miller | Rasmusson |
| Dibble | Hawj | Kupec | Mitchell | Rest |
| Dornink | Heintzeman | Lang | Mohamed | Seeberger |

| | | | |
|---|---|---|---|
| Utke | Wesenberg | Westrom | Xiong |
| Weber | Westlin | Wiklund | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Clark, Gustafson, Hauschild, Hawj, Klein, Kunesh, Latz, Oumou Verbeten, Putnam, Rest, Seeberger, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Duckworth, Housley, Lang, Lieske, Miller, and Weber.

So the bill, as amended, was passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Murphy moved that the Senate take up the Confirmation Calendar. The motion prevailed.

## CONFIRMATION

Senator McEwen moved that the report from the Committee on Labor, reported January 30, 2025, pertaining to the Workers' Compensation Court of Appeals, be taken from the table. The motion prevailed.

Senator McEwen moved that the foregoing report be now adopted. The motion prevailed.

Senator McEwen moved that in accordance with the report from the Committee on Labor, reported January 30, 2025, the Senate, having given its advice, do now consent to and confirm the appointments of:

WORKERS' COMPENSATION COURT OF APPEALS

Kathryn Carlson, of Saint Paul, Ramsey County, effective October 11, 2021 for a term expiring January 4, 2027.

Thomas Christenson, of Minneapolis, Hennepin County, effective April 27, 2022 for a term expiring January 3, 2028.

Patricia Milun, of Saint Paul, Ramsey County, effective January 23, 2023 for a term expiring January 1, 2029.

Deborah K. Sundquist, of Saint Paul, Ramsey County, effective February 3, 2021 for a term expiring January 4, 2027.

The motion prevailed. So the appointments were confirmed.

## CONFIRMATION

Senator McEwen moved that the report from the Committee on Labor, reported February 3, 2025, pertaining to appointments, be taken from the table. The motion prevailed.

# 072. HF 2130

**Vote:** 2025-05-17 | **Workbook row:** 77
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Public safety; various provisions modified relating to driver's license revocations, ignition interlock participation length, treatment or rehabilitation program, criminal penalties for participants who operate a vehicle not equipped with interlock device, criminal vehicular homicide offenders, judicial review of an extension, impounded and reissued license plate process, temporary driver's licenses, and criminal penalties; and money appropriated.

## Included complete bill documents

**1. 5th Engrossment, posted 2025-05-18** - 26 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/2130/versions/5/pdf/

## Original Senate journal context

PDF pages 155-158. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20250517040.pdf#page=158

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/0/HF/2130/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 2130**

| | |
|---|---|
| 03/10/2025 | Authored by Kraft, Witte, Moller, Stier, Youakim and others |
| | The bill was read for the first time and referred to the Committee on Transportation Finance and Policy |
| 03/24/2025 | Adoption of Report: Amended and re-referred to the Committee on Public Safety Finance and Policy |
| 04/03/2025 | Adoption of Report: Amended and re-referred to the Committee on Ways and Means |
| 04/28/2025 | Adoption of Report: Placed on the General Register as Amended |
| | Read for the Second Time |
| 05/01/2025 | Calendar for the Day, Amended |
| | Read Third Time as Amended |
| | Passed by the House as Amended and transmitted to the Senate to include Floor Amendments |
| 05/12/2025 | Returned to the House as Amended by the Senate |
| | Refused to concur and a Conference Committee was appointed |
| 05/16/2025 | Conference Committee Report Adopted |
| | Read Third Time as Amended by Conference and repassed by the House |
| 05/20/2025 | Presented to Governor |
| 05/22/2025 | Governor Approval |

A bill for an act

relating to public safety; extending the length of driver's license revocations related to certain offenses; modifying the length of time certain individuals must participate in the ignition interlock program; requiring all ignition interlock participants to complete a treatment or rehabilitation program before reinstatement of full driving privileges; imposing criminal penalties for ignition interlock program participants who operate vehicles not equipped with an interlock device; making criminal vehicular homicide offenders eligible for the ignition interlock program; providing for judicial review of an extension of a person's driver's license revocation for a violation of the ignition interlock program; modifying how license plates are impounded and reissued under the DWI law; expanding the time period that a temporary driver's license issued after a DWI is valid; providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 169A.37, subdivision 1; 169A.52, subdivisions 3, 4, 7; 169A.54, subdivision 1; 169A.60, subdivisions 4, 5, 6; 169A.63, subdivision 13; 171.09, subdivision 1; 171.177, subdivisions 4, 5; 171.187, subdivision 3; 171.19; 171.24, subdivision 2; 171.306, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, 4; 169A.55, subdivisions 4, 5; 171.17, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 169A.37, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for a person:

(1) to fail to comply with an impoundment order under section 169A.60 (administrative plate impoundment);

(2) to file a false statement under section 169A.60, subdivision 7, 8, or 14;

(3) to operate a self-propelled motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under section 169A.60, unless specially coded plates have been issued for the vehicle pursuant to section 169A.60, subdivision 13;

(4) to fail to notify the commissioner of the impoundment order when requesting new plates;

(5) who is subject to a plate impoundment order under section 169A.60, to drive, operate, or be in control of any motor vehicle during the impoundment period, unless the vehicle is employer-owned and is not required to be equipped with an ignition interlock device pursuant to section 171.306, subdivision 4, paragraph (b), or Laws 2013, chapter 127, section 70, or has specially coded plates issued pursuant to section 169A.60, subdivision 13, and the person is validly licensed to drive; ~~or~~

(6) who is the transferee of a motor vehicle and who has signed a sworn statement under section 169A.60, subdivision 14, to allow the previously registered owner to drive, operate, or be in control of the vehicle during the impoundment period~~.~~; or

(7) to intentionally remove all or a portion of or to otherwise obliterate or damage a permanent sticker affixed on and invalidating a registration plate under section 169A.60, subdivision 4.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 169A.52, subdivision 3, is amended to read:

Subd. 3. **Test refusal; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, even if a test was obtained pursuant to this section after the person refused to submit to testing. The commissioner shall revoke the license, permit, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 169A.52, subdivision 4, is amended to read:

Subd. 4. **Test failure; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired) and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, then the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a period of 90 days, or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than one year, or if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165 (commercial driver's license disqualification).

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension, or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 4. Minnesota Statutes 2024, section 169A.52, subdivision 7, is amended to read:

Subd. 7. **Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card;

(2) issue the person a temporary license effective for only ~~seven~~ 14 days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 5. Minnesota Statutes 2024, section 169A.54, subdivision 1, is amended to read:

Subdivision 1. **Revocation periods for DWI convictions.** Except as provided in subdivision 7, the commissioner shall revoke the driver's license of a person convicted of violating section 169A.20 (driving while impaired) or an ordinance in conformity with it~~,~~ as ~~follows:~~ provided in section 171.178.

~~(1) not less than 30 days for an offense under section 169A.20, subdivision 1 (driving while impaired crime);~~

~~(2) not less than 90 days for an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test crime);~~

~~(3) not less than one year for:~~

~~(i) an offense occurring within ten years of a qualified prior impaired driving incident;~~

~~(ii) an offense occurring after two qualified prior impaired driving incidents; or~~

~~(iii) an offense occurring when a person has an alcohol concentration of twice the legal limit or more as measured at the time or within two hours of the time of the offense and the person has no qualified prior impaired driving incident within ten years;~~

~~(4) not less than two years for an offense occurring under clause (3), item (i) or (ii), and where the test results indicate an alcohol concentration of twice the legal limit or more, and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70 (chemical use assessments);~~

~~(5) not less than three years for an offense occurring within ten years of the first of two qualified prior impaired driving incidents or occurring after three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; and~~

~~(6) not less than four years for an offense occurring within ten years of the first of three qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; or~~

~~(7) not less than six years for an offense occurring after four or more qualified prior impaired driving incidents and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner.~~

Sec. 6. Minnesota Statutes 2024, section 169A.60, subdivision 4, is amended to read:

Subd. 4. **Peace officer as agent for notice of impoundment.** On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation for a plate impoundment violation shall also serve a notice of intent to impound and an order of impoundment. On behalf of the commissioner, a peace officer who is arresting a person for or charging a person with a plate impoundment violation described in subdivision 1, paragraph (d), clause (5), shall also serve a notice of intent to impound and an order of impoundment. If the vehicle involved in the plate impoundment violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. Alternatively, the officer may invalidate the plates by affixing a permanent sticker on them. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed or have been affixed with the permanent sticker.

Sec. 7. Minnesota Statutes 2024, section 169A.60, subdivision 5, is amended to read:

Subd. 5. **Temporary permit.** If the motor vehicle is registered to the violator, the officer shall issue a temporary vehicle permit that is valid for ~~seven~~ 14 days when the officer issues the notices under subdivision 4. If the motor vehicle is registered in the name of another, the officer shall issue a temporary vehicle permit that is valid for 45 days when the notices are issued under subdivision 3. The permit must be in a form determined by the registrar and whenever practicable must be posted on the left side of the inside rear window of the vehicle. A permit is valid only for the vehicle for which it is issued.

Sec. 8. Minnesota Statutes 2024, section 169A.60, subdivision 6, is amended to read:

Subd. 6. **Surrender of plates.** Within ~~seven~~ 14 days after issuance of the impoundment notice, a person who receives a notice of impoundment and impoundment order shall surrender all registration plates subject to the impoundment order that were not seized by a peace officer under subdivision 4. Registration plates required to be surrendered under this subdivision must be surrendered to a Minnesota police department, sheriff, or the State Patrol, along with a copy of the impoundment order. A law enforcement agency receiving

registration plates under this subdivision shall destroy the plates and notify the commissioner that they have been destroyed. The notification to the commissioner shall also include a copy of the impoundment order.

Sec. 9. Minnesota Statutes 2024, section 169A.63, subdivision 13, is amended to read:

Subd. 13. **Exception.** (a) A forfeiture proceeding is stayed and the vehicle must be returned if the driver becomes a program participant in the ignition interlock program under section 171.306, in any motor vehicle eligible to be equipped with the ignition interlock device, at any time before the seized motor vehicle is forfeited and any of the following apply:

(1) the ~~driver committed~~ motor vehicle has been seized for a designated offense other than a violation of section 169A.20 under the circumstances described in section 169A.24; or

(2) the driver is accepted into a treatment court dedicated to changing the behavior of alcohol- and other drug-dependent offenders arrested for driving while impaired.

(b) Notwithstanding paragraph (a), the vehicle whose forfeiture was stayed in paragraph (a) may be seized and the forfeiture action may proceed under this section if the program participant described in paragraph (a):

(1) subsequently operates a motor vehicle:

(i) to commit a violation of section 169A.20 (driving while impaired);

(ii) in a manner that results in a license revocation under section 169A.52 (license revocation for test failure or refusal) or 171.177 (revocation; search warrant) or a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52 or 171.177;

(iii) after tampering with, circumventing, or bypassing an ignition interlock device; or

(iv) without an ignition interlock device at any time when the driver's license requires such device;

(2) either voluntarily or involuntarily ceases to participate in the program for more than 30 days, or fails to successfully complete it as required by the Department of Public Safety due to:

(i) two or more occasions of the participant's driving privileges being withdrawn for violating the terms of the program, unless the withdrawal is determined to be caused by an error of the department or the interlock provider; or

(ii) violating the terms of the contract with the provider as determined by the provider; or

(3) was the driver, forfeiture was stayed after the driver entered a treatment court, and the driver ceases to be a participant in the treatment court for any reason.

(c) Paragraph (b) applies only if the described conduct occurs before the participant has been restored to full driving privileges or within three years of the original designated offense or designated license revocation, whichever occurs latest.

(d) The requirement in subdivision 2, paragraph (b), that device manufacturers provide a discounted rate to indigent program participants applies also to device installation under this subdivision.

(e) An impound or law enforcement storage lot operator must allow an ignition interlock manufacturer sufficient access to the lot to install an ignition interlock device under this subdivision.

(f) Notwithstanding paragraph (a), an entity in possession of the vehicle is not required to release it until the reasonable costs of the towing, seizure, and storage of the vehicle have been paid by the vehicle owner.

(g) At any time prior to the vehicle being forfeited, the appropriate agency may require that the owner or driver of the vehicle surrender the title of the seized vehicle.

(h) If an event described in paragraph (b) occurs in a jurisdiction other than the one in which the original forfeitable event occurred, and the vehicle is subsequently forfeited, the proceeds shall be divided equally, after payment of seizure, towing, storage, forfeiture, and sale expenses and satisfaction of valid liens against the vehicle, among the appropriate agencies and prosecuting authorities in each jurisdiction.

(i) Upon successful completion of the program, the stayed forfeiture proceeding is terminated or dismissed and any vehicle, security, or bond held by an agency must be returned to the owner of the vehicle.

(j) A claimant of a vehicle for which a forfeiture action was stayed under paragraph (a) but which later proceeds under paragraph (b), may file a demand for judicial forfeiture as provided in subdivision 8, in which case the forfeiture proceedings must be conducted as provided in subdivision 9.

Sec. 10. Minnesota Statutes 2024, section 171.09, subdivision 1, is amended to read:

Subdivision 1. **Authority; violations.** (a) The commissioner, when good cause appears, may impose restrictions suitable to the licensee's driving ability or other restrictions applicable to the licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

(b) Pursuant to Code of Federal Regulations, title 49, section 383.95, if an applicant for a commercial driver's license either does not successfully complete the air brake component of the knowledge test, or does not successfully complete the skills test in a vehicle equipped with air brakes as such tests are prescribed in Code of Federal Regulations, title 49, part 384, the department shall indicate on the class C, class B, or class A commercial driver's license, if issued, that the individual is restricted from operating a commercial motor vehicle equipped with air brakes.

(c) The commissioner shall restrict the operating privileges of a holder of a class A, class B, or class C commercial driver's license in accordance with Code of Federal Regulations, title 49, sections 383.73 and 383.95.

(d) The commissioner may restrict the operating privileges of a holder of a class A, class B, or class C commercial driver's license to the extent that the restrictions are authorized by section 221.0314, subdivision 3 or 3a, or rules adopted under those subdivisions or section 221.031.

(e) Upon receiving satisfactory evidence of any violation of the restrictions on the license, the commissioner may suspend or revoke the license. A license suspension under this section is subject to section 171.18, subdivisions 2 and 3.

(f) A person who drives, operates, or is in physical control of a motor vehicle while in violation of the restrictions imposed in a restricted driver's license issued to that person under this section is guilty of a crime as follows:

(1) if the restriction relates to the possession or consumption of alcohol or controlled substances, the person is guilty of a gross misdemeanor; or

(2) if the restriction relates to another matter, the person is guilty of a misdemeanor.

(g) It is a gross misdemeanor for a person who holds a restricted license issued under section 171.306 to drive, operate, or be in physical control of any motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2024, section 171.177, subdivision 4, is amended to read:

Subd. 4. **Test refusal; license revocation.** (a) Upon certification under subdivision 3 that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person refused to comply with the execution of the search warrant, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege. The commissioner shall revoke the license, permit, or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) When a person who had been driving, operating, or in physical control of a commercial motor vehicle refuses to comply with the search warrant and permit testing, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 12. Minnesota Statutes 2024, section 171.177, subdivision 5, is amended to read:

Subd. 5. **Test failure; license revocation.** (a) Upon certification under subdivision 3 pursuant to a search warrant, that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section

169A.20, and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, the commissioner shall revoke the person's license or permit to drive or nonresident operating privilege~~:~~ as provided in section 171.178.

~~(1) for a period of 90 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(2) if the person is under the age of 21 years, for a period of not less than 180 days or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than one year;~~

~~(3) for a person with one qualified prior impaired driving incident within the past ten years or two qualified prior impaired driving incidents, for a period of not less than one year or, if the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years;~~

~~(4) for a person with two qualified prior impaired driving incidents within the past ten years or three qualified prior impaired driving incidents, for a period of not less than three years;~~

~~(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or~~

~~(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.~~

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165.

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20, and that the person submitted to a test. Upon receipt of both

certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

Sec. 13. **[171.178] REVOCATION, DENIAL, AND REINSTATEMENT; DRIVING WHILE IMPAIRED; CRIMINAL VEHICULAR HOMICIDE AND OPERATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Ignition interlock device" has the meaning given in section 171.306, subdivision 1.

(c) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Subd. 2. **Qualified prior impaired driving incident; determination.** Section 169A.09 applies for determining the number of qualified prior impaired driving incidents under this section.

Subd. 3. **Test refusal; period of license revocation.** A revocation by the commissioner as required under section 169A.52, subdivision 3, or 171.177, subdivision 4, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years, not less than one year; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 4. **Test failure; period of license revocation.** A revocation by the commissioner as required under section 169A.52, subdivision 4, or 171.177, subdivision 5, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 90 days;

(ii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iii) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 5. **Driving while impaired conviction or adjudication; period of license revocation.** (a) Notwithstanding the periods specified in subdivisions 3 and 4 and except as provided in section 169A.54, subdivision 7, a revocation by the commissioner as required under section 169A.54, subdivision 1, or 171.17, subdivision 1, paragraph (a), clause (2) or (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 30 days if the person is convicted of an offense under section 169A.20, subdivision 1 (driving while impaired);

(ii) not less than 90 days if the person is convicted of an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test);

(iii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iv) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

(b) Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in paragraph (a), clause (1), items (i) to (iv).

Subd. 6. **Criminal vehicular operation or homicide conviction; period of license revocation.** Notwithstanding the periods specified in subdivisions 3 to 5, a revocation by the commissioner under section 171.17, subdivision 1, paragraph (a), clause (1), after the commissioner receives a record of a conviction for a violation of section:

(1) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(2) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(3) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6); or

(5) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or subdivision 2, clause (2), (3), (4), (5), or (6),

must be until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Subd. 7. **Driving while impaired; license cancellation and denial.** (a) The commissioner must designate a person with two or more qualified prior impaired driving incidents as inimical to public safety pursuant to section 171.04, subdivision 1, clause (10), if the person is convicted of a violation of section:

(1) 169A.20, subdivision 1;

(2) 169A.20, subdivision 2;

(3) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(5) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(6) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6);

(7) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or

(8) 609.2114, subdivision 2, clause (2), (3), (4), (5), or (6).

(b) The commissioner must cancel the person's driver's license pursuant to section 171.14 and must not issue the person a driver's license until the person complies with the provisions of this section and establishes rehabilitation according to standards established by the commissioner.

Subd. 8. **Ignition interlock periods; treatment; alcohol-related violations.** (a) Until the commissioner reinstates a person's full driving privileges, the following persons must not operate a motor vehicle, off-road recreational vehicle, or a motorboat unless the person participates in the ignition interlock device program:

(1) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 3, 4, or 5, at a time when the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents; and

(2) a person whose license or permit to drive, or nonresident operating privilege, is revoked as described in subdivision 6, at a time when the person has one qualified prior impaired driving incident.

(b) The commissioner must not reinstate full driving privileges for a person described in paragraph (a) until the person completes a licensed substance use disorder treatment or rehabilitation program and participates in the ignition interlock device program in compliance with section 171.306 for a period of not less than:

(1) two years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has one qualified prior impaired driving incident within the past 20 years; or

(ii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has no qualified prior impaired driving incidents;

(2) five years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has one qualified prior impaired driving incident;

(3) six years if the commissioner revokes the person's license or permit to drive, or nonresident operating privilege as described in:

(i) subdivision 3, 4, or 5 when the person has two qualified prior impaired driving incidents;

(ii) subdivision 6 when the violation resulted in great bodily harm to another and the person has no qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in death to another and the person has no qualified prior impaired driving incidents;

(4) eight years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in subdivision 6 when the violation resulted in:

(i) great bodily harm to another and the person has one qualified prior impaired driving incident; or

(ii) bodily harm or substantial bodily harm to another and the person has two qualified prior impaired driving incidents;

(5) ten years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges described in:

(i) subdivision 6 when the violation resulted in great bodily harm to another and the person has two or more qualified prior impaired driving incidents;

(ii) subdivision 3, 4, or 5 when the person has three or more qualified prior impaired driving incidents; or

(iii) subdivision 6 when the violation resulted in bodily harm or substantial bodily harm to another and the person has three or more qualified prior impaired driving incidents;

(6) 15 years if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has one qualified prior impaired driving incident; or

(7) for the remainder of the person's life if the commissioner revokes the person's license or permit to drive, or nonresident operating privileges as described in subdivision 6 when the violation resulted in death to another and the person has two or more qualified prior impaired driving incidents.

(c) The commissioner must establish standards allowing a person to submit proof that the person completed a licensed substance use disorder treatment or rehabilitation program. A person seeking reinstatement of full driving privileges must submit proof of completion in the form and manner established by the commissioner.

(d) Nothing in this section prohibits the commissioner from extending the period of time that a person must use an ignition interlock device pursuant to section 171.306, subdivision 5.

(e) If the commissioner learns that a person who is a participant in the ignition interlock device program and who completed a licensed substance use disorder treatment or rehabilitation program subsequently (1) registers a positive breath alcohol concentration of 0.02 or higher on an ignition interlock device, or (2) is convicted of, or adjudicated delinquent for, an offense involving the use of alcohol that did not involve driving, operating, or being in physical control of any motor vehicle, the commissioner must extend the time period that the person must use an ignition interlock device until the participant demonstrates abstinence for a period equal to the applicable period under paragraph (b). A person whose time period is extended under this paragraph must be given credit for one-half of the amount of time that the person participated in the ignition interlock device program before the violation.

(f) If a participant in the ignition interlock device program commits an act that results in a license revocation as described in subdivision 3, 4, 5, or 6, the commissioner must terminate the person from the ignition interlock device program. The person may reenter the program but is not entitled to credit for time spent in the program before termination. If the person reenters the program, the commissioner must not reinstate the person's full driving privileges until the person participates in the ignition interlock device program in compliance with section 171.306 for a period of not less than the longer of:

(1) the applicable period under paragraph (b) that applies to the new act; or

(2) the full period under paragraph (b) that was previously required to be completed, including any extensions imposed pursuant to section 171.306, subdivision 5.

Sec. 14. Minnesota Statutes 2024, section 171.187, subdivision 3, is amended to read:

Subd. 3. **Credit.** If a person whose driver's license was suspended under subdivision 1 is later convicted of the underlying offense that resulted in the suspension and the commissioner revokes the person's license, the commissioner shall credit the time accrued under the suspension period toward the revocation period imposed under section ~~171.17, subdivision 4~~ 171.178, subdivision 6, or for violations of section:

(1) 609.20~~,~~;

(2) 609.205~~, or~~;

(3) 609.2112, subdivision 1, paragraph (a), clause (1), (7), or (8);

(4) 609.2113, subdivision 1, clause (1), (7), or (8); subdivision 2, clause (1), (7), or (8); or subdivision 3, clause (1), (7), or (8); or

(5) 609.2114, subdivision 1, paragraph (a), clause (1), (7), or (8), or subdivision 2, clause (1), (7), or (8).

Sec. 15. Minnesota Statutes 2024, section 171.19, is amended to read:

**171.19 PETITION FOR COURT HEARING ON LICENSE REINSTATEMENT.**

Any person whose driver's license has been refused, revoked, suspended, canceled, or disqualified by the commissioner, except where the license is revoked or disqualified under section 169A.52, 171.177, or 171.186, or whose driver's license revocation, suspension, or cancellation period has been extended by the commissioner based on a violation of the ignition interlock program guidelines, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident,

in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, disqualification, or refusal of license, or whether the commissioner's extension determination is valid or should be modified, and shall render judgment accordingly. The petition for hearing must either be filed within 180 days of the effective date of the order of revocation, suspension, cancellation, disqualification, or refusal to license, or of the date on the commissioner's notice of extension, or be filed before expiration of the withdrawal period, whichever occurs first. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 16. Minnesota Statutes 2024, section 171.24, subdivision 2, is amended to read:

Subd. 2. **Driving after revocation; ~~misdemeanor~~ penalties.** (a) A person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been revoked;

(2) the person has been given notice of or reasonably should know of the revocation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.

(b) A person who violates paragraph (a) is guilty of a gross misdemeanor if the person is prohibited from operating a motor vehicle unless the person participates in the ignition interlock device program.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2024, section 171.306, subdivision 1, is amended to read:

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

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4), resulting in bodily harm, substantial bodily harm, ~~or~~ great bodily harm~~.~~, or death.

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Sec. 18. Minnesota Statutes 2024, section 171.306, subdivision 2, is amended to read:

Subd. 2. **Performance standards; certification; manufacturer and provider requirements.** (a) The commissioner shall establish performance standards and a process for certifying devices used in the ignition interlock program, except that the commissioner may not establish standards that, directly or indirectly, require devices to use or enable location tracking capabilities without a court order.

(b) The manufacturer of a device must apply annually for certification of the device by submitting the form prescribed by the commissioner. The commissioner shall require manufacturers of certified devices to:

(1) provide device installation, servicing, and monitoring to indigent program participants at a discounted rate, according to the standards established by the commissioner;

(2) include in an ignition interlock device contract a provision that a program participant who voluntarily terminates participation in the program or voluntarily withdraws from the program is only liable for servicing and monitoring costs incurred during the time the device is installed on the motor vehicle, regardless of whether the term of the contract has expired; and

(3) include in an ignition interlock device contract a provision that requires manufacturers of certified devices to pay any towing or repair costs caused by device failure or malfunction, or by damage caused during device installation, servicing, or monitoring.

(c) The manufacturer of a certified device must include with an ignition interlock device contract a separate notice to the program participant regarding any location tracking capabilities of the device.

Sec. 19. Minnesota Statutes 2024, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. Notwithstanding any law to the contrary, the commissioner must not require a program participant to pay the reinstatement fee and surcharge described in section 171.29, subdivision 2, before issuing a restricted license under this section. A program participant is not eligible for full reinstatement of driving privileges until the person pays the full reinstatement fee and surcharge. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor

vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant ~~whose~~ may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant's driver's license ~~has been~~ was:

(1) revoked, canceled, or denied under section:

(i) 169A.52, subdivision 3, paragraph (a), ~~clause (1), (2), or (3),~~ or subdivision 4, paragraph (a)~~, clause (1), (2), or (3)~~;

(ii) 169A.54, subdivision 1~~, clause (1), (2), (3), or (4)~~; ~~or~~

(iii) 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or

(iv) 171.177, subdivision 4, paragraph (a), ~~clause (1), (2), or (3),~~ or subdivision 5, paragraph (a)~~, clause (1), (2), or (3)~~; ~~or~~

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4); or

(3) suspended under section 171.187, for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4)~~, resulting in bodily harm, substantial~~

~~bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction~~.

(d) ~~A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed substance use disorder treatment or rehabilitation program as recommended in a chemical use assessment.~~ As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant who either had one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents when the person's driver's license was revoked, canceled, or denied under the conditions described in paragraph (c), clause (1), or whose driver's license was revoked or suspended under the conditions described in paragraph (c), clause (2) or (3), and whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed substance use disorder treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section ~~169A.55, subdivision 4~~ 171.178, subdivision 8.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under ~~section~~ sections

169A.55 and 171.178 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 20. Minnesota Statutes 2024, section 171.306, subdivision 5, is amended to read:

Subd. 5. **Penalties; program violations.** (a) If a program participant tampers with, circumvents, or bypasses a device; drives, operates, or exercises physical control over a motor vehicle not equipped with a device certified by the commissioner; violates a condition of a license conditionally reinstated under subdivision 4 and section 171.30; or violates the program guidelines of subdivision 3, the commissioner shall extend the person's revocation period and the period of time that a person must use an ignition interlock device under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by:

(1) 180 days for a first violation;

(2) one year for a second violation; or

(3) 545 days for a third and each subsequent violation.

(b) Notwithstanding paragraph (a), the commissioner may terminate participation in the program by any person when, in the commissioner's judgment, termination is necessary to the interests of public safety and welfare. In the event of termination, the commissioner shall not reduce the applicable revocation period under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by the amount of time during which the person possessed a limited or restricted driver's license issued under the authority of subdivision 4.

Sec. 21. Minnesota Statutes 2024, section 171.306, subdivision 6, is amended to read:

Subd. 6. **Penalties; tampering.** (a) A person who lends, rents, or leases a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner to a person with a license issued under this section knowing that the person is subject to the ignition interlock restriction is guilty of a misdemeanor.

(b) A person who tampers with, circumvents, or bypasses the ignition interlock device, or assists another to tamper with, circumvent, or bypass the device, is guilty of a misdemeanor except when the action was taken for emergency purposes or for mechanical repair, and the person limited to the use of an ignition interlock device does not operate the motor vehicle while the device is disengaged.

(c) A person with a license issued under this section who operates a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner is subject to the penalty described in section 171.09, subdivision 1, paragraph (g).

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2024, section 171.306, is amended by adding a subdivision to read:

Subd. 10. **Termination from program; reentry.** (a) If a program participant's license is withdrawn for an act or condition that does not involve the use of alcohol during the participant's time on the ignition interlock device program, the person is prohibited from driving, operating, or being in physical control of a motor vehicle. The person can continue to receive credit for time in the ignition interlock device program if the person ensures that the ignition interlock device is serviced and calibrated and the person continues to meet all program requirements. If the person voluntarily withdraws from the ignition interlock device program, the commissioner shall credit the person with the time spent in the program if the person reenters the program.

(b) If a program participant commits an act involving the use of alcohol that results in revocation of the person's license, the commissioner must terminate the person from the ignition interlock device program. The person may reenter the program as described in section 171.178, subdivision 8, paragraph (f).

Sec. 23. **DRIVER'S LICENSE REVOCATION AND IGNITION INTERLOCK REQUIREMENTS; APPROPRIATION.**

$382,000 in fiscal year 2026 and $382,000 in fiscal year 2027 are appropriated from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705, to the commissioner of public safety for staffing and other expenses related to an increase in the length of time individuals are participants in the ignition interlock program. If this appropriation is enacted more than once during the 2025 regular legislative session, the appropriation must be given effect only once.

Sec. 24. **REPEALER.**

Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, and 4; 169A.55, subdivisions 4 and 5; and 171.17, subdivision 4, are repealed.

**169A.54 DWI CONVICTIONS, ADJUDICATIONS; ADMINISTRATIVE PENALTIES.**

Subd. 2. **Driving while impaired by person under age 21.** If the person convicted of violating section 169A.20 (driving while impaired) is under the age of 21 years at the time of the violation, the commissioner shall revoke the offender's driver's license or operating privileges for a period of not less than 180 days or for the appropriate period of time under subdivision 1, clauses (1) to (6), for the offense committed, whichever is the longer period.

Subd. 3. **Juvenile adjudications.** For purposes of this section, a juvenile adjudication under section 169A.20 (driving while impaired), an ordinance in conformity with it, or a statute or ordinance from another state in conformity with it is an offense.

Subd. 4. **Violations involving personal injury.** Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in subdivisions 1 to 3.

**169A.55 LICENSE REVOCATION TERMINATION; LICENSE REINSTATEMENT.**

Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose driver's license has been revoked as a result of an offense listed under clause (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the commissioner certifies that either:

(1) the person did not own or lease a vehicle at the time of the offense or at any time between the time of the offense and the driver's request for reinstatement, or commit a violation of chapter 169, 169A, or 171 between the time of the offense and the driver's request for reinstatement or at the time of the arrest for the offense listed under clause (2), item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

(i) a request by the person for reinstatement, on a form to be provided by the Department of Public Safety;

(ii) the person's attestation under penalty of perjury; and

(iii) the submission by the driver of certified copies of vehicle registration records and driving records for the period from the arrest until the driver seeks reinstatement of driving privileges; or

(2) the person used the ignition interlock device and complied with section 171.306 for a period of not less than:

(i) one year, for a person whose driver's license was revoked for:

(A) an offense occurring within ten years of a qualified prior impaired driving incident; or

(B) an offense occurring after two qualified prior impaired driving incidents; or

(ii) two years, for a person whose driver's license was revoked for:

(A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated an alcohol concentration of twice the legal limit or more; or

(B) an offense occurring under item (i), subitem (A) or (B), and the current offense is for a violation of section 169A.20, subdivision 2.

(b) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of abstinence from alcohol and controlled substances under paragraph (c), as evidenced by the person's use of an ignition interlock device or other chemical monitoring device approved by the commissioner.

(c) The verification of abstinence must show that the person has abstained from the use of alcohol and controlled substances for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

Subd. 5. **Reinstatement of driving privileges; certain criminal vehicular operation offenses.** A person whose driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) (revocation, criminal vehicular operation), or suspended under section 171.187 (suspension, criminal vehicular operation), for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4), subdivision 2, clause (2), item (i) or (iii), (3), or (4), or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or section 609.2114, subdivision 2, clause (2), item (i) or (iii) (criminal vehicular operation, alcohol-related provisions), resulting in bodily harm, substantial bodily harm, or great bodily harm, shall not be eligible for reinstatement of driving privileges until the person has submitted to the commissioner verification of the use of ignition interlock for the applicable time period specified in those sections. To be eligible for reinstatement under this subdivision, a person shall utilize an ignition interlock device that meets the performance standards and certification requirements under subdivision 4, paragraph (c).

**171.17 REVOCATION.**

Subd. 4. **Criminal vehicular operation; revocation periods.** (a) As used in this subdivision, "qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon receiving a record of a conviction for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6); subdivision 2, clause (2), (3), (4), (5), or (6); or subdivision 3, clause (2), (3), (4), (5), or (6); or 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6), or subdivision 2, clause (2), (3), (4), (5), or (6); the commissioner shall revoke the driver's license or driving privileges of a person as follows:

(1) not less than ten years if the violation resulted in great bodily harm or death to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(2) not less than eight years if the violation resulted in great bodily harm or death to another and the person has a qualified prior impaired driving incident within the past ten years;

(3) not less than six years if the violation resulted in great bodily harm or death to another;

(4) not less than six years if the violation resulted in bodily harm or substantial bodily harm to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(5) not less than four years if the violation resulted in bodily harm or substantial bodily harm to another and the person has a qualified prior impaired driving incident within the past ten years; or

(6) not less than two years if the violation resulted in bodily harm or substantial bodily harm to another.

(c) Section 169A.09 applies when determining the number of qualified prior impaired driving incidents under this subdivision.

(iii) 171.17, subdivision 1, paragraph (a), clause (9), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or

(iv) 171.177, subdivision 4, paragraph (a), ~~clause (1), (2), or (3),~~ or subdivision 5, paragraph (a)~~, clause (1), (2), or (3)~~; ~~or~~

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4); or

(3) suspended under section 171.187, for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or subdivision 3, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or ~~(iii)~~ (iv), (3), or (4)~~, resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever, may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction~~.

(d) ~~A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed substance use disorder treatment or rehabilitation program as recommended in a chemical use assessment.~~ As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant who either had one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents when the person's driver's license was revoked, canceled, or denied under the conditions described in paragraph (c), clause (1), or whose driver's license was revoked or suspended under the conditions described in paragraph (c), clause (2) or (3), and whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed substance use

disorder treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section ~~169A.55, subdivision 4~~ 171.178, subdivision 8.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under ~~section~~ sections 169A.55 and 171.178 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 20. Minnesota Statutes 2024, section 171.306, subdivision 5, is amended to read:

Subd. 5. **Penalties; program violations.** (a) If a program participant tampers with, circumvents, or bypasses a device; drives, operates, or exercises physical control over a motor vehicle not equipped with a device certified by the commissioner; violates a condition of a license conditionally reinstated under subdivision 4 and section 171.30; or violates the program guidelines of subdivision 3, the commissioner shall extend the person's revocation period and the period of time that a person must use an ignition interlock device under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by:

(1) 180 days for a first violation;

(2) one year for a second violation; or

(3) 545 days for a third and each subsequent violation.

(b) Notwithstanding paragraph (a), the commissioner may terminate participation in the program by any person when, in the commissioner's judgment, termination is necessary to the interests of public safety and welfare. In the event of termination, the commissioner shall not reduce the applicable revocation period under section ~~169A.52, 169A.54, or 171.177~~ 171.178 by the amount of time during which the person possessed a limited or restricted driver's license issued under the authority of subdivision 4.

Sec. 21. Minnesota Statutes 2024, section 171.306, subdivision 6, is amended to read:

Subd. 6. **Penalties; tampering.** (a) A person who lends, rents, or leases a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner to a person with a license issued under this section knowing that the person is subject to the ignition interlock restriction is guilty of a misdemeanor.

(b) A person who tampers with, circumvents, or bypasses the ignition interlock device, or assists another to tamper with, circumvent, or bypass the device, is guilty of a misdemeanor except when the action was taken for emergency purposes or for mechanical repair, and the person limited to the use of an ignition interlock device does not operate the motor vehicle while the device is disengaged.

(c) A person with a license issued under this section who operates a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner is subject to the penalty described in section 171.09, subdivision 1, paragraph (g).

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2024, section 171.306, is amended by adding a subdivision to read:

Subd. 10. **Termination from program; reentry.** (a) If a program participant's license is withdrawn for an act or condition that does not involve the use of alcohol during the participant's time on the ignition interlock device program, the person is prohibited from driving, operating, or being in physical control of a motor vehicle. The person can continue to receive credit for time in the ignition interlock device program if the person ensures that the ignition interlock device is serviced and calibrated and the person continues to meet all program requirements. If the person voluntarily withdraws from the ignition interlock device program, the commissioner shall credit the person with the time spent in the program if the person reenters the program.

(b) If a program participant commits an act involving the use of alcohol that results in revocation of the person's license, the commissioner must terminate the person from the ignition interlock device program. The person may reenter the program as described in section 171.178, subdivision 8, paragraph (f).

Sec. 23. **DRIVER'S LICENSE REVOCATION AND IGNITION INTERLOCK REQUIREMENTS; APPROPRIATION.**

$382,000 in fiscal year 2026 and $382,000 in fiscal year 2027 are appropriated from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705, to the commissioner of public safety for staffing and other expenses related to an increase in the length of time individuals are participants in the ignition interlock program. If this appropriation is enacted more than once during the 2025 regular legislative session, the appropriation must be given effect only once.

Sec. 24. **REPEALER.**

Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, and 4; 169A.55, subdivisions 4 and 5; and 171.17, subdivision 4, are repealed."

Delete the title and insert:

"A bill for an act relating to public safety; extending the length of driver's license revocations related to certain offenses; modifying the length of time certain individuals must participate in the ignition interlock program; requiring all ignition interlock participants to complete a treatment or rehabilitation program before reinstatement of full driving privileges; imposing criminal penalties for ignition interlock program participants who operate vehicles not equipped with an interlock device; making criminal vehicular homicide offenders eligible for the ignition interlock program; providing for judicial review of an extension of a person's driver's license revocation for a violation of the ignition interlock program; modifying how license plates are impounded and reissued under the DWI law; expanding the time period that a temporary driver's license issued after a DWI is valid;

providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 169A.37, subdivision 1; 169A.52, subdivisions 3, 4, 7; 169A.54, subdivision 1; 169A.60, subdivisions 4, 5, 6; 169A.63, subdivision 13; 171.09, subdivision 1; 171.177, subdivisions 4, 5; 171.187, subdivision 3; 171.19; 171.24, subdivision 2; 171.306, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2024, sections 169A.54, subdivisions 2, 3, 4; 169A.55, subdivisions 4, 5; 171.17, subdivision 4."

We request the adoption of this report and repassage of the bill.

House Conferees: Larry Kraft, Kelly Moller, Jeff Witte, Andrew Myers

Senate Conferees: Ron Latz, Heather Gustafson, Warren Limmer

Senator Latz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2130 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2130 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Maye Quade | Rasmusson |
| Anderson | Farnsworth | Johnson Stewart | McEwen | Rest |
| Bahr | Fateh | Klein | Miller | Seeberger |
| Boldon | Frentz | Koran | Mitchell | Utke |
| Carlson | Green | Kreun | Mohamed | Weber |
| Champion | Gruenhagen | Kunesh | Murphy | Wesenberg |
| Clark | Gustafson | Kupec | Nelson | Westlin |
| Coleman | Hauschild | Lang | Oumou Verbeten | Westrom |
| Cwodzinski | Hawj | Latz | Pappas | Wiklund |
| Dahms | Heintzeman | Lieske | Pha | Xiong |
| Dibble | Hoffman | Limmer | Port | |
| Dornink | Housley | Lucero | Pratt | |
| Draheim | Howe | Mann | Putnam | |
| Drazkowski | Jasinski | Mathews | Rarick | |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Fateh, Mohamed, and Rest.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Duckworth and Jasinski.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

# 073. HF 1

**Vote:** 2025-06-09 | **Workbook row:** 78
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 37 yeas, 30 nays

**Workbook subject:** Undocumented adult MinnesotaCare coverage repeal bill.

## Included complete bill documents

**1. Introduction, posted 2025-06-09** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/1/HF/1/versions/0/pdf/

## Original Senate journal context

PDF pages 35-36. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/2025060901_ss1.pdf#page=35

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/1/HF/1/

This Document can be made available
in alternative formats upon request

State of Minnesota

# HOUSE OF REPRESENTATIVES

**SPECIAL SESSION**

**H. F. No. 1**

06/09/2025 Authored by Backer, Schultz, Demuth, Niska, Scott and others
The bill was read for the first time
R/S Rules Suspended, urgency declared
Read for the Second Time
Read for the Third Time
Passed by the House and transmitted to the Senate
Passed by the Senate and returned to the House
06/12/2025 Presented to Governor
06/14/2025 Governor Approval

A bill for an act

relating to health; modifying MinnesotaCare coverage eligibility; amending Minnesota Statutes 2024, section 256L.04, subdivision 10.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is available to citizens or nationals of the United States; lawfully present noncitizens as defined in Code of Federal Regulations, title 45, section 155.20; and undocumented noncitizens. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines, except that these persons may be eligible for emergency medical assistance under section 256B.06, subdivision 4.

(c) For purposes of this subdivision, enrollment in MinnesotaCare for undocumented noncitizens who are age 18 years old or older is limited to those enrolled as of the effective date of this act. Notwithstanding paragraphs (a) and (b), undocumented noncitizens who are age 18 years old or older are ineligible for MinnesotaCare beginning January 1, 2026.

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

## FIRST READING OF HOUSE BILLS

The following bill was read the first time.

**H.F. No. 1:** A bill for an act relating to health; modifying MinnesotaCare coverage eligibility; amending Minnesota Statutes 2024, section 256L.04, subdivision 10.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SUSPENSION OF RULES

Senator Rasmusson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1 and that the rules of the Senate be so far suspended as to give H.F. No. 1 its second and third reading and place it on its final passage.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 48 and nays 16, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Limmer | Rasmusson |
| Anderson | Farnsworth | Johnson Stewart | Lucero | Rest |
| Bahr | Frentz | Klein | Mathews | Seeberger |
| Carlson | Green | Koran | Miller | Utke |
| Coleman | Gruenhagen | Kreun | Murphy | Weber |
| Cwodzinski | Hauschild | Kunesh | Nelson | Wesenberg |
| Dahms | Heintzeman | Kupec | Pappas | Westrom |
| Dornink | Housley | Lang | Pha | Xiong |
| Draheim | Howe | Latz | Pratt | |
| Drazkowski | Jasinski | Lieske | Rarick | |

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Dahms, and Drazkowski.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Boldon | Gustafson | Marty | Port |
| Champion | Hawj | Maye Quade | Putnam |
| Clark | Hoffman | Mitchell | Westlin |
| Dibble | Mann | Oumou Verbeten | Wiklund |

The motion prevailed.

H.F. No. 1 was read the second time.

H.F. No. 1 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 30, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Coleman | Draheim | Farnsworth | Hauschild |
| Anderson | Dahms | Drazkowski | Green | Heintzeman |
| Bahr | Dornink | Duckworth | Gruenhagen | Housley |

| | | | | |
|---|---|---|---|---|
| Howe | Kupec | Mathews | Rarick | Wesenberg |
| Jasinski | Lang | Miller | Rasmusson | Westrom |
| Johnson | Lieske | Murphy | Rest | |
| Koran | Limmer | Nelson | Utke | |
| Kreun | Lucero | Pratt | Weber | |

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Dahms, Drazkowski, and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Fateh | Klein | McEwen | Port |
| Carlson | Frentz | Kunesh | Mitchell | Putnam |
| Champion | Gustafson | Latz | Mohamed | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: McEwen and Mohamed.

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

**Senator Duckworth introduced--**

**S.F. No. 23:** A bill for an act relating to transportation; appropriating money for an interchange at Interstate Highway 35 and Scott County State-Aid Highway 2; authorizing the sale and issuance of state bonds.

Referred to the Committee on Rules and Administration.

**Senator Duckworth introduced--**

**S.F. No. 24:** A bill for an act relating to capital investment; appropriating money for property acquisition for the city of Lakeville; authorizing the sale and issuance of state bonds.

Referred to the Committee on Rules and Administration.

**Senator Draheim introduced--**

**S.F. No. 25:** A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4; article V, sections 2, 4; placing limits on the terms of office of legislators and executive officers.

# 074. SF 9

**Vote:** 2025-06-09 | **Workbook row:** 79
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 58 yeas, 1 nays

**Workbook subject:** Legislative corrections bill

## Included complete bill documents

**1. 1st Engrossment, posted 2025-06-10** - 20 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/1/SF/9/versions/1/pdf/

## Original Senate journal context

PDF pages 72-73. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/2025060901_ss1.pdf#page=73

**Bill history:**
https://www.revisor.mn.gov/bills/94/2025/1/SF/9/

# SENATE
## STATE OF MINNESOTA
## SPECIAL SESSION

# S.F. No. 9

**(SENATE AUTHORS: LIMMER and Latz)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 06/09/2025 | 11 | Introduction and first reading |
| | 11 | Laid on table |
| | 15 | Author added Latz |
| | 32 | Taken from table |
| | 33 | Urgency declared rules suspended |
| | 33 | Second reading |
| | 33 | Third reading Passed |
| | 72 | Returned from House with amendment |
| | 73 | Senate concurred and repassed bill |
| | 73 | Third reading Passed as amended |
| | | Presentment date 06/12/25 |
| | 75 | Governor's action Approval 06/14/25 |
| | 75 | Secretary of State Chapter 11 06/14/25 |
| | | Effective date various dates |

A bill for an act

relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, sections 17.1017, subdivision 9, as amended; 17.1018, subdivision 1, as amended; 223.17, subdivision 3, as amended; 504B.161, subdivision 1, as amended; Laws 2025, chapter 6, section 9; Laws 2025, chapter 34, article 1, section 2, subdivisions 3, 4; Laws 2025, chapter 36, article 4, section 8, subdivision 5; Laws 2025, chapter 39, article 7; 2025 First Special Session H.F. No. 2, article 1, section 48, subdivision 1, if enacted; 2025 First Special Session H.F. No. 3, article 2, section 36, if enacted.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 504B.161, subdivision 1, as amended by Laws 2025, chapter 32, article 4, section 4, is amended to read:

Subdivision 1. **Requirements.** (a) In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises and all common areas in reasonable repair during the term of the lease or license, including services and conditions listed in section 504B.381, subdivision 1, and extermination of insects, rodents, vermin, or other pests on the premises, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises and all common areas reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential

energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost;

(4) to maintain the premises and all common areas in compliance with the applicable health and safety laws of the United States, of the state, and of the local units of government, including ordinances regulating rental licensing, where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(5) to equip or furnish heat ~~capable of maintaining~~ at a minimum temperature of 68 degrees Fahrenheit in all places intended for habitation including kitchens and bathrooms from October 1 through April 30, unless a utility company requires and instructs the heat to be reduced.

(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 2. **LAWS EFFECTIVE DATE.**

Notwithstanding any other law to the contrary, Laws 2025, chapter 30, article 1, section 4, is effective June 20, 2025.

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

Sec. 3. Laws 2025, chapter 39, article 7, is amended by adding a section to read:

Sec. 23. **REPEALER.**

Minnesota Rules, part 4511.1100, is repealed.

**EFFECTIVE DATE.** This section is effective June 1, 2025.

**EFFECTIVE DATE.**

This section is effective the day following final enactment.

Sec. 4. Laws 2025, chapter 36, article 4, section 8, subdivision 5, is amended to read:

| | | |
|---|---|---|
| Subd. 5. **Community Identity and Heritage Competitive Grant Program** | 8,799,000 | 7,368,000 |

(a) $8,799,000 the first year and $7,368,000 the second year are for a competitive grant program to provide funding to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of the many diverse cultural groups that make up Minnesota, including but not limited to Indigenous organizations, communities whose culture and heritage have been historically underrepresented, recent immigrant communities, and veterans. An individual or organization that receives a grant under this subdivision must do at least one of the following:

(1) preserve and honor the cultural heritage of Minnesota;

(2) provide education and student outreach on cultural diversity;

(3) support the development of culturally diverse humanities programming, including arts programming, by individuals and organizations; or

(4) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

(b) The Minnesota Humanities Center must give priority consideration for grants to Art from the Inside, arts programs in the Moorhead and Maplewood cultural malls, the Asian Economic Development Association, Capri Theater, the Minnesota State Band, Fight for Your Dreams, HIRPHA International for Oromo youth programs, the Hmong

Cultural Center, Midnimo, MN Zej Zog, People in Action, the Phyllis Wheatley Community Center, Safe Summer Nights, Siengkane Lao MN, the Stairstep Foundation, and the Walker West Music Academy.

(c) At least 75 percent of the amount in ~~paragraphs (d) to (f)~~ each paragraph of this subdivision must be for grants of less than $200,000. A grant awarded to an entity receiving priority consideration under paragraphs (b) and (d) ~~to (f)~~ must not exceed $200,000.

(d) Of the amount in paragraph (a), $1,500,000 each year is for grants to community-based organizations and local governments to support cultural festivals and events throughout the state. The funding may support arts and cultural programming, staffing, community outreach, transportation, facilities and equipment rentals, signage, and public safety expense reimbursements. The Minnesota Humanities Center must give priority consideration for funding under this paragraph to the Somali Museum Annual Celebration, Twin Cities Jazz Fest, Selby Avenue Jazz Fest, the International Hmong Freedom Festival, Cinco de Mayo festival, and Rondo Days in St. Paul; the Hiddo Soor International Somali Cultural Festival in Plymouth; Somali Independence Day in St. Paul; sesquicentennial celebrations in Osseo and Delano; Taste of Minnesota; and IgboFest Minnesota.

(e) Of the amount in paragraph (a), $750,000 the first year and $750,000 the second year

are for grants to community-based organizations and local governments for museums, exhibits, and collections.

(f) Of the amount in paragraph (a), $250,000 the first year and $250,000 the second year are for grants to provide funding to ethnic media organizations creating video content in a language other than English.

Sec. 5. Laws 2025, chapter 6, section 9, is amended to read:

Sec. 9. **EFFECTIVE DATE; LOCAL APPROVAL.**

~~This act is~~ Sections 1 to 6 and section 8 are effective the day after the governing body of the North Koochiching sanitary sewer board and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

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

Sec. 6. [CORRSS25-07] 2025 First Special Session H.F. No. 3, article 2, section 36, if enacted, is amended to read:

Sec. 36. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision to read:

Subd. 14a. **Limitations on rate exceptions for residential services.** (a) Effective July 1, 2026, the commissioner must implement limitations on the rate exceptions for community residential services, customized living services, family residential services, and integrated community supports.

(b) The commissioner must restrict rate exceptions to the absence and utilization factor ratio to people temporarily receiving hospital or crisis respite services.

(c) For rate exceptions related to behavioral needs, the lead agency must include:

(1) a documented behavioral diagnosis; or

(2) determined assessed needs for behavioral supports as identified in the person's most recent assessment or reassessment under section 256B.0911.

(d) Community residential services rate exceptions must not include positive support services costs.

(e) The commissioner must not approve rate exception requests related to increased community time or transportation.

(f) For the commissioner to approve a rate exception annual renewal, the person's most recent assessment must indicate continued extraordinary needs in the areas cited in the exception request. If a person's assessment continues to identify these extraordinary needs, lead agencies requesting an annual renewal of rate exceptions must submit documentation supporting the continuation of the exception. At a minimum, documentation must include:

(1) payroll records for direct care wages cited in the request;

(2) payment records or receipts for other costs cited in the request; and

(3) documentation of expenses paid that were identified as necessary for the initial rate exception.

(g) The commissioner must not increase rate exception annual renewals that request an exception to direct care or supervision wages more than the most recently implemented update to the base wage index ~~determined~~ under subdivision ~~5~~ 5b.

(h) The commissioner must publish online an annual report detailing the impact of the limitations under this subdivision on home and community-based services spending, including but not limited to:

(1) the number and percentage of rate exceptions granted and denied;

(2) total spending on community residential setting services and rate exceptions;

(3) trends in the percentage of spending attributable to rate exceptions; and

(4) an evaluation of the effectiveness of the limitations in controlling spending growth.

Sec. 7. [CORR25-SS05] 2025 First Special Session H.F. No. 2, article 1, section 48, subdivision 1, if enacted, is amended to read:

Subdivision 1. **Duty to perform testing.** (a) It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age, (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange to have administered to every infant or child in its care tests for heritable and congenital disorders according to subdivision 2 and rules prescribed by the state commissioner of health.

(b) Testing, recording of test results, reporting of test results, and follow-up of infants with heritable congenital disorders, including hearing loss detected through the early hearing

detection and intervention program in section 144.966, shall be performed at the times and in the manner prescribed by the commissioner of health.

(c) The fee to support the newborn screening program, including tests administered under this section and section 144.966, shall be ~~$184~~ $184.35 per specimen. This fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

(d) The fee to offset the cost of the support services provided under section 144.966, subdivision 3a, shall be $15 per specimen. This fee shall be deposited in the state treasury and credited to the general fund.

Sec. 8. [CORR25SS-01] Minnesota Statutes 2024, section 223.17, subdivision 3, as amended by Laws 2025, chapter 34, article 3, section 33, is amended to read:

Subd. 3. **Grain buyers and storage account; fees.** (a) The commissioner shall set the examination fees at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. The fee for any license issued or renewed after June 30, 2025, is $500 for each licensed location.

(b) In addition to the license fee required under paragraph (a), a grain buyer must pay to the commissioner an annual examination fee for each licensed location, as follows:

(1) examination fees must be calculated based on bushel capacity of each licensed location with a charge of $0.0035 per bushel of capacity;

(2) examination fees must not be less than $350 and must not exceed $4,000; and

(3) a licensed location with no grain bin capacity must be charged a $200 examination fee.

(c) ~~Examination~~ Fees for each licensed location must not increase more than 150 percent above the ~~examination~~ fee for the licensed location in the previous year.

(d) The fee for any supplemental examination required by the commissioner under section 223.23 is $110 per hour per examiner.

(e) A licensed grain buyer meeting the annual examination requirements under section 223.23 is exempt from the fees under paragraph (b) if the annual examination is conducted by the Agricultural Marketing Service of the United State Department of Agriculture.

(f) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

(g) There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.23 shall be paid into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.23.

Sec. 9. [CORR25SS-02] Minnesota Statutes 2024, section 17.1017, subdivision 9, as amended by Laws 2025, chapter 34, article 3, section 1, is amended to read:

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the ~~good~~ food ~~access~~ retail improvement and development program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall include, but not be limited to, a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;

(4) the number and types of technical assistance recipients;

(5) the demographics of the areas served;

(6) the costs of the program;

(7) the number of SNAP dollars spent;

(8) any increase in retail square footage;

(9) the number of loans or grants to businesses owned by women and Black, Indigenous, or Persons of Color; and

(10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 10. [CORR25SS-02] Minnesota Statutes 2024, section 17.1018, subdivision 1, as amended by Laws 2025, chapter 34, article 3, section 2, is amended to read:

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them:

(1) "program" means the ~~good~~ food ~~access~~ retail improvement and development program under section 17.1017; and

(2) "commissioner" means the commissioner of agriculture.

Sec. 11. [CORR25SS-04] Laws 2025, chapter 34, article 1, section 2, subdivision 3, is amended to read:

| | | |
|---|---|---|
| Subd. 3. **Agricultural Marketing and Development** | ~~22,851,000~~ 23,551,000 | ~~22,601,000~~ 23,301,000 |

(a) $634,000 the first year and $634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

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

(c) $100,000 the first year and $100,000 the second year are for mental health outreach and support to farmers, ranchers, farm workers and employees, and others in the agricultural community and profession and for farm and farm worker safety grant and outreach

programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is $50,000 in fiscal year 2028 and each year thereafter.

(d) $700,000 the first year and $700,000 the second year are for the local food purchasing assistance grant program under article 3, section 35. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.

~~(d)~~ (e) $18,257,000 the first year and $18,007,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is $17,449,000 in fiscal year 2028 and each year thereafter.

~~(e)~~ (f) Except as provided in paragraph ~~(f)~~ (g), the commissioner may allocate the appropriation in paragraph ~~(d)~~ (e) each year among the following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to

diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; supporting the commercialization of an innovative material additive utilizing agricultural coproducts or waste streams to produce fiber-based barrier packaging to reduce perfluoroalkyl and polyfluoroalkyl substances (PFAS) and plastics in packaging products; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 7.5 percent of the appropriation in paragraph ~~(d)~~ (e) for costs incurred to administer the program.

~~(f)~~ (g) Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

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

(2) $3,000,000 the first year and $3,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) $2,750,000 the first year and $2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15

each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $350,000 the first year and $250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000;

(5) $1,594,000 the first year and $1,544,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for

participating farmers and eligible grant recipients. The base for this appropriation is $1,636,000 in fiscal year 2028 and each year thereafter. At the commissioner's discretion, for state administration of federal cooperative agreements for purchasing Minnesota grown and raised foods for schools, child care providers, food banks, and other institutions, the commissioner may use an amount of state funds equal to no more than 7.5 percent of the total federal funds awarded to the state. The commissioner shall expend any available federal administrative funds awarded for this purpose before using state funds;

(6) up to $1,750,000 the first year and up to $1,750,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training;

(7) $1,000,000 the first year and $1,000,000 the second year are for the food retail improvement and development program under Minnesota Statutes, section 17.1017;

(8) up to $200,000 the first year and up to $200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016;

(9) $250,000 the first year and $150,000 the second year are for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant

must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to $2,000 to cover time and labor costs. This is a onetime appropriation; and

(10) up to $525,000 the first year and up to $525,000 the second year are to award AGRI Works grants to institutions and organizations to provide regional and statewide services. Preference shall be given to legislatively created entities and organizations that enhance agricultural, horticultural, or rural community and economic development, marketing, and promotion, and research and education. A grant award under this clause must not exceed $200,000. Grants made under this paragraph are subject to the requirements in Minnesota Statutes, sections 16B.98 and 16B.981. This is a onetime appropriation.

~~(g)~~ (h) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph ~~(d)~~ (e) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032. At the end of fiscal year 2027, the commissioner must prioritize any money resulting from canceled contracts to be used for AGRI Works grants under paragraph ~~(f)~~ (g), clause (10).

Sec. 12. [CORR25-08] Laws 2025, chapter 34, article 1, section 2, subdivision 4, is amended to read:

| | | |
|---|---|---|
| Subd. 4. **Administration and Financial Assistance** | ~~14,879,000~~ 14,179,000 | ~~11,845,000~~ 11,145,000 |

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

(b) $300,000 the first year and $300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is $250,000 in fiscal year 2028 and each year thereafter.

(c) $1,250,000 the first year and $1,250,000 the second year are to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops,

floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2027, are available until June 30, 2029. The base for this appropriation is $1,000,000 in fiscal year 2028 and each year thereafter.

(d) $1,000,000 the first year and $1,000,000 the second year are for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased with grant money must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. The commissioner may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this paragraph may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year.

(e) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to

provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 7.5 percent of the grant awarded under this paragraph for administration.

(f) $1,000,000 the first year and $1,000,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

(g) $137,000 the first year and $203,000 the second year are to support current services.

(h) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may

include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(i) $3,000,000 the first year is for transfer to the Public Facilities Authority for a grant to First District Association to acquire land for and to design, engineer, construct, equip, and furnish a wastewater treatment project. This appropriation is in addition to the appropriation in Laws 2023, chapter 71, article 1, section 15, subdivision 7. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(k) $50,000 the first year is to be awarded as a grant in a competitive bid process to an entity that is not a for-profit entity to conduct a study of market and workforce factors that may contribute to the incorrect marking for the installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities. The study must include recommendations to the legislature and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027.

(r) $50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R

nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment by March 15, 2026.

~~(s) $700,000 the first year and $700,000 the second year are for the local food purchasing assistance grant program under article 3, section 35. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.~~

~~(t)~~ (s) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

Sec. 13. **EFFECTIVE DATE.**

Unless otherwise provided, each section of this act is effective at the time the provision being corrected is effective.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 10, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Maye Quade | Rarick |
| Anderson | Fateh | Johnson Stewart | McEwen | Rasmusson |
| Boldon | Frentz | Klein | Miller | Rest |
| Carlson | Gruenhagen | Koran | Mitchell | Seeberger |
| Champion | Gustafson | Kreun | Mohamed | Weber |
| Clark | Hauschild | Kunesh | Murphy | Westlin |
| Coleman | Hawj | Kupec | Oumou Verbeten | Westrom |
| Cwodzinski | Heintzeman | Lang | Pappas | Wiklund |
| Dahms | Hoffman | Latz | Pha | Xiong |
| Dibble | Housley | Limmer | Port | |
| Dornink | Howe | Mann | Pratt | |
| Draheim | Jasinski | Marty | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dibble, Fateh, Klein, McEwen, Mohamed, Oumou Verbeten, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Dahms, Lang, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Duckworth | Lieske | Mathews | Utke |
| Drazkowski | Green | Lucero | Nelson | Wesenberg |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Drazkowski.

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 9:** A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, section 504B.161, subdivision 1, as amended; Laws 2025, chapter 6, section 9; Laws 2025, chapter 36, article 4, section 8, subdivision 5; Laws 2025, chapter 39, article 7.

Senate File No. 9 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned June 9, 2025

## CONCURRENCE AND REPASSAGE

Senator Limmer moved that the Senate concur in the amendments by the House to S.F. No. 9 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 9 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Marty | Rasmusson |
| Anderson | Farnsworth | Johnson | Mathews | Rest |
| Bahr | Frentz | Johnson Stewart | Maye Quade | Seeberger |
| Boldon | Green | Koran | Miller | Utke |
| Carlson | Gruenhagen | Kreun | Mitchell | Weber |
| Champion | Gustafson | Kunesh | Murphy | Wesenberg |
| Clark | Hauschild | Kupec | Nelson | Westlin |
| Coleman | Hawj | Lang | Pappas | Westrom |
| Cwodzinski | Heintzeman | Latz | Pha | Wiklund |
| Dahms | Hoffman | Lieske | Pratt | Xiong |
| Dornink | Housley | Limmer | Putnam | |
| Draheim | Howe | Mann | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Dahms, Duckworth, Lang, and Pratt.

Those who voted in the negative were:

Lucero

So the bill, as amended, was repassed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Senator Murphy moved that the Secretary of the Senate may correct and approve the Journal of the Senate for Special Session, and that the Secretary notify the Governor and the House of Representatives the Senate is about to adjourn the 2025 Special Session sine die. The motion prevailed.

## MEMBERS EXCUSED

Senator Mitchell was excused from the Session of today from 3:45 to 4:30 p.m. Senator Nelson was excused from the Session of today from 5:20 to 5:40 p.m. Senator Johnson was excused from

# 075. SF 3623

**Vote:** 2026-03-09 | **Workbook row:** 80
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Vehicles approaching school buses to stop for flashing red lights requirement

## Included complete bill documents

**1. Introduction, posted 2026-02-16** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3623/versions/0/pdf/

## Original Senate journal context

PDF pages 55-55. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260309045.pdf#page=55

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3623/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3623

**(SENATE AUTHORS: JOHNSON STEWART, Putnam, Jasinski, Nelson and Coleman)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/17/2026 | 6321 | Introduction and first reading<br>Referred to Transportation |
| 02/19/2026 | 6345 | Author added Jasinski |
| 02/26/2026 | 6390 | Comm report: To pass |
| | 6392 | Second reading |
| | 6419 | Authors added Nelson; Coleman |
| 03/09/2026 | 6581 | Special Order |
| | 6581 | Third reading Passed |
| 03/25/2026 | 6926 | Returned from House<br>Presentment date 03/25/26 |
| | 7110 | Governor's action Approval 03/27/26 |
| | 7110 | Secretary of State Chapter 41 03/27/26<br>Effective date 03/28/2026 |

A bill for an act

relating to transportation; requiring vehicles approaching school buses to stop for flashing red lights; amending Minnesota Statutes 2024, section 169.444, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 169.444, subdivision 1, is amended to read:

Subdivision 1. **Children getting on or off school bus.** (a) When a school bus is stopped on a street or highway, or other location where signs have been erected under section 169.443, subdivision 2, paragraph (b), and is displaying ~~an extended stop-signal arm and~~ flashing red lights, the driver of a vehicle approaching the bus ~~shall~~ must stop the vehicle at least 20 feet away from the bus. The vehicle driver ~~shall~~ must not allow the vehicle to move until ~~the school bus stop-signal arm is retracted and~~ the red lights are no longer flashing.

(b) A vehicle approaching a school bus displaying the prewarning flashing amber lights is thereby warned that continued movement is being terminated and that the flashing red lights are about to be exhibited when vehicular traffic must not encroach within 20 feet of the school bus.

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

## SPECIAL ORDER

**S.F. No. 3623:** A bill for an act relating to transportation; requiring vehicles approaching school buses to stop for flashing red lights; amending Minnesota Statutes 2024, section 169.444, subdivision 1.

S.F. No. 3623 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Klein, McEwen, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Dahms, Lang, and Miller.

So the bill passed and its title was agreed to.

## ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Wednesday, March 11, 2026. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 076. SF 3402

**Vote:** 2026-03-12 | **Workbook row:** 81
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 2 nays

**Workbook subject:** Community health board medical consultant acceptable professions to serve modification

## Included complete bill documents

**1. 1st Engrossment, posted 2026-03-02** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/3402/versions/1/pdf/

## Original Senate journal context

PDF pages 57-57. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260312047.pdf#page=57

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3402/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3402

**(SENATE AUTHORS: UTKE and Wiklund)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 04/22/2025 | 3719 | Introduction and first reading |
| | | Referred to Health and Human Services |
| 03/02/2026 | 6429a | Comm report: To pass as amended |
| | 6446 | Second reading |
| 03/04/2026 | 6488 | Author added Wiklund |
| 03/12/2026 | 6677 | Special Order |
| | 6677 | Third reading Passed |
| 04/13/2026 | 7974 | Returned from House |
| | | Presentment date 04/13/26 |
| | 8040 | Governor's action Approval 04/14/26 |
| | 8040 | Secretary of State Chapter 46 04/14/26 |
| | | Effective date 04/15/2026 |

A bill for an act

relating to health; modifying the professions that may serve as a medical consultant for a community health board; amending Minnesota Statutes 2024, section 145A.02, subdivision 15.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 145A.02, subdivision 15, is amended to read:

Subd. 15. **Medical consultant.** "Medical consultant" means an individual who:

(1) is licensed in Minnesota by the Board of Medical Practice as a physician ~~licensed to practice medicine in Minnesota who~~, doctor of osteopathic medicine, or physician assistant or is licensed in Minnesota by the Board of Nursing as an advanced practice registered nurse and is certified to practice as a clinical nurse specialist or nurse practitioner by a national nurse certification organization acceptable to the board; and

(2) is working under a written agreement with, employed by, or on contract with a community health board to provide advice and information, to authorize medical procedures through protocols, and to assist a community health board and its staff in coordinating their activities with local medical practitioners and health care institutions.

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Heintzeman, Miller, Pratt, and Weber.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Drazkowski | Holmstrom | Lieske | Mathews | Utke |
| Duckworth | Kreun | Lucero | Rasmusson | Wesenberg |

The motion prevailed.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated S.F. No. 3402 a Special Order to be heard immediately.

## SPECIAL ORDER

**S.F. No. 3402:** A bill for an act relating to health; modifying the professions that may serve as a medical consultant for a community health board; amending Minnesota Statutes 2024, section 145A.02, subdivision 15.

S.F. No. 3402 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Mann | Putnam |
| Bahr | Fateh | Johnson | Marty | Rarick |
| Boldon | Frentz | Johnson Stewart | Mathews | Rasmusson |
| Carlson | Green | Klein | Maye Quade | Rest |
| Champion | Gruenhagen | Koran | McEwen | Seeberger |
| Clark | Gustafson | Kreun | Miller | Utke |
| Coleman | Hauschild | Kunesh | Mohamed | Weber |
| Cwodzinski | Hawj | Kupec | Nelson | Wesenberg |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Westrom |
| Draheim | Hoffman | Lieske | Pha | Wiklund |
| Drazkowski | Holmstrom | Limmer | Port | Xiong |
| Duckworth | Howe | Lucero | Pratt | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson and Oumou Verbeten.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Dahms, Heintzeman, Miller, Pratt, and Weber.

Those who voted in the negative were:

| | |
|---|---|
| Dibble | Murphy |

So the bill passed and its title was agreed to.

# 077. SF 3602

**Vote:** 2026-03-18 | **Workbook row:** 82
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 59 yeas, 7 nays

**Workbook subject:** Uniform Electronics Estate Planning Documents Act Establishment

## Included complete bill documents

**1. Introduction, posted 2026-02-16** - 7 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3602/versions/0/pdf/

## Original Senate journal context

PDF pages 64-64. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260318050.pdf#page=64

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3602/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3602

**(SENATE AUTHORS: WESTLIN)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/17/2026 | 6317 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 03/04/2026 | 6466 | Comm report: To pass |
| | 6474 | Second reading |
| 03/18/2026 | 6822 | Special Order |
| | 6822 | Third reading Passed |
| 04/13/2026 | 7974 | Returned from House |
| | | Presentment date 04/13/26 |
| | 8040 | Governor's action Approval 04/14/26 |
| | 8040 | Secretary of State Chapter 45 04/14/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to estates; enacting the Uniform Electronic Estate Planning Documents Act; proposing coding for new law as Minnesota Statutes, chapter 533.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[533.01] TITLE.**

This chapter may be cited as the "Uniform Electronic Estate Planning Documents Act."

Sec. 2. **[533.02] DEFINITIONS.**

In this chapter:

(1) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(2) "Electronic presence" means an individual being in a state and communicating simultaneously with another person by means of an electronic device or process by sight and sound to substantially the same extent as if the individual were in a physical location in relation to the other person that would allow an individual to see and hear the person, allowing for reasonable accommodation for individuals with hearing, vision, or speech impairments as necessary.

(3) "Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.

(4) "Electronic signature" means an electronic symbol, signature, mark, or a process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(5) "Information" includes data, text, images, codes, computer programs, software, and databases.

(6) "Nontestamentary estate planning document" means a record relating to estate planning and is not a will or contained in a will. The term:

(i) includes a record that creates, exercises, modifies, releases, or revokes:

(A) a trust instrument;

(B) a trust power that under the terms of the trust requires a signed record;

(C) a certification of a trust under section 501C.1013;

(D) a power of attorney under chapter 523;

(E) an agent's certification under sections 523.16 to 523.18 of the validity of a power of attorney and the agent's authority;

(F) a power of appointment;

(G) an advance directive, including a health care directive, directive to physicians, natural death statement, living will, and medical or physician order for life-sustaining treatment;

(H) a record directing disposition of an individual's body after death;

(I) a nomination of a guardian for the signing individual;

(J) a nomination of a guardian for a minor child or disabled adult child;

(K) a mental health treatment declaration;

(L) a community property survivorship agreement;

(M) a disclaimer under the Uniform Disclaimer of Property Interests Act, sections 524.2-1101 to 524.2-1116;

(N) an antenuptial agreement or postnuptial agreement; and

(O) any other record intended to carry out an individual's intent regarding property or health care while incapacitated or on death; and

(ii) does not include a deed of real property, or certificate of title for a motor vehicle, watercraft, or aircraft.

(7) "Person" means:

(i) an individual;

(ii) an estate;

(iii) a business or nonprofit entity;

(iv) a government or governmental subdivision, agency, or instrumentality; or

(v) any other legal entity.

(8) "Power of attorney" means a record that grants authority to an agent to act in place of the principal, even if the term is not used in the record.

(9) "Presence" or "conscious presence" means either:

(i) an individual being in a physical location in relation to another person that allows the individual to see and hear the person; or

(ii) electronic presence.

(10) "Record" means information that is: (i) inscribed on a tangible medium; or (ii) stored in an electronic medium and is retrievable in perceivable form.

(11) "Security procedure" means a procedure to verify that an electronic signature, record, or performance is that of a specific person or to detect a change or error in an electronic record. The term includes a procedure that uses an algorithm, code, identifying word or number, encryption, or callback or other acknowledgment procedure.

(12) "Settlor" means a person, including a testator, that creates or contributes property to a trust.

(13) "Sign" means, with present intent to authenticate or adopt a record:

(i) execute or adopt a tangible symbol; or

(ii) attach to or logically associate with the record an electronic signature.

(14) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or other territory or possession subject to the jurisdiction of the United States. The term includes a federally recognized Indian Tribe.

(15) "Terms of a trust" means the manifestation of the settlor's intent regarding a trust's provisions as expressed in the trust instrument or as may be established by other evidence that would be admissible in a judicial proceeding.

(16) "Trust instrument" means an instrument executed by the settlor that contains terms of the trust, including any amendments.

(17) "Will" includes an electronic will, any codicil to a will or electronic will, and a testamentary instrument which merely appoints an executor, revokes or revises another will, electronic will, or codicil.

Sec. 3. **[533.03] CONSTRUCTION.**

This chapter must be construed and applied to:

(1) facilitate electronic estate planning documents and signatures consistent with other law; and

(2) be consistent with reasonable practices concerning electronic documents and signatures and continued expansion of those practices.

Sec. 4. **[533.10] SCOPE.**

(a) Except as provided in paragraph (b), sections 533.10 to 533.19 apply to an electronic nontestamentary estate planning document and an electronic signature on a nontestamentary estate planning document.

(b) Sections 533.10 to 533.19 do not apply to a nontestamentary estate planning document if the document precludes use of an electronic record or electronic signature.

(c) Sections 533.10 to 533.19 do not affect the validity of an electronic record or electronic signature that is valid under:

(1) the Uniform Electronic Transactions Act, chapter 325L;

(2) the Uniform Probate Code, chapter 524; or

(3) the Minnesota Real Property Electronic Recording Act, sections 507.0941 to 507.0949.

Sec. 5. **[533.11] PRINCIPLES OF LAW AND EQUITY.**

The law of this state and principles of equity applicable to a nontestamentary estate planning document apply to an electronic nontestamentary estate planning document except as modified by sections 533.10 to 533.19.

Sec. 6. **[533.12] USE OF ELECTRONIC RECORD OR SIGNATURE NOT REQUIRED.**

(a) Sections 533.10 to 533.19 do not require a nontestamentary estate planning document or signature on a nontestamentary estate planning document to be created, generated, sent, communicated, received, stored, or otherwise processed or used by electronic means or in electronic form.

(b) A person is not required to have a nontestamentary estate planning document in electronic form or signed electronically even if the person previously created or signed a nontestamentary estate planning document by electronic means.

(c) A person may not waive the provisions of this section.

Sec. 7. **[533.13] RECOGNITION OF ELECTRONIC NONTESTAMENTARY ESTATE PLANNING DOCUMENT AND ELECTRONIC SIGNATURE.**

(a) A nontestamentary estate planning document or a signature on a nontestamentary estate planning document may not be denied legal effect or enforceability solely because it is in electronic form.

(b) If other law of this state requires a nontestamentary estate planning document to be in writing, an electronic record of the document satisfies the requirement.

(c) If other law of this state requires a signature on a nontestamentary estate planning document, an electronic signature satisfies the requirement, except as expressly prohibited by Minnesota Statutes.

Sec. 8. **[533.14] ATTRIBUTION AND EFFECT OF ELECTRONIC RECORD AND ELECTRONIC SIGNATURE.**

(a) An electronic nontestamentary estate planning document or electronic signature on an electronic nontestamentary estate planning document is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including by showing the efficacy of a security procedure applied to determine the person to which the electronic record or electronic signature was attributable.

(b) The effect of attribution to a person under subsection (a) of a document or signature is determined from the context and surrounding circumstances at the time of its creation, execution, or adoption and as provided by other law.

Sec. 9. **[533.15] NOTARIZATION AND ACKNOWLEDGMENT.**

If other law of this state requires a signature or record to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied with respect to an electronic nontestamentary estate planning document if an individual authorized to perform the notarization, acknowledgment, verification, or oath attaches or logically associates the individual's electronic signature on the document together with all other information required to be included under the other law, and in conformity with the laws of the state in which the execution occurs.

Sec. 10. **[533.16] WITNESSING AND ATTESTATION.**

(a) If other law of this state bases the validity of a nontestamentary estate planning document on whether it is signed, witnessed, or attested by another individual, the signature, witnessing, or attestation of that individual may be electronic.

(b) If other law of this state bases the validity of a nontestamentary estate planning document on whether it is signed, witnessed, or attested by another individual in the presence of the individual signing the document, the presence requirement is satisfied if the individuals are in each other's electronic presence.

Sec. 11. **[533.17] RETENTION OF ELECTRONIC RECORD; ORIGINAL.**

(a) Except as provided in paragraph (b), if other law of this state requires an electronic nontestamentary estate planning document to be retained, transmitted, copied, or filed, the requirement is satisfied by retaining, transmitting, copying, or filing an electronic record that:

(1) accurately reflects the information in the document after it was first generated in final form as an electronic record or under section 533.18; and

(2) remains accessible to the extent required by the other law.

(b) A requirement under paragraph (a) to retain a record does not apply to information the sole purpose of which is to enable the record to be sent, communicated, or received.

(c) A person may satisfy paragraph (a) by using the services of another person.

(d) If other law of this state requires a nontestamentary estate planning document to be presented or retained in its original form, or provides consequences if a nontestamentary estate planning document is not presented or retained in its original form, an electronic record retained in accordance with paragraph (a) satisfies the other law.

(e) This section does not preclude a governmental agency from specifying requirements for the retention of a record subject to the agency's jurisdiction in addition to those in this section. In this section, "governmental agency" means an executive, legislative, or judicial agency, department, board, commission, authority, institution, or instrumentality of the federal government or of a state or of a county, municipality, or other political subdivision of a state.

Sec. 12. **[533.18] CERTIFICATION OF PAPER COPY.**

An individual may create a certified paper copy of an electronic nontestamentary estate planning document by affirming under penalty of perjury that a paper copy is a complete, true, and accurate copy of the document. A certified paper copy of an electronic nontestamentary estate planning document is presumed to be a true and accurate copy of the executed electronic record, absent clear and convincing evidence to the contrary, and must be given the same effect as an original.

Sec. 13. **[533.19] ADMISSIBILITY IN EVIDENCE.**

Evidence relating to an electronic nontestamentary estate planning document or an electronic signature on the document may not be excluded in a proceeding solely because it is in electronic form.

S.F. Nos. 3602 and 3887.

## SPECIAL ORDER

**S.F. No. 3602:** A bill for an act relating to estates; enacting the Uniform Electronic Estate Planning Documents Act; proposing coding for new law as Minnesota Statutes, chapter 533.

S.F. No. 3602 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 7, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Marty | Putnam |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Rarick |
| Carlson | Fateh | Klein | Maye Quade | Rasmusson |
| Champion | Frentz | Koran | McEwen | Rest |
| Clark | Gruenhagen | Kreun | Miller | Seeberger |
| Coleman | Gustafson | Kunesh | Mohamed | Utke |
| Cwodzinski | Hauschild | Kupec | Murphy | Weber |
| Dahms | Hawj | Lang | Nelson | Wesenberg |
| Dibble | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westlin |
| Dornink | Hoffman | Lieske | Pappas | Wiklund |
| Draheim | Housley | Limmer | Port | Xiong |
| Drazkowski | Jasinski | Mann | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Johnson, Lang, and Miller.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Heintzeman | Howe | Westrom |
| Green | Holmstrom | Lucero | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3887:** A bill for an act relating to local government; allowing watershed districts, watershed management organizations, and towns to self-insure for certain employee health benefits; making technical changes; amending Minnesota Statutes 2024, section 471.617, subdivisions 1, 2, 4, 4a.

S.F. No. 3887 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

# 078. SF 3887

**Vote:** 2026-03-18 | **Workbook row:** 83
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 1 nays

**Workbook subject:** Watershed districts, watershed management organizations, and towns permission to self-insure for certain employee health benefits

## Included complete bill documents

**1. 1st Engrossment, posted 2026-03-05** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3887/versions/1/pdf/

## Original Senate journal context

PDF pages 64-64. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260318050.pdf#page=64

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3887/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3887

**(SENATE AUTHORS: PRATT and Klein)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/26/2026 | 6400 | Introduction and first reading |
| | | Referred to State and Local Government |
| 03/05/2026 | 6499a | Comm report: To pass as amended |
| | 6514 | Second reading |
| 03/18/2026 | 6822 | Special Order |
| | 6822 | Third reading Passed |
| 04/28/2026 | | Returned from House with amendment |
| | | Senate concurred and repassed bill |
| | | Third reading Passed as amended |

A bill for an act

relating to local government; allowing watershed districts, watershed management organizations, and towns to self-insure for certain employee health benefits; making technical changes; amending Minnesota Statutes 2024, section 471.617, subdivisions 1, 2, 4, 4a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 471.617, subdivision 1, is amended to read:

Subdivision 1. **If more than 100 employees; conditions.** A statutory or home rule charter city, county, town, school district, watershed district, watershed management organization, or instrumentality thereof which has more than 100 employees, may by ordinance or resolution self-insure for any employee health benefits including long-term disability, but not for employee life benefits. Any self-insurance plan shall provide all benefits which are required by law to be provided by group health insurance policies. Self-insurance plans must be certified as provided by section 62E.05 and must be filed and certified by the Department of Commerce before they are issued or delivered to any person in this state.

Sec. 2. Minnesota Statutes 2024, section 471.617, subdivision 2, is amended to read:

Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, towns, school districts, watershed districts, watershed management organizations, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same requirements as an individual self-insurer under subdivision 1. Self-insurance pools under this section are subject to section 62L.045. A self-insurance pool

established and operated by one or more service cooperatives governed by section 123A.21 to provide coverage described in this subdivision qualifies under this subdivision, but the individual school district members of such a pool shall not be considered to be self-insured for purposes of section 471.6161, subdivision 8, paragraph (g). The commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or guidelines for the operation and administration of self-insurance pools.

Sec. 3. Minnesota Statutes 2024, section 471.617, subdivision 4, is amended to read:

Subd. 4. **Exclusive representative.** (a) No statutory or home rule charter city ~~or~~, county ~~or~~, town, school district, watershed district, watershed management organization, or instrumentality of any of them shall adopt a ~~self insured~~ self-insured health benefit plan for any employees represented by an exclusive representative certified pursuant to section 179A.12 without prior notification and consultation on ten days' written notice to the exclusive representative and agreement by the exclusive representative that represents the largest number of employees to be included in the plan.

(b) Prior to a decision to dissolve any self-insurance, trust fund, or dedicated insurance fund created by a single statutory or home rule charter city, county, town, school district, watershed district, watershed management organization, or instrumentality of any of them, either by ordinance or resolution, the employer must provide 30 days' written notice to each exclusive representative of employees and each individual currently receiving health benefits, and also obtain approval for the proposed action by the exclusive representative that represents the largest number of employees included in the plan. All assets from the trust fund must be audited before closure, and remaining assets must be dedicated for use for health insurance benefits for all individuals currently receiving health benefits. This paragraph does not apply to joint self-insurance trusts or pools.

(c) The assets or liabilities of a joint self-insurance trust or pool that is dissolved must be distributed to members of the joint trust or pool in accordance with the joint trust or pool agreement, if any.

Sec. 4. Minnesota Statutes 2024, section 471.617, subdivision 4a, is amended to read:

Subd. 4a. **May choose, pay for insurance.** A statutory or home rule charter city, county, town, school district, watershed district, watershed management organization, or instrumentality of any of these entities with a self-insurance health benefit plan, may, upon request of the exclusive representative of its employees as certified pursuant to section

179A.12, allow the employees of the exclusive representative to enroll, at their own expense, in the health insurance benefit plan.

S.F. Nos. 3602 and 3887.

## SPECIAL ORDER

**S.F. No. 3602:** A bill for an act relating to estates; enacting the Uniform Electronic Estate Planning Documents Act; proposing coding for new law as Minnesota Statutes, chapter 533.

S.F. No. 3602 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 7, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson | Marty | Putnam |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Rarick |
| Carlson | Fateh | Klein | Maye Quade | Rasmusson |
| Champion | Frentz | Koran | McEwen | Rest |
| Clark | Gruenhagen | Kreun | Miller | Seeberger |
| Coleman | Gustafson | Kunesh | Mohamed | Utke |
| Cwodzinski | Hauschild | Kupec | Murphy | Weber |
| Dahms | Hawj | Lang | Nelson | Wesenberg |
| Dibble | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westlin |
| Dornink | Hoffman | Lieske | Pappas | Wiklund |
| Draheim | Housley | Limmer | Port | Xiong |
| Drazkowski | Jasinski | Mann | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Johnson, Lang, and Miller.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Heintzeman | Howe | Westrom |
| Green | Holmstrom | Lucero | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3887:** A bill for an act relating to local government; allowing watershed districts, watershed management organizations, and towns to self-insure for certain employee health benefits; making technical changes; amending Minnesota Statutes 2024, section 471.617, subdivisions 1, 2, 4, 4a.

S.F. No. 3887 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

# 079. HF 3556

**Vote:** 2026-04-09 | **Workbook row:** 84
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 59 yeas, 7 nays

**Workbook subject:** Community solar garden named for Melissa Hortman.

## Included complete bill documents

**1. Introduction, posted 2026-02-20** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3556/versions/0/pdf/

## Original Senate journal context

PDF pages 19-19. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260409055.pdf#page=19

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3556/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 3556

02/23/2026 Authored by Acomb, Jones, Klevorn, Pursell, Smith and others
The bill was read for the first time and referred to the Committee on Energy Finance and Policy
03/09/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
03/12/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/09/2026 Passed by the Senate and returned to the House
04/13/2026 Presented to Governor
04/14/2026 Governor Approval

A bill for an act

relating to energy; naming the community solar garden program for Melissa Hortman; amending Minnesota Statutes 2024, section 216B.1641, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 216B.1641, is amended by adding a subdivision to read:

Subd. 15. **Short title.** This section shall be known and may be cited as the "Melissa Hortman Community Solar Garden Program."

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

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 3556, S.F. Nos. 1251 and 3868.

## SPECIAL ORDER

**H.F. No. 3556:** A bill for an act relating to energy; naming the community solar garden program for Melissa Hortman; amending Minnesota Statutes 2024, section 216B.1641, by adding a subdivision.

H.F. No. 3556 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 7, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Boldon | Fateh | Klein | Maye Quade | Rarick |
| Carlson | Frentz | Koran | McEwen | Rasmusson |
| Champion | Gustafson | Kreun | Miller | Rest |
| Clark | Hauschild | Kunesh | Mohamed | Seeberger |
| Coleman | Hawj | Kupec | Murphy | Weber |
| Cwodzinski | Hemmingsen-Jaeger | Lang | Nelson | Wesenberg |
| Dahms | Hoffman | Latz | Oumou Verbeten | Westlin |
| Dibble | Housley | Lieske | Pappas | Westrom |
| Dornink | Howe | Limmer | Pha | Wiklund |
| Draheim | Jasinski | Mann | Port | Xiong |
| Duckworth | Johnson | Marty | Pratt | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Latz, Oumou Verbeten, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Holmstrom | Utke |
| Drazkowski | Heintzeman | Lucero | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1251:** A bill for an act relating to game and fish; removing expiration of crossbow hunting and fishing allowance; amending Minnesota Statutes 2025 Supplement, section 97B.037.

Senator Pha moved to amend S.F. No. 1251 as follows (A-3):

# 080. SF 1251

**Vote:** 2026-04-09 | **Workbook row:** 85
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Expiration removal of crossbow hunting and fishing allowance

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-09** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1251/versions/2/pdf/

## Original Senate journal context

PDF pages 19-20. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260409055.pdf#page=20

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/1251/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1251

**(SENATE AUTHORS: PHA, Hawj, Wesenberg, Drazkowski and Hoffman)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/10/2025 | 344 | Introduction and first reading |
| | | Referred to Environment, Climate, and Legacy |
| 02/24/2025 | 492 | Author added Eichorn |
| 03/24/2025 | 1026 | Author stricken Eichorn |
| 02/23/2026 | 6378 | Author added Drazkowski |
| 03/02/2026 | 6428a | Comm report: To pass as amended |
| | 6446 | Second reading |
| | 6461 | Author added Hoffman |
| 04/09/2026 | 7947 | Special Order: Amended |
| | 7948 | Third reading Passed as amended |
| 04/28/2026 | 9187 | Returned from House |
| | | Presentment date 05/04/2026 |
| | 9976 | Governor's action Approval 05/05/26 |
| | 9976 | Secretary of State Chapter 64 05/05/26 |
| | | Effective date 05/06/2026 |

A bill for an act

relating to game and fish; removing expiration of crossbow hunting and fishing allowance; amending Minnesota Statutes 2025 Supplement, section 97B.037.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 97B.037, is amended to read:

**97B.037 CROSSBOW HUNTING AND FISHING.**

~~(a)~~ Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, turkey, common carp, or native rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, common carp, or native rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, turkey, common carp, or native rough fish by crossbow under this section must have a valid license to take the respective game.

~~(b) This section expires June 30, 2026.~~

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

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 3556, S.F. Nos. 1251 and 3868.

## SPECIAL ORDER

**H.F. No. 3556:** A bill for an act relating to energy; naming the community solar garden program for Melissa Hortman; amending Minnesota Statutes 2024, section 216B.1641, by adding a subdivision.

H.F. No. 3556 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 7, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Boldon | Fateh | Klein | Maye Quade | Rarick |
| Carlson | Frentz | Koran | McEwen | Rasmusson |
| Champion | Gustafson | Kreun | Miller | Rest |
| Clark | Hauschild | Kunesh | Mohamed | Seeberger |
| Coleman | Hawj | Kupec | Murphy | Weber |
| Cwodzinski | Hemmingsen-Jaeger | Lang | Nelson | Wesenberg |
| Dahms | Hoffman | Latz | Oumou Verbeten | Westlin |
| Dibble | Housley | Lieske | Pappas | Westrom |
| Dornink | Howe | Limmer | Pha | Wiklund |
| Draheim | Jasinski | Mann | Port | Xiong |
| Duckworth | Johnson | Marty | Pratt | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Latz, Oumou Verbeten, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Holmstrom | Utke |
| Drazkowski | Heintzeman | Lucero | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1251:** A bill for an act relating to game and fish; removing expiration of crossbow hunting and fishing allowance; amending Minnesota Statutes 2025 Supplement, section 97B.037.

Senator Pha moved to amend S.F. No. 1251 as follows (A-3):

Page 1, after line 14, insert:

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

The motion prevailed. So the amendment was adopted.

S.F. No. 1251 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Oumou Verbeten, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3868:** A bill for an act relating to commerce; prohibiting virtual currency kiosks; proposing coding for new law in Minnesota Statutes, chapter 53B; repealing Minnesota Statutes 2024, sections 53B.69, subdivisions 3b, 3c, 11, 12; 53B.75.

Senator Drazkowski moved to amend S.F. No. 3868 as follows (A-2):

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 53B.50, is amended to read:

**53B.50 RECORDS.**

(a) A licensee must maintain the following records, for purposes of determining the licensee's compliance with this chapter, for at least three years:

# 081. SF 3958

**Vote:** 2026-04-13 | **Workbook row:** 86
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Disaster assistance contingency account reporting date modification

## Included complete bill documents

**1. Introduction, posted 2026-02-25** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3958/versions/0/pdf/

## Original Senate journal context

PDF pages 33-34. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260413056.pdf#page=33

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3958/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3958

**(SENATE AUTHORS: CLARK)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/26/2026 | 6412 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 03/23/2026 | 6865 | Comm report: To pass |
| | 6892 | Second reading |
| 04/13/2026 | 8005 | Special Order |
| | 8005 | Third reading Passed |
| 04/27/2026 | 9106 | Returned from House |
| | | Presentment date 04/28/26 |
| | 9326 | Governor's action Approval 04/29/26 |
| | 9327 | Secretary of State Chapter 60 04/29/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to state government; changing the reporting date on the disaster assistance contingency account; amending Minnesota Statutes 2024, section 12.221, subdivision 6.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 12.221, subdivision 6, is amended to read:

Subd. 6. **Disaster assistance contingency account; appropriation.** (a) A disaster assistance contingency account is created in the special revenue fund in the state treasury. Money in the disaster assistance contingency account is appropriated to the commissioner of public safety to provide:

(1) cost-share for federal assistance under section 12A.15, subdivision 1;

(2) state public disaster assistance to eligible applicants under chapter 12B;

(3) cost-share for federal assistance from the Federal Highway Administration emergency relief program under United States Code, title 23, section 125; and

(4) cost-share for federal assistance from the United States Department of Agriculture, Natural Resources Conservation Service emergency watershed protection program under United States Code, title 16, sections 2203 to 2205.

(b) For appropriations under paragraph (a), clause (1), the amount appropriated is 100 percent of any nonfederal share for state agencies, local governments, and utility cooperatives. Money appropriated under paragraph (a), clause (1), may be used to pay all or a portion of the nonfederal share for publicly owned capital improvement projects.

(c) For appropriations under paragraph (a), clause (2), the amount appropriated is the amount required to pay eligible claims under chapter 12B, as certified by the commissioner of public safety.

(d) By January ~~15~~ 31 of each year, the commissioner of management and budget shall submit a report to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee detailing state disaster assistance appropriations and expenditures under this subdivision during the previous calendar year.

(e) The governor's budget proposal submitted to the legislature under section 16A.11 must include recommended appropriations to the disaster assistance contingency account. The governor's appropriation recommendations must be informed by the commissioner of public safety's estimate of the amount of money that will be necessary to:

(1) provide 100 percent of the nonfederal share for state agencies, local governments, and utility cooperatives that will receive federal financial assistance from FEMA during the next biennium; and

(2) fully pay all eligible claims under chapter 12B.

(f) Notwithstanding section 16A.28:

(1) funds appropriated or transferred to the disaster assistance contingency account do not lapse but remain in the account until appropriated; and

(2) funds appropriated from the disaster assistance contingency account do not lapse and are available until expended.

Senator Housley moved that the name of Senator Green be added as a co-author to S.F. No. 4814. The motion prevailed.

Senator Seeberger moved that the name of Senator Putnam be added as a co-author to S.F. No. 4868. The motion prevailed.

Senator Mathews moved that the name of Senator Rest be added as a co-author to S.F. No. 4920. The motion prevailed.

Senator Johnson moved that the name of Senator Kupec be added as a co-author to S.F. No. 4958. The motion prevailed.

Senator Hawj moved that the name of Senator Hemmingsen-Jaeger be added as a co-author to S.F. No. 4974. The motion prevailed.

Senator Wesenberg moved that the name of Senator Gruenhagen be added as a co-author to S.F. No. 5016. The motion prevailed.

Senator Wesenberg moved that the name of Senator Lucero be added as a co-author to S.F. No. 5017. The motion prevailed.

Senator Dibble moved that the name of Senator Latz be added as a co-author to S.F. No. 5038. The motion prevailed.

Senator Howe moved that S.F. No. 4904 be withdrawn from the Committee on Agriculture, Veterans, Broadband, and Rural Development and re-referred to the Committee on State and Local Government. The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 3958, H.F. Nos. 1410 and 3802.

## SPECIAL ORDER

**S.F. No. 3958:** A bill for an act relating to state government; changing the reporting date on the disaster assistance contingency account; amending Minnesota Statutes 2024, section 12.221, subdivision 6.

S.F. No. 3958 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Boldon | Champion | Coleman | Dahms |
| Bahr | Carlson | Clark | Cwodzinski | Dibble |

| | | | | |
|---|---|---|---|---|
| Dornink | Heintzeman | Kunesh | Mohamed | Seeberger |
| Draheim | Hemmingsen-Jaeger | Kupec | Murphy | Utke |
| Drazkowski | Hoffman | Latz | Nelson | Weber |
| Duckworth | Holmstrom | Lieske | Oumou Verbeten | Wesenberg |
| Farnsworth | Housley | Limmer | Pappas | Westlin |
| Fateh | Howe | Lucero | Pha | Westrom |
| Frentz | Jasinski | Mann | Port | Wiklund |
| Green | Johnson | Marty | Pratt | Xiong |
| Gruenhagen | Johnson Stewart | Mathews | Putnam | |
| Gustafson | Klein | Maye Quade | Rarick | |
| Hauschild | Koran | McEwen | Rasmusson | |
| Hawj | Kreun | Miller | Rest | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, McEwen, and Oumou Verbeten.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Wesenberg.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1410:** A bill for an act relating to public safety; providing for local correctional officers in Peace Officers Discipline Procedures Act; amending Minnesota Statutes 2024, sections 241.026, subdivision 1; 626.89, subdivisions 1, 2.

H.F. No. 1410 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Mathews | Rasmusson |
| Bahr | Fateh | Johnson | Maye Quade | Rest |
| Boldon | Frentz | Johnson Stewart | McEwen | Seeberger |
| Carlson | Green | Klein | Miller | Utke |
| Champion | Gruenhagen | Koran | Mohamed | Weber |
| Clark | Gustafson | Kreun | Murphy | Wesenberg |
| Coleman | Hauschild | Kunesh | Nelson | Westlin |
| Cwodzinski | Hawj | Kupec | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Latz | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Lieske | Pha | Xiong |
| Dornink | Hoffman | Limmer | Port | |
| Draheim | Holmstrom | Lucero | Pratt | |
| Drazkowski | Housley | Mann | Putnam | |
| Duckworth | Howe | Marty | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hawj, McEwen, and Pappas.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Wesenberg.

So the bill passed and its title was agreed to.

# 082. HF 1410

**Vote:** 2026-04-13 | **Workbook row:** 87
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Correctional and peace officer disciplinary procedures modified.

## Included complete bill documents

**1. Introduction, posted 2025-02-21** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1410/versions/0/pdf/

**2. 1st Unofficial Engrossment, posted 2026-03-23** - 4 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2025/0/HF/1410/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 34-34. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260413056.pdf#page=34

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/1410/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 1410

02/24/2025 Authored by Witte and Novotny
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
03/06/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
03/17/2025 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to public safety; providing for local correctional officers in Peace Officers Discipline Procedures Act; amending Minnesota Statutes 2024, sections 241.026, subdivision 1; 626.89, subdivisions 1, 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 241.026, subdivision 1, is amended to read:

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

(b) "Correctional officer" and "officer" mean a person employed by the state~~,~~ or a state correctional facility~~, or a local correctional or detention facility~~ in a security capacity.

(c) "Formal statement" means the questioning of an officer in the course of obtaining a recorded, stenographic, or signed statement to be used as evidence in a disciplinary proceeding against the officer.

Sec. 2. Minnesota Statutes 2024, section 626.89, subdivision 1, is amended to read:

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

(a) "Administrative hearing" means a nonjudicial hearing or arbitration authorized to recommend, approve, or order discipline.

(b) "Correctional officer" means a person employed by a local correctional or detention facility in a security capacity.

~~(b)~~ (c) "Formal statement" means the questioning of an officer in the course of obtaining ~~a recorded, stenographic, or signed statement~~ information to be used as a basis for disciplining an officer or as evidence in a disciplinary proceeding against the officer.

~~(c)~~ (d) "Officer" means a licensed peace officer or part-time peace officer, as defined in section 626.84, subdivision 1, paragraphs (c) and (d), who is employed by a unit of government, or a correctional officer.

Sec. 3. Minnesota Statutes 2024, section 626.89, subdivision 2, is amended to read:

Subd. 2. **Applicability.** The procedures and provisions of this section apply to law enforcement agencies and government units, local correctional facilities, and local detention facilities. The procedures and provisions of this section do not apply to investigations of criminal charges against an officer.

A bill for an act

relating to public safety; modifying correctional and peace officer disciplinary procedures; amending Minnesota Statutes 2024, sections 241.026, subdivisions 1, 3, by adding subdivisions; 626.89, subdivisions 1, 8.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 241.026, subdivision 1, is amended to read:

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

(b) "Administrative hearing" means a nonjudicial hearing or arbitration authorized to modify, approve, or deny discipline.

~~(b)~~ (c) "Correctional officer" and "officer" mean a person employed by the state, a state correctional facility, or a local correctional or detention facility in a security capacity.

~~(c)~~ (d) "Formal statement" means the questioning of ~~an~~ the subject officer ~~in the course of~~ for the purpose of obtaining ~~a recorded, stenographic, or signed statement~~ information to be used as a basis for discipline of the officer or as evidence in a disciplinary proceeding against the officer.

Sec. 2. Minnesota Statutes 2024, section 241.026, subdivision 3, is amended to read:

Subd. 3. **Governing formal statement procedures.** The formal statement of an officer must be taken according to ~~subdivision~~ subdivisions 4, 4a, 4b, 4c, 4d, 4e, and 5.

Sec. 3. Minnesota Statutes 2024, section 241.026, is amended by adding a subdivision to read:

Subd. 4a. **Complaint.** An officer's formal statement may not be taken unless there is filed with the employing or investigating agency a written complaint signed by the complainant stating the complainant's knowledge, and the officer has been given a summary of the allegations. Complaints stating the signer's knowledge also may be filed by members of the employing agency. Before an administrative hearing is begun, the officer must be given a copy of the signed complaint.

Sec. 4. Minnesota Statutes 2024, section 241.026, is amended by adding a subdivision to read:

Subd. 4b. **Witnesses; investigative reports.** Upon request, the investigating agency or the officer shall provide the other party with a list of witnesses that the agency or officer expects to testify at the administrative hearing and the substance of the testimony. A party is entitled to copies of any witness statements in the possession of the other party and an officer is entitled to a copy of the investigating agency's investigative report, provided that any references in a witness statement or investigative report that would reveal the identity of confidential informants need not be disclosed except upon order of the person presiding over the administrative hearing for good cause shown.

Sec. 5. Minnesota Statutes 2024, section 241.026, is amended by adding a subdivision to read:

Subd. 4c. **Sessions.** Sessions at which a formal statement is taken must be of reasonable duration and must give the officer reasonable periods for rest and personal necessities. When practicable, sessions must be held during the officer's regularly scheduled work shift. If the session is not held during the officer's regularly scheduled work shift, the officer must be paid by the employing agency at the officer's current compensation rate for time spent attending the session.

Sec. 6. Minnesota Statutes 2024, section 241.026, is amended by adding a subdivision to read:

Subd. 4d. **Record.** A complete record of sessions at which a formal statement is taken must be made by electronic recording. Upon written request of the officer whose statement is taken, a complete copy or transcript must be made available to the officer without charge

or undue delay. The session may be tape recorded by the investigating officer and by the officer under investigation.

Sec. 7. Minnesota Statutes 2024, section 241.026, is amended by adding a subdivision to read:

Subd. 4e. **Presence of attorney and union representative.** The officer whose formal statement is taken has the right to have a union representative or an attorney retained by the officer, or both, present during the session. The officer may request the presence of the union representative or attorney, or both, at any time before or during the session. When a request under this subdivision is made, no formal statement may be taken until a reasonable opportunity is provided for the officer to obtain the presence of the union representative or attorney.

Sec. 8. Minnesota Statutes 2024, section 241.026, is amended by adding a subdivision to read:

Subd. 11. **Action for damages.** Notwithstanding section 3.736 or 466.03, a political subdivision or state agency that violates this section is liable to the officer for actual damages resulting from the violation, plus costs and reasonable attorney fees. The political subdivision or the state is deemed to have waived any immunity to a cause of action brought under this subdivision, except that the monetary limits on liability under section 3.736, subdivision 4, or 466.04 apply.

Sec. 9. Minnesota Statutes 2024, section 626.89, subdivision 1, is amended to read:

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

(a) "Administrative hearing" means a nonjudicial hearing or arbitration authorized to recommend, approve, or order discipline.

(b) "Formal statement" means the questioning of an officer in the course of obtaining ~~a recorded, stenographic, or signed statement~~ information to be used as a basis for disciplining an officer or as evidence in a disciplinary proceeding against the officer.

(c) "Officer" means a licensed peace officer or part-time peace officer, as defined in section 626.84, subdivision 1, paragraphs (c) and (d), who is employed by a unit of government.

Sec. 10. Minnesota Statutes 2024, section 626.89, subdivision 8, is amended to read:

Subd. 8. **Record.** A complete record of sessions at which a formal statement is taken must be made by electronic recording ~~or otherwise~~. Upon written request of the officer whose statement is taken, a complete copy or transcript must be made available to the officer without charge or undue delay. The session may be tape recorded by the investigating officer and by the officer under investigation.

| | | | | |
|---|---|---|---|---|
| Dornink | Heintzeman | Kunesh | Mohamed | Seeberger |
| Draheim | Hemmingsen-Jaeger | Kupec | Murphy | Utke |
| Drazkowski | Hoffman | Latz | Nelson | Weber |
| Duckworth | Holmstrom | Lieske | Oumou Verbeten | Wesenberg |
| Farnsworth | Housley | Limmer | Pappas | Westlin |
| Fateh | Howe | Lucero | Pha | Westrom |
| Frentz | Jasinski | Mann | Port | Wiklund |
| Green | Johnson | Marty | Pratt | Xiong |
| Gruenhagen | Johnson Stewart | Mathews | Putnam | |
| Gustafson | Klein | Maye Quade | Rarick | |
| Hauschild | Koran | McEwen | Rasmusson | |
| Hawj | Kreun | Miller | Rest | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, McEwen, and Oumou Verbeten.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Wesenberg.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1410:** A bill for an act relating to public safety; providing for local correctional officers in Peace Officers Discipline Procedures Act; amending Minnesota Statutes 2024, sections 241.026, subdivision 1; 626.89, subdivisions 1, 2.

H.F. No. 1410 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Mathews | Rasmusson |
| Bahr | Fateh | Johnson | Maye Quade | Rest |
| Boldon | Frentz | Johnson Stewart | McEwen | Seeberger |
| Carlson | Green | Klein | Miller | Utke |
| Champion | Gruenhagen | Koran | Mohamed | Weber |
| Clark | Gustafson | Kreun | Murphy | Wesenberg |
| Coleman | Hauschild | Kunesh | Nelson | Westlin |
| Cwodzinski | Hawj | Kupec | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Latz | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Lieske | Pha | Xiong |
| Dornink | Hoffman | Limmer | Port | |
| Draheim | Holmstrom | Lucero | Pratt | |
| Drazkowski | Housley | Mann | Putnam | |
| Duckworth | Howe | Marty | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hawj, McEwen, and Pappas.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Wesenberg.

So the bill passed and its title was agreed to.

# 083. HF 3802

**Vote:** 2026-04-13 | **Workbook row:** 88
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Exemptions to the certificate of need requirement amended.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-03-12** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3802/versions/1/pdf/

## Original Senate journal context

PDF pages 35-35. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260413056.pdf#page=35

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3802/

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in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3802

02/26/2026 Authored by Hollins, Swedzinski, Igo, Long, Sexton and others
The bill was read for the first time and referred to the Committee on Energy Finance and Policy
03/12/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
03/23/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/13/2026 Passed by the Senate and returned to the House
04/20/2026 Presented to Governor
04/21/2026 Governor Approval

A bill for an act

relating to energy; amending the exemptions to the certificate of need requirement; amending Minnesota Statutes 2024, section 216B.243, subdivision 8.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, for which a site permit application is submitted by an independent power producer under chapter 216I;

(8) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, engaging in a repowering project that:

(i) will not result in the system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the system exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase;

(9) energy storage systems, as defined in section 216I.02, subdivision 6;

(10) transmission lines that directly interconnect large wind energy conversion systems, solar energy generating systems, or energy storage systems to the transmission system; ~~or~~

(11) relocation of an existing ~~high voltage~~ high-voltage transmission line to new right-of-way, provided that any new structures that are installed are not designed for and capable of operation at higher voltage; or

(12) an upgrade or rebuilding of an existing electric line and associated facilities with a capacity of less than 100 kilovolts to a high-voltage transmission line with a capacity of 115 kilovolts, provided that at least 80 percent of the length of the upgraded or rebuilt high-voltage transmission line in Minnesota is located along an existing electric line right-of-way.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

(3) increasing the nameplate capacity of a large wind energy conversion system.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any applicable project for which upgrading or rebuilding has begun on or after that date.

## SPECIAL ORDER

**H.F. No. 3802:** A bill for an act relating to energy; amending the exemptions to the certificate of need requirement; amending Minnesota Statutes 2024, section 216B.243, subdivision 8.

H.F. No. 3802 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hawj, McEwen, and Pappas.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Wesenberg.

So the bill passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

## REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Report at the Desk be now adopted. The motion prevailed.

# 084. SF 2511

**Vote:** 2026-04-14 | **Workbook row:** 89
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 56 yeas, 10 nays

**Workbook subject:** Omnibus Liquor Bill

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-14** - 11 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/2511/versions/2/pdf/

## Original Senate journal context

PDF pages 2-3. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260414057.pdf#page=2

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/2511/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2511

**(SENATE AUTHORS: KLEIN, Latz and Dahms)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/13/2025 | 764 | Introduction and first reading |
| | | Referred to Commerce and Consumer Protection |
| 03/24/2025 | 958a | Comm report: To pass as amended |
| | 1002 | Second reading |
| 04/28/2025 | 4127 | Special Order |
| | 4127 | Third reading Passed |
| 04/14/2026 | 8019a | Returned from House with amendment |
| | 8020 | Senate concurred and repassed bill |
| | 8020 | Third reading Passed as amended |
| | 8033 | Author added Latz |
| | 8034 | Author added Dahms |
| | | Presentment date 04/20/26 |
| | 8950 | Governor's action Approval 04/21/26 |
| | 8950 | Secretary of State Chapter 48 04/21/26 |
| | | Effective date various dates |

A bill for an act

relating to liquor; authorizing various municipalities to issue liquor licenses; clarifying certain trade practices with respect to manufacturers and wholesalers; clarifying service of intoxicating liquor in certain establishments; modifying certain requirements of liquor licenses issued to the Board of Regents of the University of Minnesota; amending Minnesota Statutes 2024, sections 340A.308; 340A.404, subdivisions 2b, 4a, 6; 340A.412, subdivision 4; Laws 2017, First Special Session chapter 4, article 5, section 12; proposing coding for new law in Minnesota Statutes, chapter 340A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 340A.308, is amended to read:

**340A.308 PROHIBITED TRANSACTIONS.**

(a) Except as otherwise provided in section 340A.301, no brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

(1) give, or lend money, credit, or other thing of value to a retailer;

(2) give, lend, lease, or sell furnishing or equipment to a retailer;

(3) have an interest in a retail license; or

(4) be bound for the repayment of a loan to a retailer.

(b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or wholesaler is prohibited by law and the retailer knew or had reason to know that the furnishing is prohibited by law.

(c) This section does not prohibit a manufacturer or wholesaler from:

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to $400 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to $300 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to $100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail;

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only; or

(6) in the case of a wholesaler, with the prior written consent of the commissioner, selling beer on consignment to a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

(d) A manufacturer or wholesaler who is engaged in the business of selling nonalcoholic products may engage in the lawful trade practices of the nonalcoholic product industry, provided the sales and practices surrounding the nonalcoholic products are not used as an unlawful inducement to purchase alcoholic beverages. This paragraph does not apply to products regulated by chapter 342.

Sec. 2. **[340A.4015] NURSING HOMES, BOARDING CARE HOMES, AND ASSISTED LIVING FACILITIES; WHEN LICENSE NOT REQUIRED.**

(a) For purposes of this section, "facility" means a nursing home as defined in section 144A.01, subdivision 5, a boarding care home as defined in Minnesota Rules, chapter 4655, or an assisted living facility as defined in section 144G.08, subdivision 7.

(b) A facility is not required to obtain a license or permit under this chapter for the service of intoxicating liquor on its premise, subject to the following conditions:

(1) the facility must submit notice to the commissioner of the facility's intent to allow the service of intoxicating liquor under this section;

(2) the facility must hold the license required by the commissioner of health to be a valid licensed facility;

(3) intoxicating liquor may only be served to or by the residents of the facility and their guests, when the guests are physically accompanied by a resident for the entirety of the service;

(4) the service of intoxicating liquor may only occur at activities or events conducted primarily for residents of the facility and their invited guests, and only within the licensed facility or on the facility's property;

(5) intoxicating liquor may not be sold, offered for sale, or otherwise provided for any form of consideration; and

(6) facilities are subject to all other provisions and requirements of this chapter and applicable rules, not inconsistent with this section.

(c) A facility allowing the service of intoxicating liquor under this section must be open for inspection by the commissioner and the commissioner's representative and by peace officers, who may enter and inspect during reasonable hours.

(d) Facilities operating under this section are subject to the requirements and penalties in section 340A.415 in the same manner as if they were a license or permit holder.

(e) The commissioner may take enforcement action as provided in section 340A.415 against any facility operating under this section for any violation of this section and any other provision of this chapter and Minnesota Rules, chapter 7515, not inconsistent with this section, including service to an obviously intoxicated person, unlawful furnishing, underage access or consumption, unlawful possession, unlawful storage, or other alcohol-related violations.

(f) The commissioner may prohibit service and require corrective action plans or mandatory training for staff prior to a facility resuming operation under this section.

(g) The commissioner may refer any pattern of unsafe service, health risk associated with alcohol service or storage, or failure to comply with this section to the commissioner of health for investigation.

(h) Nothing in this section limits or otherwise affects criminal enforcement under this chapter or any other law against a facility or any person.

Sec. 3. Minnesota Statutes 2024, section 340A.404, subdivision 2b, is amended to read:

Subd. 2b. **Special provision; city of St. Paul.** (a) The city of St. Paul may issue an on-sale intoxicating liquor license to the Fitzgerald Theatre, the Great American History Theater at 30 East 10th Street, and the Brave New Workshop at the Palace Theater at 17

West Seventh Place, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The license authorizes sales on all days of the week to holders of tickets for performances presented by the theatre and to members of the nonprofit corporation holding the license and to their guests.

(b) Notwithstanding any other law, local ordinance, or charter provision, the city of St. Paul may issue an on-sale intoxicating liquor license to the Science Museum of Minnesota, or its concessionaire or operator, for use on the premises of the Science Museum of Minnesota at 120 West Kellogg Boulevard. The license authorizes sales on all days of the week.

(c) Notwithstanding any other law, local ordinance, or charter provision, the city of St. Paul may issue an on-sale intoxicating liquor license to the Union Depot, or its concessionaire or operator, for use on the premises of the Union Depot at 214 Fourth Street East. The license authorizes sales on all days of the week.

**EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 4. Minnesota Statutes 2024, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **Publicly owned recreation; entertainment facilities.** (a) Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the city of Biwabik, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm;

(3) to the Board of Regents of the University of Minnesota or to an entity holding a concessions contract with the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, including any games played by the Minnesota Vikings at the stadium, and ~~at no more than seven~~ for other locations within the boundaries of the University of Minnesota that are described in the approved license applications, provided that the Board of Regents has approved an application for a license for the specified location and provided that a license for an intercollegiate football

stadium is void unless it meets the conditions of paragraph (b). Licenses may be issued for space that is not compact and contiguous, provided that all space is included in the description of the licensed premises on the approved license applications. It is solely within the discretion of the Board of Regents to choose the manner in which to carry out these conditions consistent with the requirements of paragraph (b); and

(4) to the Duluth Entertainment and Convention Center Authority for beverage sales on the premises of the Duluth Entertainment and Convention Center Arena during intercollegiate hockey games.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

(b) No alcoholic beverage may be sold or served at ~~TCF~~ Huntington Bank Stadium unless the Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided in paragraph (a), clause (3), that provides for the sale of intoxicating liquor at a location in the stadium that is convenient to the general public attending an intercollegiate football game at the stadium. On-sale liquor sales to the general public must be available at that location through half-time of an intercollegiate football game at ~~TCF~~ Huntington Bank Stadium, and sales at the stadium must comply with section 340A.909.

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

Sec. 5. Minnesota Statutes 2024, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, hotel, or resort as defined in section 157.15, subdivision 11, with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue ~~up to ten~~ seasonal on-sale licenses to restaurants ~~and~~, clubs, and resorts as defined in section 157.15, subdivision 11, for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

(c) A county board may issue an annual or seasonal on-sale malt liquor license to a resort as defined in section 157.15, subdivision 11, within the area of the county that is unorganized or unincorporated, notwithstanding any law or local ordinance. A license issued under this

paragraph authorizes sales on all days of the week to persons staying at the resort and their guests.

Sec. 6. Minnesota Statutes 2024, section 340A.412, subdivision 4, is amended to read:

Subd. 4. **Licenses prohibited in certain areas.** (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the Capitol or on the Capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or Laws 1999, chapter 202, section 13;

(3) on the State Fairgrounds, except as provided under section 37.21, subdivision 2;

~~(4) on the campus of the College of Agriculture of the University of Minnesota;~~

~~(5)~~ (4) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the Direct Care and Treatment executive board or the commissioner of corrections;

~~(6)~~ (5) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it; and

~~(7)~~ (6) within 1,500 feet of any public school that is not within a city.

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

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

Sec. 7. Laws 2017, First Special Session chapter 4, article 5, section 12, is amended to read:

Sec. 12. **FOOD HALL LICENSE; MINNEAPOLIS.**

Notwithstanding Minnesota Statutes, section 340A.101, subdivision 25, 340A.401, or 340A.410, subdivision 7, or any other law or ordinance to the contrary, the city of

Minneapolis may issue an on-sale intoxicating liquor license for a licensee serving as an anchor tenant for a food hall ~~to be located at 501 30th Avenue Southeast~~. The license may allow service and consumption anywhere within the licensee establishment, and anywhere within the larger food hall, provided that the larger premises is specified in the on-sale license. Multiple independent food vendors will be able to utilize a common seating area under the control of the liquor license holder to allow the public to purchase and consume food from third parties while also consuming licensed beverages sold by the license holder. Licenses may only be issued for food halls at the following locations:

(1) 501 30th Avenue Southeast; and

(2) 800 LaSalle Avenue.

**EFFECTIVE DATE.** This section is effective upon approval by the city of Minneapolis and compliance with Minnesota Statutes, section 645.021.

Sec. 8. **MINNESOTA STATE UNIVERSITY, MANKATO; SPECIAL LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of Mankato may issue an on-sale wine and malt liquor intoxicating liquor license to Minnesota State University, Mankato. A license authorized by this section may be issued for space that is not compact and contiguous, provided that all the space is within the boundaries of the campus of Minnesota State University, Mankato, and is included in the description of the licensed premises on the approved license application. The license under this section authorizes sales on all days of the week to persons attending events at the Taylor Center, subject to the hours and days of sale restrictions in Minnesota Statutes, and any reasonable license conditions or restrictions imposed by the licensing authority. All other provisions of Minnesota Statutes not inconsistent with this section apply to the license authorized under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Mankato City Council in the manner provided by Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 9. **CITY OF ROCHESTER; SPECIAL LICENSE.**

Notwithstanding any other law, ordinance, or charter provision to the contrary, the city of Rochester may issue an on-sale intoxicating liquor license to the Historic Chateau Theater, located in the city at 15 1st Street Southwest. The license authorizes sales on all days of the week to persons attending performances, exhibitions, or any other events at the theater. The

provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Rochester City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 10. **CITY OF BLOOMINGTON; SPECIAL LICENSE.**

Notwithstanding any other law or ordinance to the contrary, the city of Bloomington may issue an on-sale intoxicating liquor license for the Bloomington Dwan Golf Course, located at 3301 West 110th Street. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Bloomington is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

**EFFECTIVE DATE.** This section is effective upon approval by the Bloomington City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 11. **LAKE OF THE WOODS COUNTY; TEMPORARY LICENSES.**

Lake of the Woods County may issue temporary licenses pursuant to law for premises of the Baudette Arena Association, without regard to the restriction set forth in Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (7).

**EFFECTIVE DATE.** This section is effective upon approval by the Lake of the Woods County Board of Commissioners and compliance with Minnesota Statutes, section 645.021.

Sec. 12. **CITY OF ST. LOUIS PARK; SPECIAL LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.101, subdivision 25; 340A.401; or 340A.410, subdivision 7, or any other law or ordinance to the contrary, the city of St. Louis Park may issue an on-sale intoxicating liquor license to a licensee serving as an anchor tenant for a food hall located in any portion of the mall commonly known as The Shops at West End. The license may allow service and consumption anywhere within the licensee establishment, and anywhere within the larger food hall, provided that the larger premises is specified in the on-sale license. Multiple independent food vendors will be able to utilize a common seating area under the control of the liquor license holder to allow the public to purchase and consume food from third parties while also consuming licensed beverages sold by the license holder.

**EFFECTIVE DATE.** This section is effective upon approval by the St. Louis Park City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 13. **CITY OF SPRINGFIELD; SPECIAL LICENSE.**

The city of Springfield may issue an on-sale intoxicating liquor license, an on-sale wine and strong beer license, or an on-sale including Sunday intoxicating liquor license for the city-owned facility known as the Springfield Area Community Center, notwithstanding any law, local ordinance, or charter provision. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Springfield is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the facility was a municipal liquor store.

**EFFECTIVE DATE.** This section is effective upon approval by the Springfield City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 14. **DOUGLAS COUNTY; SPECIAL LICENSE.**

(a) Notwithstanding any other law, local ordinance, or charter provision, the governing body of a municipality may issue to a food truck a temporary license for the on-sale of intoxicating liquor in connection with a private event occurring in Douglas County in which the food truck has entered into a contract to provide food and beverage services. Licenses under this section are not valid unless first approved by the commissioner of public safety. For purposes of this section, "food truck" means a business that is licensed or permitted by the licensing authority to prepare and sell food from a motorized vehicle or trailer within the municipality.

(b) The license allows the on-sale of intoxicating liquor for not more than four consecutive days, not to exceed 12 days per year, and only on the dates stated on the approved license application. The license must specify the conditions under which the intoxicating liquor must be dispensed and consumed. No sale under this license may be made outside the hours established by the municipality for on-premises consumption.

(c) This license is not required to be associated with a permanent building or fixed establishment and may authorize service from the licensed food truck or another mobile or temporary service unit located within the licensed premises described in the approved license application.

(d) A license under this section is subject to the terms, including a license fee, imposed by the issuing municipality, as well as all other provisions and requirements of Minnesota Statutes, chapter 340A, its applicable rules, and local ordinances not inconsistent with this section, including retailer's identification card, storage, and liability insurance requirements. The licensee shall be open for inspection by the commissioner and the commissioner's representatives and by peace officers, who may enter and inspect during reasonable hours. The commissioner may take an enforcement action as provided in Minnesota Statutes, chapter 340A, including Minnesota Statutes, section 340A.415, for any violation of this section and any other applicable provision of Minnesota Statutes, chapter 340A, or rule adopted under Minnesota Statutes, chapter 340A.

(e) The licensee shall notify prior to any private event: (1) the police chief of the city where the event will take place, if the event will take place within the corporate limits of a city; or (2) the Douglas County sheriff, if the event will be outside the corporate limits of any city.

(f) This section expires one year from the date it becomes effective.

**EFFECTIVE DATE.** This section is effective upon approval by the Douglas County Board of Commissioners and compliance with Minnesota Statutes, section 645.021.

Sec. 15. **CITY OF ERHARD; SPECIAL LICENSE.**

Notwithstanding any other law, ordinance, or charter provision to the contrary, the city of Erhard may issue an on-sale intoxicating liquor license to the Erhard Community Park, located in the city at Pelican River Avenue. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section. The city of Erhard is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the facility was a municipal liquor store.

**EFFECTIVE DATE.** This section is effective upon approval by the Erhard City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 16. **SOUTHWEST MINNESOTA STATE UNIVERSITY; SPECIAL LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of Marshall may issue an on-sale wine and malt liquor intoxicating liquor license to Southwest Minnesota State University. A license authorized by this section may be issued for space that is not compact and contiguous, provided that all the space is within the

boundaries of the campus of Southwest Minnesota State University and is included in the description of the licensed premises on the approved license application. The license under this section authorizes sales on all days of the week to persons attending events at the Schwan Regional Event Center and the Recreation/Athletic Facility, subject to the hours and days of sale restrictions in Minnesota Statutes, chapter 340A, and any reasonable license conditions or restrictions imposed by the licensing authority. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Marshall City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 17. **CITY OF BRAINERD; SPECIAL LICENSE.**

Notwithstanding any other law, ordinance, or charter provision to the contrary, the city of Brainerd may issue an intoxicating liquor license to the Northern Pacific Center, located at 1511 Northern Pacific Road. A license issued under this section allows sales on all days of the week to persons attending events at the center, and may be issued for a space that is not compact and contiguous, provided that the premises are described in the approved license. All other provisions of Minnesota Statutes, chapter 340A not inconsistent with this section apply to a license issued under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Brainerd City Council and compliance with Minnesota Statutes, section 645.021.

**S.F. No. 2511:** A bill for an act relating to liquor; authorizing various municipalities to issue liquor licenses; modifying certain requirements of liquor licenses issued to the Board of Regents of the University of Minnesota; modifying wine transfer provisions; establishing a social district license; establishing a food truck license pilot program; amending Minnesota Statutes 2024, sections 340A.404, subdivisions 2b, 4a; 340A.412, subdivision 4; 340A.417; Laws 2017, First Special Session chapter 4, article 5, section 12; proposing coding for new law in Minnesota Statutes, chapter 340A.

Senate File No. 2511 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 13, 2026

## CONCURRENCE AND REPASSAGE

Senator Klein moved that the Senate concur in the amendments by the House to S.F. No. 2511 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 2511:** A bill for an act relating to liquor; authorizing various municipalities to issue liquor licenses; clarifying certain trade practices with respect to manufacturers and wholesalers; clarifying service of intoxicating liquor in certain establishments; modifying certain requirements of liquor licenses issued to the Board of Regents of the University of Minnesota; amending Minnesota Statutes 2024, sections 340A.308; 340A.404, subdivisions 2b, 4a, 6; 340A.412, subdivision 4; Laws 2017, First Special Session chapter 4, article 5, section 12; proposing coding for new law in Minnesota Statutes, chapter 340A.

S.F. No. 2511 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 10, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Farnsworth | Koran | Miller | Seeberger |
| Boldon | Fateh | Kreun | Mohamed | Utke |
| Champion | Frentz | Kunesh | Murphy | Weber |
| Clark | Gustafson | Kupec | Nelson | Wesenberg |
| Coleman | Hauschild | Lang | Oumou Verbeten | Westlin |
| Cwodzinski | Hawj | Latz | Pappas | Westrom |
| Dahms | Hemmingsen-Jaeger | Lieske | Pha | Wiklund |
| Dibble | Hoffman | Limmer | Port | Xiong |
| Dornink | Housley | Mann | Pratt | |
| Draheim | Jasinski | Marty | Putnam | |
| Drazkowski | Johnson Stewart | Maye Quade | Rarick | |
| Duckworth | Klein | McEwen | Rasmusson | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Pappas, and Port.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Gruenhagen | Holmstrom | Johnson | Mathews |
| Green | Heintzeman | Howe | Lucero | Rest |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Lucero.

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3437, 3467, 3479, 3544, 3699, 4118, and 4241.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted April 13, 2026

## FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 3437:** A bill for an act relating to commerce; modifying the application of residential mortgage loan fees and penalties in certain instances; amending Minnesota Statutes 2024, sections 58.137, by adding a subdivision; 58.20, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4168, now on General Orders.

**H.F. No. 3467:** A bill for an act relating to veterans; allowing the commissioner of veterans affairs to direct agency resources to veterans' initiatives; requiring reports; amending Minnesota Statutes 2024, section 196.22, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3956, now on General Orders.

**H.F. No. 3479:** A bill for an act relating to mortgage foreclosures; clarifying right to postpone a mortgage sale; amending Minnesota Statutes 2024, section 580.07, subdivision 3; Minnesota Statutes 2025 Supplement, section 580.07, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3791, now on General Orders.

**H.F. No. 3544:** A bill for an act relating to veterans; providing that certain veterans or former members of the armed forces who have forfeited federal benefits do not qualify for state-funded veterans benefits, services, or programs; discontinuing the environmental hazards information and assistance program for veterans; amending Minnesota Statutes 2024, section 196.021; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 2024, sections 196.19; 196.21; 196.22, subdivisions 1, 2, 3, 5; 196.23; 196.24; 196.25; 196.26; 197.225.

# 085. HF 3741

**Vote:** 2026-04-14 | **Workbook row:** 90
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Educational assistance for veterans' children and spouses modified, and money appropriated.

## Included complete bill documents

**1. Introduction, posted 2026-02-25** - 6 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3741/versions/0/pdf/

## Original Senate journal context

PDF pages 17-17. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260414057.pdf#page=17

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3741/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3741

02/25/2026 Authored by Hill; Rehrauer; Lee, X.; Xiong and Clardy
The bill was read for the first time and referred to the Veterans and Military Affairs Division
03/12/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
03/23/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/16/2026 Passed by the Senate and returned to the House
04/20/2026 Presented to Governor
04/21/2026 Governor Approval

A bill for an act

relating to veterans; modifying educational assistance for veterans' children and spouses; appropriating money; amending Minnesota Statutes 2024, sections 197.75, subdivisions 2, 3, 5, by adding a subdivision; 197.791, subdivision 8; Minnesota Statutes 2025 Supplement, section 197.75, subdivision 1; repealing Minnesota Statutes 2024, section 197.752.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 197.75, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "Deceased veteran" means a veteran who has died as a result of the person's military service, as determined by the United States Department of Veterans ~~Administration, and who was a resident of this state: (1) within six months of entering the United States armed forces, or (2) for the six months preceding the veteran's date of death~~ Affairs or United States Department of Defense.

(d) "Eligible child" means a person who:

(1) is the natural or adopted child or stepchild of:

(i) a deceased veteran; ~~and~~ or

(ii) a person who served as a prisoner of war or was declared a person missing in action, if the child was born or legally adopted by the person or was in the legal custody of the

person before or during the period that the person served as a prisoner of war or was declared a person missing in action;

(2) is a student making satisfactory academic progress at an eligible institution of higher education.;

(3) is a resident student, as defined in section 136A.101, subdivision 8; and

(4) has applied for educational assistance under this section before the end of the academic term for which the assistance is being requested.

(e) "Eligible institution" means a postsecondary educational institution located in this state that either is operated by this state ~~or~~, the Board of Regents of the University of Minnesota, or a Tribally controlled college or is licensed or registered with the Office of Higher Education.

(f) "Eligible spouse" means a person who:

(1) is the spouse or surviving spouse of:

(i) a deceased veteran, regardless of whether the surviving spouse remarries.; or

(ii) a person who served as a prisoner of war or was declared a person missing in action;

(2) is a student making satisfactory academic progress at an eligible institution of higher education;

(3) is a resident student, as defined in section 136A.101, subdivision 8; and

(4) has applied for educational assistance under this section before the end of the academic term for which the assistance is being requested.

~~(g) "Eligible veteran" means a veteran who:~~

~~(1) is a student making satisfactory academic progress at an eligible institution of higher education;~~

~~(2) had Minnesota as the person's state of residence at the time of the person's enlistment or any reenlistment into the United States armed forces, as shown by the person's federal form DD-214 or other official documentation to the satisfaction of the commissioner;~~

~~(3) except for benefits under this section, has no remaining military or veteran-related educational assistance benefits for which the person may have been entitled; and~~

~~(4) while using the educational assistance authorized in this section, remains a resident student as defined in section 136A.101, subdivision 8.~~

(g) "Prisoner of war" and "person missing in action" mean any person who, while serving in the United States armed forces, has been declared to be a prisoner of war or to be a person missing in action as established by the Secretary of Defense after August 1, 1958.

(h) "Public postsecondary educational institution" means an institution operated by the state or the Board of Regents of the University of Minnesota.

~~(h)~~ (i) "Satisfactory academic progress" has the meaning given in section 136A.101, subdivision 10.

~~(i)~~ (j) "Student" has the meaning given in section 136A.101, subdivision 7.

(k) "Surviving spouse" means a person who was legally married, as recognized by the state of Minnesota, to a veteran at the time of the veteran's death.

(l) "Tribally controlled college" has the meaning given in section 136A.1796, subdivision 1, paragraph (d).

(m) "Tuition and fees" means the tuition and fees charged by an institution.

~~(j)~~ (n) "Veteran" has the meaning given in section 197.447.

Sec. 2. Minnesota Statutes 2024, section 197.75, subdivision 2, is amended to read:

Subd. 2. **Benefits; eligibility.** (a) The commissioner of veterans affairs ~~shall~~ must spend a biennial appropriation to provide an educational assistance stipend of $750 each year for each eligible child and each eligible spouse~~, and a single payment of $750 for each eligible veteran~~. ~~This~~ The stipend under this subdivision is not available for any person who has attained a bachelor's or equivalent degree.

(b) Each eligible child and each eligible spouse ~~shall~~ must be admitted to any eligible Minnesota public ~~eligible~~ postsecondary educational institution free of tuition and fees until the person has attained a bachelor's or equivalent degree.

(c) After the commissioner approves of an applicant's eligibility for educational assistance, the applicant must be awarded a financial stipend on a funds-available basis. Payments of benefits authorized under this section ~~shall~~ must be made directly to the participating eligible institutions or to eligible individuals, as determined by the commissioner.

(d) Once a person qualifies as an eligible child under subdivision 1, paragraph (d), the person remains an eligible child, regardless of any change in circumstance, including:

(1) the return of the person's parent who was a prisoner of war or person missing in action; or

(2) the reported death of the person's parent who was a prisoner of war or person missing in action.

(e) Once a person qualifies as an eligible spouse under subdivision 1, paragraph (f), the person remains an eligible spouse, regardless of any change in circumstance, including:

(1) the return of the person's spouse who was a prisoner of war or person missing in action; or

(2) the reported death of the person's spouse who was a prisoner of war or person missing in action.

Sec. 3. Minnesota Statutes 2024, section 197.75, subdivision 3, is amended to read:

Subd. 3. **Proof of eligibility.** A person seeking approval for benefits under this section ~~shall require submission of~~ must submit the following evidence: an application, proof of military service, and, ~~where~~ if applicable, proof of residency ~~and a statement from the United States Veterans Administration that the veteran has exhausted entitlement to federal educational benefits through use thereof~~, proof of service-connected disability, or ~~that~~ proof that the veteran died ~~of service connected disabilities~~ as a result of the veteran's military service as determined by the United States Department of Veterans Affairs or United States Department of Defense. Upon submission of satisfactory proof of eligibility, benefits ~~shall~~ must be provided from the date of application and notification of approval ~~shall~~ must be sent to the educational institution and applicant.

Sec. 4. Minnesota Statutes 2024, section 197.75, subdivision 5, is amended to read:

Subd. 5. **Participation by eligible institutions.** (a) Each Minnesota public postsecondary educational institution must continue to participate in the educational assistance program authorized in this section during both peacetime and times of war.

(b) Any participating eligible institution not described in paragraph (a) may suspend or terminate its participation in the program at the end of any academic semester or other academic term.

Sec. 5. Minnesota Statutes 2024, section 197.75, is amended by adding a subdivision to read:

Subd. 7. **Reports.** (a) An eligible institution must submit an annual report by September 30 each year to the commissioner that describes:

(1) program activity and the number of students that the institution served under this section;

(2) enrollment and graduation data for all students awarded education benefits under this section; and

(3) the aggregate cost of tuition and awarded tuition waivers for students who received benefits under this section.

(b) A public or regionally accredited private postsecondary educational institution must provide information to eligible children and spouses according to this section and other information and links that are useful to students and parents who are in the process of selecting a college or university and on the institution's website by providing a veterans education benefits page with links to the federal and state veterans education benefits programs.

Sec. 6. Minnesota Statutes 2024, section 197.791, subdivision 8, is amended to read:

Subd. 8. **Appropriation.** The amount necessary to pay the benefit amounts in subdivisions 5, ~~5a, and 5b~~ 6, and 7, and section 197.75 is appropriated from the general fund to the commissioner. During any fiscal year beginning on or after July 1, 2012, the amount paid under this subdivision must not exceed $6,000,000.

Sec. 7. **REPEALER.**

Minnesota Statutes 2024, section 197.752, is repealed.

**197.752 EDUCATIONAL ASSISTANCE TO POW/MIA DEPENDENTS.**

Any dependent of a prisoner of war or a person missing in action, upon being duly accepted for enrollment in any Minnesota public postsecondary institution, shall be allowed to attend the institution to obtain a bachelor's degree or certificate of completion, while eligible, free of tuition or charge. A dependent who enrolls as an undergraduate in any private Minnesota postsecondary institution shall be entitled to payment by the state of tuition and fees at a rate not to exceed $250 per year for so long as the dependent is eligible to attend the institution and is working toward a bachelor's degree or certificate of completion.

"Prisoner of war" and "persons missing in action" for purposes of this section mean any person who was a resident of the state at the time the person entered service of the United States armed forces, or whose official residence is within the state, and who, while serving in the United States armed forces has been declared to be a prisoner of war, or to be a person missing in action as established by the Secretary of Defense after August 1, 1958.

"Dependent" for purposes of this section means the spouse of a prisoner of war or person missing in action, or any child born before or during the period of time the child's parent served as a prisoner of war or was declared a person missing in action, or any child legally adopted or in the legal custody of the parent prior to and during the time the parent served as a prisoner of war or was declared to be a person missing in action. Once a person qualifies as a dependent under the terms and provisions of this section there shall be no situation such as the return of the spouse or parent or the reported death of the spouse or parent that will remove the dependent from provisions or benefits of this section.

## SPECIAL ORDER

**H.F. No. 3741:** A bill for an act relating to veterans; modifying educational assistance for veterans' children and spouses; appropriating money; amending Minnesota Statutes 2024, sections 197.75, subdivisions 2, 3, 5, by adding a subdivision; 197.791, subdivision 8; Minnesota Statutes 2025 Supplement, section 197.75, subdivision 1; repealing Minnesota Statutes 2024, section 197.752.

H.F. No. 3741 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | Mathews | Rasmusson |
| Bahr | Frentz | Johnson Stewart | Maye Quade | Rest |
| Boldon | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |
| Farnsworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Pappas, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Lucero.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3622:** A bill for an act relating to real property; making clarifying, technical, and conforming changes to the Minnesota Common Interest Ownership Act; providing for certain exemptions; providing for number of directors for certain associations; clarifying certain insurance policies; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-104; 515B.2-105; 515B.2-108; 515B.2-110; 515B.2-1101; 515B.2-113; 515B.2-118; 515B.2-119; 515B.2-121; 515B.2-124; 515B.2-125; 515B.3-102; 515B.3-1041; 515B.3-105; 515B.3-1051; 515B.3-106; 515B.3-107; 515B.3-112; 515B.3-113; 515B.3-1141; 515B.3-1151; 515B.3-116; 515B.4-101; 515B.4-102; 515B.4-1021; 515B.4-103; 515B.4-104; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-113; 515B.4-116; 515B.4-118; Minnesota Statutes 2025 Supplement, section 515B.3-103.

Senator Kreun moved to amend S.F. No. 3622 as follows (A-2):

# 086. SF 3622

**Vote:** 2026-04-14 | **Workbook row:** 91
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Minnesota Common Interest Ownership Act technical and conforming changes

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-14** - 97 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3622/versions/2/pdf/

## Original Senate journal context

PDF pages 17-18. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260414057.pdf#page=18

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3622/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3622

**(SENATE AUTHORS: KREUN)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/17/2026 | 6321 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 03/18/2026 | 6766a | Comm report: To pass as amended |
| | 6807 | Second reading |
| 04/14/2026 | 8035a | Special Order: Amended |
| | 8036 | Third reading Passed as amended |
| 04/27/2026 | 9105 | Returned from House |
| | | Presentment date 04/28/26 |
| | 9326 | Governor's action Approval 04/29/26 |
| | 9327 | Secretary of State Chapter 61 04/29/26 |
| | | Effective date various dates |

A bill for an act

relating to real property; making clarifying, technical, and conforming changes to the Minnesota Common Interest Ownership Act; providing for certain exemptions; providing for number of directors for certain associations; clarifying certain insurance policies; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-104; 515B.2-105; 515B.2-108; 515B.2-110; 515B.2-1101; 515B.2-113; 515B.2-118; 515B.2-119; 515B.2-121; 515B.2-124; 515B.2-125; 515B.3-102; 515B.3-1041; 515B.3-105; 515B.3-1051; 515B.3-106; 515B.3-107; 515B.3-112; 515B.3-113; 515B.3-1141; 515B.3-1151; 515B.3-116; 515B.4-101; 515B.4-102; 515B.4-1021; 515B.4-103; 515B.4-104; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-113; 515B.4-116; 515B.4-118; Minnesota Statutes 2025 Supplement, section 515B.3-103; Laws 2024, chapter 96, article 1, section 91, as amended; article 2, section 13, as amended.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 515B.1-102, is amended to read:

**515B.1-102 APPLICABILITY.**

(a) Except as provided in this section, this chapter, and not chapters 515 and 515A, applies to all common interest communities created within this state on and after June 1, 1994.

(b) The applicability of this chapter to common interest communities created prior to June 1, 1994, shall be as follows:

(1) This chapter shall apply to condominiums created under chapter 515A with respect to events and circumstances occurring on and after June 1, 1994; provided (i) that this chapter shall not invalidate the declarations, bylaws or condominium plats of those condominiums, and (ii) that chapter 515A, and not this chapter, shall govern all rights and

obligations of a declarant of a condominium created under chapter 515A, and the rights and claims of unit owners against that declarant.

(2) The following sections in this chapter apply to condominiums created under chapter 515: 515B.1-104 (Variation by Agreement); 515B.1-105 (Separate Titles and Taxation); 515B.1-106 (Applicability of Local Requirements); 515B.1-107 (Eminent Domain); 515B.1-108 (This Chapter Prevails; Supplemental Law); 515B.1-109 (Construction Against Implicit Repeal); 515B.1-112 (Unconscionable Agreement or Term of Contract); 515B.1-113 (Obligation of Good Faith); 515B.1-114 (Remedies to be Liberally Administered); 515B.1-115 (Notice); 515B.1-116 (Recording); 515B.2-103 (Construction and Validity of Declaration and Bylaws); 515B.2-104 (Description of Units); ~~515B.2-108 (d)~~ 515B.2-108(d) (Allocation of Interests); ~~515B.2-109 (f)~~ 515B.2-109(f) (Common Elements and Limited Common Elements); 515B.2-112 (Subdivision, Combination, or Conversion of Units); 515B.2-113 (Alteration of Units); 515B.2-114 (Relocation of Boundaries Between Adjoining Units); 515B.2-115 (Minor Variations in Boundaries); 515B.2-118 (Amendment of Declaration); 515B.2-119 (Termination of Common Interest Community); 515B.3-102 (Powers of Unit Owners' Association); ~~515B.3-103 (a)~~ 515B.3-103(a), (b), and (g) (Board of Directors, Officers, and Declarant Control); 515B.3-107 (Upkeep of Common Interest Community); 515B.3-108 (Meetings); 515B.3-109 (Quorums); 515B.3-110 (Voting; Proxies); 515B.3-111 (Tort and Contract Liability); 515B.3-112 (Conveyance of, or Creation of Security Interests in, Common Elements); 515B.3-113 (Insurance); 515B.3-114 (Reserves; Surplus Funds); 515B.3-1141 (Replacement Reserves); ~~515B.3-115 (e)~~ 515B.3-115(c), (e), (f), (g), (h), and (i) (Assessments for Common Expenses); 515B.3-116 (Lien for Assessments); 515B.3-117 (Other Liens); 515B.3-118 (Association Records); 515B.3-119 (Association as Trustee); 515B.3-121 (Accounting Controls); 515B.4-107 (Resale of Units); 515B.4-108 (Purchaser's Right to Cancel Resale); and 515B.4-116 (Rights of Action; Attorney's Fees). Section 515B.1-103 (Definitions) shall apply to the extent necessary in construing any of the sections referenced in this section. Sections 515B.1-105, 515B.1-106, 515B.1-107, 515B.1-116, 515B.2-103, 515B.2-104, 515B.2-118, 515B.3-102, 515B.3-110, 515B.3-111, 515B.3-113, 515B.3-116, 515B.3-117, 515B.3-118, 515B.3-121, 515B.4-107, 515B.4-108, and 515B.4-116 apply only with respect to events and circumstances occurring on and after June 1, 1994. All other sections referenced in this section apply only with respect to events and circumstances occurring after July 31, 1999. A section referenced in this section does not invalidate the declarations, bylaws or condominium plats of condominiums created before August 1, 1999. But all sections referenced in this section prevail over the declarations, bylaws, CIC plats, rules and regulations under them, of

condominiums created before August 1, 1999, except to the extent that this chapter defers to the declarations, bylaws, CIC plats, or rules and regulations issued under them.

(3) This chapter shall not apply to cooperatives and planned communities created prior to June 1, 1994, or to planned communities that were created on or after June 1, 1994, and before August 1, 2006, and that consist of more than two but fewer than 13 units; except by election pursuant to subsection (d), and except that sections ~~515B.1-116, subsections (a)~~ 515B.1-116(a), (c), (d), and (e), 515B.4-107, and 515B.4-108, apply to all planned communities and cooperatives regardless of when they are created, unless they are exempt under subsection (e).

(c) This chapter shall not invalidate any amendment to the declaration, bylaws or condominium plat of any condominium created under chapter 515 or 515A if the amendment was recorded before June 1, 1994. Any amendment recorded on or after June 1, 1994, shall be adopted in conformity with the procedures and requirements specified by those instruments and by this chapter. If the amendment grants to any person any rights, powers or privileges permitted by this chapter, all correlative obligations, liabilities and restrictions contained in this chapter shall also apply to that person.

(d) Any condominium created under chapter 515, any planned community or cooperative which would be exempt from this chapter under subsection (e), or any planned community or cooperative created prior to June 1, 1994, or any planned community that was created on or after June 1, 1994, and prior to August 1, 2006, and that consists of more than two but fewer than 13 units, may elect to be subject to this chapter, as follows:

(1) The election shall be accomplished by recording a declaration or amended declaration, and a new or amended CIC plat where required, and by approving bylaws or amended bylaws, which conform to the requirements of this chapter, and which, in the case of amendments, are adopted in conformity with the procedures and requirements specified by the existing declaration and bylaws of the common interest community, and by any applicable statutes.

(2) In a condominium, the preexisting condominium plat shall be the CIC plat and an amended CIC plat shall be required only if the amended declaration or bylaws contain provisions inconsistent with the preexisting condominium plat. The condominium's CIC number shall be the apartment ownership number or condominium number originally assigned to it by the recording officer. In a cooperative in which the unit owners' interests are characterized as real estate, a CIC plat shall be required. In a planned community, the preexisting plat or registered land survey recorded pursuant to chapter 505, 508, or 508A,

or the part of the plat or registered land survey upon which the common interest community is located, shall be the CIC plat.

(3) The amendment shall comply with section 515B.2-118(a)(3) and (c); except that the unanimous consent of the unit owners shall not be required for (i) a clarification of the unit boundary description if the clarified boundary description is substantially consistent with the preexisting CIC plat, or (ii) changes from common elements to limited common elements that occur by operation of section 515B.2-109(c) and (d).

(4) Except as permitted by paragraph (3), no declarant, affiliate of declarant, association, master association nor unit owner may acquire, increase, waive, reduce or revoke any previously existing warranty rights or causes of action that one of said persons has against any other of said persons by reason of exercising the right of election under this subsection.

(5) A common interest community which elects to be subject to this chapter may, as a part of the election process, change its form of ownership by complying with section 515B.2-123.

(e) Except as otherwise provided in this subsection, this chapter shall not apply, except by election pursuant to subsection (d), to the following:

(1) a planned community which consists of two units, which utilizes a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), which is not subject to any rights to subdivide or convert units or to add additional real estate, and which is not subject to a master association;

(2) a common interest community that consists solely of platted lots or other separate parcels of real estate designed or utilized for detached single family dwellings or agricultural purposes, with or without common property, where no association or master association has an obligation to maintain any building containing a dwelling or any agricultural building located or to be located on such platted lots or parcels; except that section 515B.4-101(e) shall apply to the sale of such platted lots or parcels of real estate if the common interest community is or will be subject to a master declaration;

(3) a cooperative where, at the time of creation of the cooperative, the unit owners' interests in the dwellings as described in the declaration consist solely of proprietary leases having an unexpired term of fewer than 20 years, including renewal options;

(4) planned communities utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), and cooperatives, which are limited by the declaration to nonresidential uses; ~~or~~

(5) real estate subject only to an instrument or instruments filed primarily for the purpose of creating or modifying rights with respect to access, utilities, parking, ditches, drainage, or irrigation.; or

(6) if all of the real estate is restricted to nonresidential uses, real estate subject only to an instrument or instruments filed primarily for the purpose of creating or modifying rights with respect to access, utilities, parking, ditches, drainage, irrigation, insurance, or repair or replacement following a casualty loss.

(f) Section 515B.4-101(e) applies to any platted lot or other parcel of real estate that is subject to a master declaration and is not subject to or is exempt from this chapter.

(g) Section Sections 515B.1-106 and section 515B.2-118, subsections (a)(5) 515B.2-118(a)(5), (a)(7), and (d), shall apply to all common interest communities.

(h) Sections 515B.1-103(33a), 515B.2-110, 515B.3-105, 515B.3-115, 515B.4-102, and 515B.4-115 apply only to common interest communities created before August 1, 2010. Sections 515B.1-103 (33b) 515B.1-103(33b), 515B.2-1101, 515B.3-1051, 515B.3-1151, 515B.4-1021, and 515B.4-1151 apply only to common interest communities created on or after August 1, 2010.

(i) Section 515B.3-114 applies to common interest communities only for the association's fiscal years commencing before January 1, 2012. Section 515B.3-1141 applies to common interest communities only for the association's fiscal years commencing on or after January 1, 2012.

(j) Section 515B.3-104 applies only to transfers of special declarant rights that are effective before August 1, 2010. Section 515B.3-1041, subsections (a) through 515B.3-1041(a) to (i), apply only to transfers of special declarant rights that are effective on or after August 1, 2010. Section 515B.3-1041, subsections (j) 515B.3-1041(j) and (k), apply only to special declarant rights reserved in a declaration that is first recorded on or after August 1, 2010.

(k) Sections 515B.1-103(11a) and (16a), 515B.3-102(d) and (e), 515B.4-113(h), and 515B.4-116(c) apply only to common interest communities created on or after August 1, 2017.

Sec. 2. Minnesota Statutes 2024, section 515B.1-103, is amended to read:

**515B.1-103 DEFINITIONS.**

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) "Additional real estate" means real estate that may be added to a flexible common interest community.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(A) A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

(B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(C) Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

(3) "Allocated interests" means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.

(4) "Association" means the unit owners' association organized under section 515B.3-101.

(5) "Board" means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

(6) "CIC plat" means a common interest community plat described in section 515B.2-110 or 515B.2-1101.

(7) "Common elements" means all portions of the common interest community other than the units.

(8) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

(10) "Common interest community" or "CIC" means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on, one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate which satisfies the definition of a common interest community is a common interest community whether or not it is subject to this chapter. Real estate subject to a master declaration, regardless of when the master declaration was recorded, shall not collectively constitute a separate common interest community unless so stated in the master declaration.

(11) "Condominium" means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(11a) "Construction defect claim" means a civil action or an arbitration proceeding based on any legal theory including, but not limited to, claims under chapter 327A for damages, indemnity, or contribution brought against a development party to assert a claim, counterclaim, cross-claim, or third-party claim for damages or loss to, or the loss of use of, real or personal property caused by a defect in the initial design or construction of an improvement to real property that is part of a common interest community, including an improvement that is constructed on additional real estate pursuant to section 515B.2-111. "Construction defect claim" does not include claims related to subsequent maintenance, repairs, alterations, or modifications to, or the addition of, improvements that are part of

the common interest community, and that are contracted for by the association or a unit owner.

(12) "Conversion property" means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied, in whole or in part, for (i) residential use or (ii) for residential rental purposes by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) "Cooperative" means a common interest community in which the real estate is owned by an association, each of whose members is entitled to a proprietary lease by virtue of the member's ownership interest in the association.

(14) "Dealer" means a person in the business of selling units for the person's own account.

(15) "Declarant" means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or a supplemental declaration or amendment to a declaration adding additional real estate, except secured parties, a spouse holding only an inchoate interest, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 or 515B.3-1041 to any special declarant rights;

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred; or

(iii) if (A) a unit has been restricted to nonresidential use and sold to a purchaser who has agreed to modify or waive, in whole or in part, sections 515B.4-101 to 515B.4-118, and (B) the restriction expires or is modified or terminated such that residential use of the unit is permitted, the unit owner at the time the restriction expires or is so modified or terminated is a declarant with respect to that unit and any improvements subject to use rights by a purchaser of the unit.

(16) "Declaration" means any instrument, however denominated, that creates a common interest community.

(16a) "Development party" means an architect, contractor, construction manager, subcontractor, developer, declarant, engineer, or private inspector performing or furnishing the design, supervision, inspection, construction, coordination, or observation of the

construction of any improvement to real property that is part of a common interest community, or any of the person's affiliates, officers, directors, shareholders, members, or employees.

(17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

(17a) "First mortgage" means either (i) if there is only one mortgage encumbering title to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit, the mortgage that is first in priority, whether by operation of applicable law or by a properly recorded agreement.

(17b) "First mortgagee" means the holder of a first mortgage.

(18) "Flexible common interest community" means a common interest community to which additional real estate may be added.

(19) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(20) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one or more but fewer than all of the units.

(21) "Master association" means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners' associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

(22) "Master declaration" means a written instrument, however named, (i) recorded on or after June 1, 1994, and (ii) complying with section ~~515B.2-121, subsection (e)~~ 515B.2-121(e).

(23) "Master developer" means a person who is designated in the master declaration as a master developer or, in the absence of such a designation, the owner or owners of the real

estate subject to the master declaration at the time the master declaration is recorded, except (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer is not a declarant unless the master declaration states that the real estate subject to the master declaration collectively is or collectively will be a separate common interest community.

(24) "Period of declarant control" means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

(25) "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

(26) "Planned community" means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

(27) "Proprietary lease" means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

(28) "Purchaser" means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

(29) "Real estate" means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

(30) "Residential use" means use as a dwelling, whether primary, secondary or seasonal, but not (i) transient use such as hotels or motels, (ii) use for residential rental purposes if the individual dwellings are not separate units or if the individual dwellings are not located on separate parcels of real estate. For purposes of this chapter, a unit is restricted to nonresidential use if the unit is subject to a restriction that prohibits residential use as defined in this section whether or not the restriction also prohibits the uses described in this paragraph.

(31) "Secured party" means the person owning a security interest as defined in paragraph (32).

(32) "Security interest" means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, in a cooperative, a lender's interest in a member's ownership interest in the association, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

(33a) This definition of special declarant rights applies only to common interest communities created before August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant to:

(i) complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the CIC is located;

(ii) add additional real estate to a common interest community;

(iii) subdivide or combine units, or convert units into common elements, limited common elements, or units;

(iv) maintain sales offices, management offices, signs advertising the common interest community, and models;

(v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;

(vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;

(vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or

(viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

(33b) This definition of special declarant rights applies only to common interest communities created on or after August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant and expressly identified in the declaration as special declarant rights. Such special declarant rights may include but are not limited to the following:

(i) to complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the common interest community is located, and to have and use easements for itself and its employees, agents, and contractors through the common elements for such purposes;

(ii) to add additional real estate to a common interest community;

(iii) to subdivide or combine units, or convert units into common elements, limited common elements and/or units, pursuant to section 515B.2-112;

(iv) to maintain and use sales offices, management offices, signs advertising the common interest community, and models, and to have and use easements for itself and its employees, agents, and invitees through the common elements for such purposes;

(v) to appoint or remove any officer or director of the association during any period of declarant control;

(vi) to utilize an alternate common expense plan as provided in section ~~515B.3-115(a)(2)~~ 515B.3-1151(a)(2);

(vii) to grant common element licenses as provided in section 515B.2-109(e); or

(viii) to review, and approve or disapprove, the exterior design, materials, size, site location, and other exterior features of buildings and other structures, landscaping and other exterior improvements, located within the common interest community, and any modifications or alterations thereto.

Special declarant rights shall not be reserved or utilized for the purpose of evading any limitation or obligation imposed on declarants by this chapter.

(34) "Time share" means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with a fee title interest in the common interest community or a specified portion thereof.

(35) "Unit" means a portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership, or separate occupancy pursuant to a proprietary lease.

(36) "Unit identifier" means one or more English letters ~~or~~, one or more Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(37) "Unit owner" means a declarant or other person who owns a unit, a lessee under a proprietary lease, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person.

Sec. 3. Minnesota Statutes 2024, section 515B.1-116, is amended to read:

**515B.1-116 RECORDING.**

(a) A declaration, bylaws, a supplemental declaration, any amendment to a declaration, supplemental declaration, or bylaws, and any other instrument affecting a common interest community shall be entitled to be recorded. In those counties which have a tract index, the county recorder shall enter the declaration in the tract index for each unit or other tract affected. The county recorder shall not enter the declaration in the tract index for lands described as additional real estate, unless such lands are added to the common interest community pursuant to section 515B.2-111. The registrar of titles shall file the declaration in accordance with section 508.351 or 508A.351. The registrar of titles shall not file the declaration upon certificates of title for lands described as additional real estate, unless such lands are added to the common interest community pursuant to section 515B.2-111.

(b) The recording officer shall upon request promptly assign a number (CIC number) to a common interest community to be formed or to a common interest community resulting from the merger of two or more common interest communities.

(c) Documents recorded pursuant to this chapter shall in the case of registered land be filed, and references to the recording of documents shall mean filed in the case of registered land.

(d) Except as provided in section 515B.2-109, 515B.2-112, 515B.2-114, or 515B.2-124, if ~~a recorded~~ this chapter, a declaration, or any other document relating to a common interest community or a master association ~~purports to require a certain vote or signatures approving any restatement or amendment of the document by~~ requires that a certain number or percentage of unit owners, association members, parcel owners, master association members, or secured parties~~, and if the amendment or restatement is to be recorded,~~ vote in favor of, approve, or consent to an amendment to a declaration or to any other recorded document relating to a common interest community, the vote, approval, or consent to the amendment or other recorded document, or the deemed consent pursuant to section 515B.2-118(a)(5) or (7), may be established either by: (i) having the requisite number or percentage of unit

owners, association members, parcel owners, master association members, or secured parties, as applicable, execute the amendment or other recorded document; or (ii) having the president or other authorized officer of the association or master association execute the amendment on behalf of the association and attaching to the amendment or other recorded document an affidavit of the president or secretary of the association or master association stating that the required ~~vote or signatures have been obtained shall be attached to the document to be recorded and~~ number or percentage of unit owners, association members, parcel owners, master association members, or secured parties have voted in favor of, approved, or consented to, or, pursuant to section 515B.2-118(a)(5) or (7), are deemed to have consent to, the amendment or other recorded document. An affidavit pursuant to this paragraph shall constitute prima facie evidence of the ~~representations~~ statements contained therein.

(e) Except as permitted under this subsection, a recording officer shall not file or record a declaration creating a new common interest community, unless the county treasurer has certified that the property taxes payable in the current year for the real estate included in the proposed common interest community have been paid. This certification is in addition to the certification for delinquent taxes required by section 272.12. In the case of preexisting common interest communities, the recording officer shall accept, file, and record the following instruments, without requiring a certification as to the current or delinquent taxes on any of the units in the common interest community: (i) a declaration or amended declaration subjecting the common interest community to this chapter; (ii) a declaration changing the form of a common interest community pursuant to section 515B.2-123; or (iii) an amendment to or restatement of the declaration, bylaws, or CIC plat; provided, that if the declaration, amendment, or restatement changes the boundaries of an existing tax parcel, then the recording officer shall require a certification as to the payment of current and delinquent taxes on any tax parcel the boundaries of which are changed.

Sec. 4. Minnesota Statutes 2024, section 515B.2-101, is amended to read:

**515B.2-101 CREATION OF COMMON INTEREST COMMUNITIES.**

(a) On and after June 1, 1994, a common interest community subject to this chapter may be created only as follows:

(1) A condominium may be created only by recording a declaration.

(2) A cooperative may be created only by recording a declaration and by immediately thereafter recording a conveyance of the real estate subject to that declaration to the association.

(3) A planned community which includes common elements may be created only by recording a declaration. The declarant shall, immediately thereafter, record a conveyance of the common elements subject to that declaration, other than common elements described in section 515B.2-109(c) and (d), to the association; provided, that a delay in or failure to record the conveyance shall have no effect on the validity of the common interest community.

(4) A planned community without common elements may be created only by recording a declaration.

(b) Except as otherwise provided in this chapter, the declaration shall be executed by the owner of the real estate subject to the declaration at the time the declaration is recorded, except vendors under contracts for deed, and by every lessor of a lease the expiration or termination of which will terminate the common interest community. The declaration shall be recorded in every county in which any portion of the common interest community is located. Failure of any party not required to execute a declaration, but having a recorded interest in the real estate subject to the declaration at the time the declaration is recorded, to join in the declaration shall have no effect on the validity of the common interest community; provided that the party is not bound by the declaration unless the party (i) executes a recorded instrument that utilizes a legal description of part or all of the common interest community complying with section 515B.2-104, or (ii) otherwise acknowledges the existence of the common interest community in a recorded instrument.

(c) In a condominium, a planned community utilizing a CIC plat complying with section 515B.2-110(c) or 515B.2-1101(c), or a cooperative, where the unit boundaries are delineated by a structure, a declaration, or an amendment to a declaration adding units, shall not be recorded unless the structural components of the structures containing the units and the mechanical systems serving more than one unit, but not the units, are substantially completed, as evidenced by a recorded certificate executed by a registered engineer or architect.

(d) A project which (i) meets the definition of a "common interest community" in section 515B.1-103(10), (ii) is created after May 31, 1994, and (iii) is not exempt under section 515B.1-102(e), is subject to this chapter even if this or other sections of the chapter have not been complied with, and the declarant and all unit owners are bound by all requirements and obligations of this chapter.

(e) The association shall be incorporated pursuant to section 515B.3-101 and the CIC plat shall be recorded as and if required by section 515B.2-110 or 515B.2-1101.

(f) A declarant must comply with section 508.351 or 508A.351, as applicable, before recording a declaration against property title which is registered pursuant to chapter 508 or 508A.

(g) A condominium created on or after August 1, 2026, that utilizes a CIC plat that complies with section 515B.2-1101(c) shall not include both registered land and unregistered land, but shall consist only of land that is all registered under chapter 508 or 508A, or land of which no part is so registered.

Sec. 5. Minnesota Statutes 2024, section 515B.2-102, is amended to read:

**515B.2-102 UNIT BOUNDARIES.**

(a) The declaration shall describe the boundaries of the units as provided in section 515B.2-105(5). The boundaries need not be delineated by a physical structure. The unit may consist of noncontiguous portions of the common interest community.

(b) In a condominium, a cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c) or 515B.2-1101(c):

(1) except as the declaration otherwise provides, if the walls, floors, or ceilings of a unit are designated as its boundaries, then the boundaries shall be the interior, unfinished surfaces of the perimeter walls, floors, ceilings, doors, windows, and door and window frames of the unit, all paneling, tiles, wallpaper, paint, floor covering, and any other finishing materials applied to the interior surfaces of the perimeter walls, floors or ceilings, are a part of the unit, and all other portions of the perimeter walls, floors, ceilings, doors, windows, and door and window frames, are a part of the common elements; and

(2) except in common interest communities created before August 1, 2010, and except in common interest communities in which all units are restricted to nonresidential use, if unit area or volume is used to allocate interests, the description of the unit boundaries for similar types of units, such as residential units, garage units, or storage units, shall be the same.

(c) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2) or 515B.2-1101(d)(1) and (2), except as the declaration otherwise provides, the unit boundaries shall be the lot lines designated on a plat recorded pursuant to chapter 505 or the tract boundaries designated on a registered land survey recorded pursuant to chapter 508 or 508A.

(d) Except as provided in section 515B.2-109(c), all spaces, fixtures, and improvements located wholly within the boundaries of a unit are a part of the unit.

Sec. 6. Minnesota Statutes 2024, section 515B.2-104, is amended to read:

**515B.2-104 DESCRIPTION OF UNITS.**

(a) A description of a unit is legally sufficient if it sets forth (i) the unit identifier of the unit, (ii) the number assigned to the common interest community by the recording officer, and (iii) the county in which the unit is located.

(b) If the CIC plat for a planned community complies with chapter 505, 508, or 508A, then a description of a unit in the planned community is legally sufficient if it is stated in terms of a plat or registered land survey. In planned communities whose CIC plats comply with section 515B.2-110(c) or 515B.2-1101(c), and in all condominiums and cooperatives created under this chapter, a unit identifier shall contain no more than six characters, only one of which may be a letter.

(c) A description which complies with this section shall be deemed to include all rights, obligations, and interests appurtenant to the unit which were created by the declaration or bylaws, by a master declaration, or by this chapter, whether or not those rights, obligations, or interests are expressly described.

(d) If the CIC plat for a planned community complies with section 515B.2-110(c) or 515B.2-1101(c), a description of the common elements is legally sufficient if it sets forth (i) the words "common elements," (ii) the number assigned to the common interest community by the recording officer, and (iii) the county in which the common elements are located. The common elements may consist of separate parcels of real estate, in which case each parcel shall be separately identified on the CIC plat and in any recorded instrument referencing a separate parcel of the common elements.

Sec. 7. Minnesota Statutes 2024, section 515B.2-105, is amended to read:

**515B.2-105 DECLARATION CONTENTS; ALL COMMON INTEREST COMMUNITIES.**

(a) The declaration shall contain:

(1) the number of the common interest community, whether the common interest community is a condominium, planned community or cooperative, and the name of the common interest community, which shall appear at the top of the first page of the declaration in the following format:

Common Interest Community No. ....

(Type of Common Interest Community)

(Name of Common Interest Community)

DECLARATION

(2) a statement as to whether the common interest community is or is not subject to a master association;

(3) the name of the association, a statement that the association has been incorporated and a reference to the statute under which it was incorporated;

(4) a legally sufficient description of the real estate included in the common interest community, a statement identifying any appurtenant easement necessary for access to a public street or highway, and a general reference to any other appurtenant easements;

(5) a description of the boundaries of each unit created by the declaration and the unit's unit identifier;

(6) in a planned community containing common elements, a legally sufficient description of the common elements;

(7) in a cooperative, a statement as to whether the unit owners' interests in all units and their allocated interests are real estate or personal property;

(8) an allocation to each unit of the allocated interests in the manner described in section 515B.2-108;

(9) a statement (i) of the total number of units, and (ii) identifying any units that are restricted to residential use and any units that are restricted to nonresidential use;

(10) if applicable, a statement (i) of the maximum number of units that may be created by the subdivision or conversion of units owned by the declarant pursuant to section 515B.2-112, and (ii) in declarations recorded on or after August 1, 2010, identifying the units that a declarant may subdivide or convert or a statement that a declarant may subdivide or convert all units;

(11) any material restrictions on use, occupancy, or alienation of the units, or on the sale price of a unit or on the amount that may be received by an owner on sale, condemnation or casualty loss to the unit or to the common interest community, or on termination of the common interest community; provided, that these requirements shall not affect the power of the association to adopt, amend or revoke rules and regulations pursuant to section 515B.3-102;

(12) a statement as to whether time shares are permitted;

(13) a statement as to whether the common interest community includes any shoreland, as defined in section 103F.205, and, if the common interest community includes shoreland, a statement that the common interest community may be subject to county, township, or municipal ordinances or rules affecting the development and use of the shoreland area; and

(14) if applicable, matters required by sections ~~515B.1-103(33),~~ 515B.1-103(33a) or (33b), Definitions: Special Declarant Rights; 515B.2-107, Declaration of Leasehold Common Interest Communities; 515B.2-109, Common Elements and Limited Common Elements; 515B.2-110 or 515B.2-1101, as applicable, Common Interest Community Plat (CIC Plat); 515B.2-121, Master Associations; and 515B.3-115 or 515B.3-1151, Assessments for Common Expenses~~; and 515B.2-121, Master Associations~~.

(b) The declaration may contain any other matters the declarant considers appropriate.

Sec. 8. Minnesota Statutes 2024, section 515B.2-108, is amended to read:

**515B.2-108 ALLOCATION OF INTERESTS.**

(a) The declaration shall allocate to each unit:

(1) in a condominium, a fraction or percentage of undivided interests in the common elements and in the common expenses of the association and a portion of the votes in the association;

(2) in a cooperative, an ownership interest in the association, a fraction or percentage of the common expenses of the association and a portion of the votes in the association; and

(3) in a planned community, a fraction or percentage of the common expenses of the association and a portion of the votes in the association.

(b) The declaration shall state the formulas used to establish allocations of interests. If the fractions or percentages are all equal the declaration may so state in lieu of stating the fractions or percentages. The declaration need not allocate votes or a share of common expenses to units that are auxiliary to other units, such as garage units or storage units. The allocations shall not discriminate in favor of units owned by the declarant or an affiliate of the declarant, except as provided in sections 515B.2-121 ~~and~~, 515B.3-115, and 515B.3-1151.

(c) If units may be added to the common interest community, the formulas used to reallocate the allocated interests among all units included in the common interest community after the addition shall be the formulas stated in the declaration.

(d) The declaration may authorize special allocations: (i) of unit owner votes among certain units or classes of units on particular matters specified in the declaration, or (ii) of common expenses among certain units or classes of units on particular matters specified in the declaration. Special allocations may only be used to address operational, physical or administrative differences within the common interest community. A declarant may not utilize special allocations for the purpose of evading any limitation or obligation imposed on declarants by this chapter nor may units constitute a class because they are owned by a declarant.

(e) The sum of each category of allocated interests allocated at any time to all the units must equal one if stated as a fraction or 100 percent if stated as a percentage. In the event of a discrepancy between an allocated interest and the result derived from application of the pertinent formula, the allocated interest prevails.

(f) In a condominium or planned community, the common elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the common elements made without the unit to which that interest is allocated is void. The granting of easements, licenses or leases pursuant to section 515B.2-109 or 515B.3-102 shall not constitute a partition.

(g) In a cooperative, any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an ownership interest in the association made without the possessory interest in the unit to which that interest is related is void.

Sec. 9. Minnesota Statutes 2024, section 515B.2-110, is amended to read:

**515B.2-110 COMMON INTEREST COMMUNITY PLAT (CIC PLAT); CIC CREATED BEFORE AUGUST 1, 2010.**

(a) A CIC plat is required for condominiums and planned communities, and cooperatives in which the unit owners' interests are characterized as real estate. The CIC plat is a part of the declaration in condominiums, in planned communities utilizing a CIC plat complying with subsection (c), and in cooperatives in which the unit owners' interests are characterized as real estate, but need not be physically attached to the declaration.

(1) In a condominium, or a cooperative in which the unit owners' interests are characterized as real estate, the CIC plat shall comply with subsection (c).

(2) In a planned community, a CIC plat that does not comply with subsection (c) shall consist of all or part of a subdivision plat or registered land survey complying with subsection (d), or any combination thereof. The CIC plat or registered land survey need not contain

the number of the common interest community and may be recorded at any time before the recording of the declaration; provided that if the CIC plat complies with subsection (c), the number of the common interest community shall be included and the CIC plat shall be recorded at the time of recording of the declaration.

(3) In a cooperative in which the unit owners' interests are characterized as personal property, a CIC plat shall not be required. In lieu of a CIC plat, the declaration or any amendment to it creating, converting, or subdividing units in a personal property cooperative shall include an exhibit containing a scale drawing of each building, identifying each building, and showing the perimeter walls of each unit created or changed by the declaration or any amendment to it, including the unit's unit identifier, and its location within the building if the building contains more than one unit.

(b) The CIC plat, or supplemental or amended CIC plat, for condominiums, for planned communities using a plat complying with subsection (c), and for cooperatives in which the unit owners' interests are characterized as real estate, shall contain certifications by a licensed professional land surveyor and licensed professional architect, as to the parts of the CIC plat prepared by each, that (i) the CIC plat accurately depicts all information required by this section, and (ii) the work was undertaken by, or reviewed and approved by, the certifying land surveyor or architect. The portions of the CIC plat depicting the dimensions of the portions of the common interest community described in subsection (c), clauses (8), (9), (10), and (12), may be prepared by either a land surveyor or an architect. The other portions of the CIC plat shall be prepared only by a land surveyor. A certification of the CIC plat or supplemental CIC plat, or an amendment to it, under this subsection by an architect is not required if all parts of the CIC plat, supplemental CIC plat, or amendment are prepared by a land surveyor. Certification by the land surveyor or architect does not constitute a guaranty or warranty of the nature, suitability, or quality of construction of any improvements located or to be located in the common interest community.

(c) A CIC plat for a condominium, or a cooperative in which the unit owners' interests are characterized as real estate, shall show:

(1) the number of the common interest community, and the boundaries, dimensions, and legally sufficient description of the land included therein;

(2) the dimensions and location of all existing material structural improvements and roadways;

(3) the intended location and dimensions of any contemplated common element improvements to be constructed within the common interest community after the filing of the CIC plat, labeled either "MUST BE BUILT" or "NEED NOT BE BUILT";

(4) the location and dimensions of any additional real estate, labeled as such, and a legally sufficient description of the additional real estate;

(5) the extent of any encroachments by or upon any portion of the common interest community;

(6) the location and dimensions of all recorded easements within the land included in the common interest community burdening any portion of the land;

(7) the distance and direction between noncontiguous parcels of real estate;

(8) the location and dimensions of limited common elements, except that with respect to limited common elements described in section ~~515B.2-102, subsections (d) and (f)~~ 515B.2-109(c) and (d), only such material limited common elements as porches, balconies, decks, patios, and garages shall be shown;

(9) the location and dimensions of the front, rear, and side boundaries of each unit and that unit's unit identifier;

(10) the location and dimensions of the upper and lower boundaries of each unit with reference to an established or assumed datum and that unit's unit identifier;

(11) a legally sufficient description of any real estate in which the unit owners will own only an estate for years, labeled as "leasehold real estate"; and

(12) any units which may be converted by the declarant to create additional units or common elements identified separately.

(d) A CIC plat for a planned community either shall comply with subsection (c), or it shall:

(1) comply with chapter 505, 508, or 508A, as applicable; and

(2) comply with the applicable subdivision requirements of any governmental authority within whose jurisdiction the planned community is located, subject to the limitations set forth in section 515B.1-106.

(e) If a declarant adds additional real estate, the declarant shall record a supplemental CIC plat or plats for the real estate being added, conforming to the requirements of this section which apply to the type of common interest community in question. If less than all additional real estate is being added, the supplemental CIC plat for a condominium, a planned

community whose CIC plat complies with subsection (c), or a cooperative in which the unit owners' interests are characterized as real estate shall also show the location and dimensions of the remaining portion.

(f) If, pursuant to section 515B.2-112, a declarant subdivides or converts any unit into two or more units, common elements, or limited common elements, or combines two or more units, the declarant shall record an amendment to the CIC plat showing the location and dimensions of any new units, common elements, or limited common elements thus created.

(g) A CIC plat that complies with subsection (c) is not subject to chapter 505.

(h) This section applies only to common interest communities created before August 1, 2010.

Sec. 10. Minnesota Statutes 2024, section 515B.2-1101, is amended to read:

**515B.2-1101 COMMON INTEREST COMMUNITY PLAT (CIC PLAT); CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) A CIC plat is required for condominiums and planned communities, and cooperatives in which the unit owners' interests are characterized as real estate. The CIC plat is a part of the declaration in condominiums, in planned communities utilizing a CIC plat complying with subsection (c), and in cooperatives in which the unit owners' interests are characterized as real estate, but need not be physically attached to the declaration.

(1) In a condominium, a planned community not utilizing a subdivision plat or registered land survey under subsection (d), clause (1), or a cooperative in which the unit owners' interests are characterized as real estate, the CIC plat shall comply with subsection (c).

(2) In a planned community, a CIC plat that does not comply with subsection (c) shall consist of all or part of a subdivision plat or registered land survey complying with subsection (d), or any combination thereof. The CIC subdivision plat or registered land survey need not contain the number of the common interest community and may be recorded at any time before the recording of the declaration; provided that if the CIC plat complies with subsection (c), the number of the common interest community shall be included and the CIC plat shall be recorded at the time of recording of the declaration.

(3) In a cooperative in which the unit owners' interests are characterized as personal property, a CIC plat shall not be required. In lieu of a CIC plat, the declaration, or any amendment or supplemental declaration creating, converting, or subdividing units shall include an exhibit containing a dimensioned, scale drawing showing (i) the boundaries of

the land constituting the cooperative property, (ii) the location and dimensions of the front, rear, and side boundaries of each unit, and (iii) the unit's unit identifier and its location within the cooperative property.

(b) The CIC plat or supplemental or amended CIC plat for condominiums, for planned communities using a plat complying with subsection (c), and for cooperatives in which the unit owners' interests are characterized as real estate shall contain certifications by a licensed professional land surveyor and licensed professional architect, as to the parts of the CIC plat prepared by each, that (i) the CIC plat accurately depicts all information required by this section, and (ii) the work was undertaken by, or reviewed and approved by, the certifying land surveyor or architect. The portions of the CIC plat depicting the dimensions of the portions of the common interest community described in subsection (c), clauses (8), (9), and (10), may be prepared by either a land surveyor or an architect. The other portions of the CIC plat shall be prepared only by a land surveyor. A certification of the CIC plat or supplemental CIC plat, or an amendment to it, under this subsection by an architect is not required if all parts of the CIC plat, supplemental CIC plat, or amendment are prepared by a land surveyor. Certification by the land surveyor or architect does not constitute a guaranty or warranty of the nature, suitability, or quality of construction of any improvements located or to be located in the common interest community.

(c) A CIC plat for a condominium, a planned community not utilizing a subdivision plat or registered land survey under subsection (d), clause (1), or a cooperative in which the unit owners' interests are characterized as real estate shall show:

(1) the number of the common interest community, and the boundaries, dimensions, and a legally sufficient description of the land included therein. CIC plats under this paragraph shall be numbered serially beginning with the next number after the last CIC number assigned and the numbers shall run consecutively within the County Recorder's Office and Office of the Registrar of Titles for each county;

(2) the dimensions and location of all existing roadways and material structural improvements that are part of the common elements;

(3) the intended location and dimensions of all roadways and material structural improvements that may be constructed by the declarant within the common elements after the filing of the CIC plat, labeled either "MUST BE BUILT" or "NEED NOT BE BUILT";

(4) the location and dimensions of any additional real estate, labeled as such, and a legally sufficient description of the additional real estate;

(5) the extent of any encroachments by or upon any portion of the common interest community;

(6) the location and dimensions of all recorded easements within the land included in the common interest community burdening any portion of the land;

(7) the distance and direction between noncontiguous parcels of real estate;

(8) the location and dimensions of limited common elements, except that with respect to limited common elements described in section ~~515B.2-109, subsections (c)~~ 515B.2-109(c) and (d), only such material limited common elements as porches, balconies, decks, and patios shall be shown;

(9) the location and dimensions of the front, rear, and side boundaries of each unit and that unit's unit identifier;

(10) the location and dimensions of the upper and lower boundaries of each unit with reference to an established or assumed datum and that unit's unit identifier; and

(11) a legally sufficient description of any real estate in which the unit owners will own only an estate for years, labeled as "leasehold real estate."

(d) A CIC plat for a planned community either shall comply with subsection (c), or it shall:

(1) comply with chapter 505, 508, or 508A, as applicable; and

(2) comply with the applicable subdivision requirements of any governmental authority within whose jurisdiction the planned community is located, subject to the limitations set forth in section 515B.1-106.

(e) If a declarant adds additional real estate, the declarant shall record a supplemental CIC plat or plats for the real estate being added, conforming to the requirements of this section which apply to the type of common interest community in question. If less than all additional real estate is being added, the supplemental CIC plat for a condominium, a planned community whose CIC plat complies with subsection (c), or a cooperative in which the unit owners' interests are characterized as real estate, shall also show the location and dimensions of the remaining portion.

(f) A CIC plat which complies with subsection (c) is not subject to chapter 505, but any CIC plat recorded on or after August 1, 2026, must comply with the requirements of section 505.021, subdivision 1.

(g) This section applies only to common interest communities created on or after August 1, 2010.

Sec. 11. Minnesota Statutes 2024, section 515B.2-113, is amended to read:

**515B.2-113 ALTERATION OF UNITS.**

(a) Subject to the provisions of the declaration and applicable law, a unit owner may, at the unit owner's expense, make any improvements or alterations to the unit, provided: (i) that they do not impair the structural integrity or mechanical systems, affect the common elements, or impair the support of any portion of the common interest community; (ii) that prior arrangements are made with the association to ensure that other unit owners are not disturbed; (iii) that the common elements are not damaged; and (iv) that the common elements and other units are protected against mechanics' liens.

(b) Subject to the provisions of applicable law, a unit owner of a unit that is used as a dwelling, whether primary, secondary, or seasonal, may, at the unit owner's expense, make improvements or alterations to the unit as necessary for the full enjoyment of the unit by any person residing in the unit who has a disability, as provided in the Fair Housing Amendments Act, United States Code, title 42, section 3601, et seq., and the Minnesota Human Rights Act, chapter 363A, and any amendments to those acts. This subsection applies to all common interest communities subject to this chapter, chapter 515, or 515A, notwithstanding any contrary provision of section 515B.1-102.

(c) The declaration, bylaws, rules, and regulations, or agreements with the association may not prohibit the improvements or alterations referred to in subsection (b), but may reasonably regulate the type, style, and quality of the improvements or alterations, as they relate to health, safety, and architectural standards. In addition, improvements or alterations made pursuant to subsection (b) must comply with subsection (a)(i), (ii), (iii), and (iv).

(d) The unit owner's rights under this section may not be waived.

(e) Subsection (b) does not apply to restrictions on improvements or alterations imposed by statute, rule, or ordinance.

(f) Subject to the provisions of the declaration and applicable law, a unit owner may, at the unit owner's expense, after acquiring title to an adjoining unit or an adjoining part of an adjoining unit, with the prior written approval of the association and first mortgagees of the affected units, remove or alter any intervening partition or create apertures therein, even if the partition is part of the common elements, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common interest

community. The adjoining unit owners shall have the exclusive license to use the space occupied by the removed partition, but the use shall not create an easement or vested right. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. The association may require that the owner or owners of units affected replace or restore any removed partition, that the unit owner comply with subsection (a)(i), (ii) ~~and~~, (iii), and (iv), and that the unit owner pay all fees and costs incurred by the association in connection with the alteration.

Sec. 12. Minnesota Statutes 2024, section 515B.2-118, is amended to read:

**515B.2-118 AMENDMENT OF DECLARATION.**

(a) Except as otherwise provided in subsection (d), the declaration, including any CIC plat, may be amended only by vote or written consent of unit owners of units to which at least 67 percent of the votes in the association are allocated, or any greater or other requirement the declaration specifies, subject to the following qualifications:

(1) A declarant may execute supplemental declarations or amendments under section 515B.2-111 or 515B.2-112.

(2) The association and certain unit owners, as applicable, may execute amendments under section 515B.2-107, 515B.2-109, 515B.2-112, 515B.2-114, or 515B.2-124.

(3) Except for amendments or supplemental declarations under subsection (a)(1) and (2), and except as provided in sections ~~515B.1-102 (d)(3)~~ 515B.1-102(d)(3) and ~~515B.2-106 (a)(2)~~ 515B.2-106(a)(2), the unanimous written consent of the unit owners is required for any amendment which (i) creates or increases special declarant rights, (ii) increases the number of units, (iii) changes the boundaries of any unit, (iv) changes the allocated interests of a unit, (v) changes common elements to limited common elements or units, (vi) changes the authorized use of a unit from residential to nonresidential, or conversely, or (vii) changes the characterization of the unit owner's interest in a cooperative from real estate to personal property, or conversely. Where the amendment involves the conversion of common elements into a unit or units, the title to the unit or units created shall, upon recording of the amendment, vest in the association free and clear of the interests of the unit owners and all secured parties holding security interests in units.

(4) In addition to any other requirements contained in this section, a declarant must execute an amendment that eliminates or modifies any special declarant rights held by that declarant.

(5) If any provision of this chapter, the declaration, the bylaws, or the articles of incorporation requires the consent of a secured party holding a security interest in a unit as a condition for the approval or effectiveness of an amendment to the declaration, the bylaws, or the articles of incorporation, the consent is deemed to be granted if the secured party's written refusal to consent is not received by the association within 60 days after the secured party receives from the association notice and a copy of the amendment, by certified United States mail, postage prepaid and return receipt requested. If the secured party has not otherwise provided to the association an address for notice, the association shall send the notice to the address, if any, set forth in the recorded instrument that evidences the security interest. This subsection shall not apply to an amendment that affects the priority of a secured party's security interest or the ability of a secured party to foreclose its security interest. In such cases, the number or percentage of secured parties whose consent is required by the instrument to be amended must consent to the amendment in writing.

(6) The declaration may specify less than 67 percent for approval of an amendment, but only if all of the units are restricted to nonresidential use.

(7) If any provision of this chapter, the declaration, the bylaws, or the articles of incorporation requires the vote or consent of unit owners as a condition for the approval or effectiveness of an amendment to the declaration, the bylaws, or the articles of incorporation, the affirmative vote or consent of a unit owner is deemed to be granted if the association sends notice and a copy of the amendment, by certified United States mail, postage prepaid and return receipt requested, and (i) if a vote is conducted, the unit owner's vote is not cast against the proposed amendment, or (ii) if consent is requested, the unit owner's written refusal to consent is not received by the association within 60 days after notice is mailed. This subsection shall not apply to any amendment that would require execution by the association and certain unit owners pursuant to subsection (a)(2).

(b) No action to challenge the validity of an amendment or a supplemental declaration may be brought more than two years after the amendment or supplemental declaration is recorded.

(c) Every amendment to a declaration or supplemental declaration shall be recorded in every county in which any portion of the common interest community is located and is effective only when recorded and, for amendments recorded on or after August 1, 2026, any vote or consent of unit owners required by this section or by the declaration is established of record as provided in section 515B.1-116(d). If an amendment (i) changes the number of units, (ii) changes the boundary of a unit, (iii) changes common elements to limited common elements, ~~where the limited common element is required by~~ and section ~~515B.2-110~~

~~(c), to~~ 515B.2-110(c) or 515B.2-1101(c) requires the limited common element be shown on the CIC plat, (iv) changes limited common elements to common elements if the limited common elements are shown as limited common elements on the CIC plat, or (v) makes any other change that creates an inconsistency between the declaration, as amended, and the CIC plat, then an amendment to the CIC plat reflecting the change shall be recorded.

(d) The association may petition the district court of any county in which any portion of the common interest community is located for an order reducing the percentage of affirmative votes or consents necessary for an amendment to the declaration, bylaws, or articles of incorporation, subject to the following qualifications:

(1) The petition shall describe the reason for the amendment, the approval requirements based on the governing documents and applicable law, the effort that has been made to solicit approval of the association members, the number of affirmative votes or consents actually received, the number of negative votes or denials actually received, the number or percentage of affirmative votes or consents required to effect the amendment, and other matters the petitioner considers relevant to the court's determination. The petition shall also contain, as exhibits thereto, copies of all of the following: (i) the governing documents; (ii) the complete text of the amendment; (iii) copies of any notice and solicitation materials utilized in the solicitation of member approvals; and (iv) any other documentation that the petitioner believes will be useful to the court in deciding whether to grant the petition.

(2) Upon filing the petition, the association shall contact the court administrator to obtain a hearing date not less than 90 days after the date of filing the petition.

(3) Not less than 15 days prior to the date of the hearing, the association shall serve a copy of the petition, excluding the exhibits, and notice of the hearing date on all members of the association in the same manner as service of a summons by personal service, or by publication in circumstances in which service of a summons by publication would be allowed under the Minnesota Rules of Civil Procedure. Notwithstanding the foregoing, to avoid unnecessary expenses of service, the association may obtain from any member of the association a signed waiver of service (i) acknowledging receipt of a copy of the petition, excluding the exhibits, and notice of the hearing date, and (ii) waiving service thereof.

(4) The court may grant the petition if it finds all of the following:

(i) each member of the association was served with a copy of the petition, excluding the exhibits, and notice of the hearing date not less than 15 days prior to the date of the hearing, or waived service thereof, pursuant to subsection (d)(3);

(ii) each secured party that is entitled to notice of the proposed amendment under the terms of the declaration, bylaws, or articles of incorporation, if any, either consented to the amendment, is deemed to have consented to the amendment pursuant to subsection (a)(5), or received a copy of the petition, excluding the exhibits, and notice of the hearing date not less than 15 days prior to the date of the hearing;

(iii) the association conducted a vote or requested the consent of the members regarding the proposed amendment in accordance with the declaration, the bylaws, the articles of incorporation, this chapter, and any other applicable law;

(iv) a reasonably diligent effort was made to permit all eligible members to vote, or to grant or deny consent, regarding the proposed amendment;

(v) the amendment was approved by the affirmative vote or consent of unit owners of units to which at least 67 percent of the votes in the association are allocated, or if all of the units are restricted to nonresidential use, by the affirmative vote or consent of unit owners of units to which a majority of the votes in the association are allocated;

(vi) the amendment is reasonable; and

(vii) granting the petition is not improper for any reason stated in subsection (d)(6).

(5) If the court makes the findings required by subsection (d)(4), any order issued pursuant to this section may confirm the amendment as being validly approved on the basis of the affirmative votes or consents actually received, or the order may dispense with any requirement relating to quorums or to the number or percentage of votes or consents needed for approval of the amendment that would otherwise exist under the governing documents.

(6) Notwithstanding subsections (d)(1) to (5), the court shall not approve any amendment that:

(i) would require execution by the association and certain unit owners pursuant to subsection (a)(2), unless the association and unit owners execute the amendment;

(ii) would require the unanimous written consent of the unit owners pursuant to subsection (a)(3);

(iii) would eliminate any special rights, preferences, or privileges designated in the declaration as belonging to the declarant, without the consent of the declarant; or

(iv) would impair the security interest of a secured party without the approval of the percentage of secured parties specified in the declaration, if the declaration requires the approval of a specified percentage of secured parties.

(7) An amendment to a declaration is not effective pursuant to this subsection until the court order and amendment have been recorded in every county in which a portion of the common interest community is located. Upon recordation of the amendment and court order, the declaration, as amended in accordance with this section, shall have the same force and effect as if the amendment were adopted in compliance with every requirement imposed by this chapter and the declaration.

Sec. 13. Minnesota Statutes 2024, section 515B.2-119, is amended to read:

**515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY.**

(a) Except as otherwise provided in this chapter, a common interest community may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use.

(b) An agreement to terminate shall be evidenced by a written agreement, executed in the same manner as a deed by the number of unit owners and first mortgagees of units required by subsection (a). The agreement shall specify a date after which the agreement shall be void unless recorded before that date. The agreement shall also specify a date by which the termination of the common interest community and the winding up of its affairs must be accomplished. A certificate of termination executed by the association evidencing the termination shall be recorded on or before the termination date, or the agreement to terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the certificate of termination shall be recorded in every county in which a portion of the common interest community is situated and is effective only upon recording.

(c) In the case of a condominium or planned community containing only units having upper and lower boundaries, a termination agreement may provide that all of the common elements and units of the common interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(d) In the case of a condominium or planned community containing any units not having upper and lower boundaries, a termination agreement may provide for sale of the common elements, but it may not require that the units be sold following termination, unless the

original declaration provided otherwise or all unit owners whose units are to be sold consent to the sale.

(e) The association, on behalf of the unit owners, shall have authority to contract for the sale of real estate in a common interest community pursuant to this section, subject to the required approval. The agreement to terminate shall be deemed to grant to the association a power of attorney coupled with an interest to effect the conveyance of the real estate on behalf of the holders of all interests in the units, including without limitation the power to execute all instruments of conveyance and related instruments. Until the sale has been completed, all instruments in connection with the sale have been executed and the sale proceeds distributed, the association shall continue in existence with all powers it had before termination.

(1) The instrument conveying or creating the interest in the common interest community shall include as exhibits (i) an affidavit of the secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners in the common interest community as of the date of the approval.

(2) Proceeds of the sale shall be distributed to unit owners and secured parties as their interests may appear, in accordance with subsections (h), (i), (j), and (k).

(3) Unless otherwise specified in the agreement of termination, until the association has conveyed title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors in interest remain liable for all assessments and other obligations imposed on unit owners by this chapter, the declaration or the bylaws.

(f) The legal description of the real estate constituting the common interest community shall, upon the date of recording of the certificate of termination referred to in subsection (b), be as follows:

(1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2) or 515B.2-1101(d)(1) and (2), the lot and block description contained in the CIC plat, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(2) In a condominium or cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c) or 515B.2-1101(c), the underlying legal description of the real estate as set forth in the declaration creating the common interest community,

and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(3) The legal description referred to in this subsection shall apply upon the recording of the certificate of termination. The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal description required by this subsection from and after the date of recording of the certificate of termination. In the case of registered property, the registrar of titles shall cancel the existing certificates of title with respect to the property and issue one or more certificates of title for the property utilizing the legal description required by this subsection.

(g) In a condominium or planned community, if the agreement to terminate provides that the real estate constituting the common interest community is not to be sold following termination, title to the common elements and, in a common interest community containing only units having upper and lower boundaries described in the declaration, title to all the real estate in the common interest community, vests in the unit owners upon termination as tenants in common in proportion to their respective interest as provided in subsection (k), and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

(h) The proceeds of any sale of real estate pursuant to subsection (e), together with the assets of the association, shall be held by the association as trustee for unit owners, secured parties and other holders of liens on the units as their interests may appear. Before distributing any proceeds, the association shall have authority to deduct from the proceeds of sale due with respect to the unit (i) unpaid assessments levied by the association with respect to the unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and (iii) the share of expenses of sale and winding up of the association's affairs with respect to the unit.

(i) Following termination of a condominium or planned community, creditors of the association holding liens on the units perfected before termination may enforce those liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

(j) In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of unit owners and creditors of unit owners. In that event, following termination, creditors of the association holding liens on the cooperative which were perfected

before termination may enforce their liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association shall be treated as if they had perfected a lien against the cooperative immediately before termination. Unless the declaration provides that all creditors of the association have that priority:

(1) the lien of each creditor of the association which was perfected against the association before termination becomes, upon termination, a lien against each unit owner's interest in the unit as of the date the lien was perfected;

(2) any other creditor of the association is to be treated upon termination as if the creditor had perfected a lien against each unit owner's interest immediately before termination;

(3) the amount of the lien of an association's creditor described in paragraphs (1) and (2) against each of the unit owners' interest shall be proportionate to the ratio which each unit's common expense liability bears to the common expense liability of all of the units;

(4) the lien of each creditor of each unit owner which was perfected before termination continues as a lien against that unit owner's interest in the unit as of the date the lien was perfected; and

(5) the assets of the association shall be distributed to all unit owners and all lienholders as their interests may appear in the order described in this section. Creditors of the association are not entitled to payment from any unit owner in excess of the amount of the creditor's lien against that unit owner's interest.

(k) The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and (i) are as follows:

(1) Except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes in the association are allocated. The proportion of any unit's interest to that of all units is determined by dividing the fair market value of that unit by the total fair market values of all the units.

(2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof before destruction cannot be made, the interests of all unit owners shall be measured by: (i) in a condominium, their allocations of common element

interests immediately before the termination, (ii) in a cooperative, their respective ownership interests immediately before the termination, and (iii) in a planned community, their respective allocations of common expenses immediately before the termination.

(l) In a condominium or planned community, except as provided in subsection (m), foreclosure or enforcement of a lien or encumbrance against the entire common interest community does not terminate, of itself, the common interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community does not withdraw that portion from the common interest community.

(m) In a condominium or planned community, if a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community.

(n) Following the termination of a common interest community in accordance with this section, the association shall be dissolved in accordance with law.

Sec. 14. Minnesota Statutes 2024, section 515B.2-121, is amended to read:

**515B.2-121 MASTER ASSOCIATIONS.**

(a) A master association formed after June 1, 1994, shall be organized as a Minnesota profit, nonprofit or cooperative corporation. A master association shall be incorporated prior to the delegation to it of any powers under this chapter.

(b) The members of the master association shall be any combination of (i) unit owners, (ii) associations, (iii) master associations, or (iv) owners of real estate or property owners' associations not subject to this chapter but only in combination with at least one other category of member. An association or its members may be members of an entity created before June 1, 1994, which performs functions similar to those performed by a master association regardless of whether the entity is subject to this chapter.

(c) A master association shall be governed by a master board. Except as expressly prohibited by the master declaration, the master association's articles of incorporation or bylaws, or other provisions of this chapter, the master board may act in all instances on behalf of the master association. The directors of a master association shall be elected or, if a nonprofit corporation, elected or appointed, in a manner consistent with the requirements of the statute under which the master association is formed and of the master association's articles of incorporation and bylaws, and subject to the following:

(1) The master declaration may provide for a period of master developer control of the master association during which a master developer or a person designated by the master developer may appoint and remove the officers and directors of the master association. The period of master developer control begins on the date of the recording of the master declaration and terminates upon the earliest of the following events:

(i) the voluntary surrender of the right to appoint directors;

(ii) the date ten years after the date the master declaration is recorded, unless extended by an amendment to the master declaration approved in writing by the master developer, and by 67 percent of the votes of members other than the master developer;

(iii) the termination date, if any, in the master declaration; or

(iv) the date when at least 75 percent of the total units and other parcels of real estate referred to in subsection (e)(1)(vii) have been conveyed to persons other than a master developer, master association, declarant, or association.

(2) Upon the termination of the period of master developer control, the master board shall cause a meeting of the members of the master association to be called and held within 60 days after said termination, at which time the directors shall be elected by all members, including the master developer if a member. If the master board fails or refuses to call a meeting of the unit owners required to be called by this subsection, then the members other than the master developer and its affiliates, if they are members, may cause the meeting to be called pursuant to the applicable provisions of the statute under which the master association was created. If the master developer or its affiliates are members, they shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting. The master board shall thereafter be subject to the following:

(i) unless otherwise approved by a vote of members other than the master developer or an affiliate of the master developer, a majority of the directors shall be members, or a natural person designated by a member that is not a natural person, other than the master developer or an affiliate of the master developer;

(ii) subject to the requirements of subsection (c)(2)(i), the articles of incorporation or bylaws may authorize the master developer or a person designated by the master developer to appoint one director, who need not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the master developer or other person possessing the power to appoint; and

(iii) subject to the requirements of subsection (c)(2)(i), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (A) classes of directors, (B) the appointment or election of directors in certain classes by certain classes of members, or (C) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise protect the legitimate interests of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed by this chapter on master developers or declarants.

(d) Subject to subsection (c)(1), the officers of a master association shall be elected, appointed, or designated in a manner consistent with the statute under which the master association is formed and consistent with the master association articles of incorporation and bylaws.

(e) The creation and authority of a master association shall be governed by the following requirements:

(1) A master declaration shall be recorded in connection with the creation of a master association. The master declaration shall be executed by the owners of the real estate subjected to the master declaration and by the master developer if not an owner. The master declaration shall contain, at a minimum:

(i) the name of the master association;

(ii) a legally sufficient description of the real estate which is subject to the master declaration, identifying any interest in the real estate which will be owned by the master association, and a legally sufficient description of any other real estate which may be subjected to the master declaration pursuant to subsection (f);

(iii) a statement as to whether the real estate subject to, and which may be subjected to, the master declaration collectively is or collectively will be a separate common interest community;

(iv) a description of the members of the master association;

(v) a description of the master association's powers. To the extent described in the master declaration, a master association has the powers with respect to the master association's members and the property subject to the master declaration that section 515B.3-102 grants to an association with respect to the association's members and the property subject to the declaration. A master association also has the powers delegated to it by an association pursuant to subsection (e)(2) or by a property owners' association not subject to the chapter;

provided (A) that the master declaration identifies the powers and authorizes the delegation either expressly or by a grant of authority to the master board of the association or property owners' association and (B) that the master association board has not refused the delegation pursuant to subsection (e)(4). The provisions of the declarations of the common interest communities, or the provisions of recorded instruments governing other property subject to the master declaration, that delegate powers to the master association shall be consistent with the provisions of the master declaration that govern the delegation of the powers;

(vi) a description of the formulas governing the allocation of assessments and member voting rights, including any special classes or class voting referred to in subsection (c);

(vii) a statement, based upon the master developer's good faith estimate, of the total number of units and other parcels of real estate intended for ownership by persons other than a master developer, master association, declarant, or association that are (A) subject to the master declaration as initially recorded and (B) intended to be created by the addition of real estate or by the subdivision of units or other parcels of real estate; and

(viii) the requirements for amendment of the master declaration, other than an amendment under subsection (f).

(2) The declaration of a common interest community located on property subject to a master declaration may:

(i) delegate any of the powers described in section 515B.3-102 to the master association; provided, that a delegation of the powers described in section 515B.3-102(a)(2) is effective only if expressly stated in the declaration; and

(ii) authorize the board to delegate any of the powers described in section 515B.3-102, except for the powers described in section 515B.3-102(a)(2), to the master association.

(3) With respect to any other property subject to a master association, there need not be an instrument other than the master declaration recorded against the property to empower the master association to exercise powers with respect to the property.

(4) If a declaration or other recorded instrument authorizes the master board or the board of a property owners' association to delegate powers to a master association, the master board may refuse any delegation of powers that does not comply with (i) this chapter, (ii) the declaration or other recorded instrument, or (iii) the organizational documents of the master association.

(5) The failure of a declaration, a master board, or an owner of property subject to a master association to properly delegate some or all of the powers to the master association

does not affect the authority of the master association to exercise those and other powers with respect to other common interest communities or owners of properties that are subject to the master association.

(6) Any interest in the real estate subject to a master declaration that subsection (e)(1)(ii) or (f) indicates will be owned by the master association shall be conveyed to the master association immediately after the recording of the master declaration or amendment to the master declaration, as applicable.

(f) If the master declaration so provides, other real estate may be subjected to the master declaration. The other real estate shall be subjected to the master declaration by an amendment executed (i) by the master developer and (ii) by the owner of the other real estate. The amendment shall identify any ownership interest in the other real estate that will be owned by the master association.

(g) Sections 515B.3-103(a), (b), and (g), 515B.3-108, 515B.3-109, 515B.3-110, and 515B.3-112 shall apply in the conduct of the affairs of a master association. But the rights of voting, notice, and other rights enumerated in those sections apply to persons who elect or appoint the directors of a master board, whether or not those persons are otherwise unit owners within the meaning of this chapter.

(h) If so provided in the master declaration, a master association may levy assessments for common expenses of the master association against its members and the property subject to the master declaration, and have and foreclose liens securing the assessments. The assessment liens shall have the same priority against secured parties, shall include the same fees and charges, and may be foreclosed in the same manner, as assessment liens under section 515B.3-116. The master association's lien shall have priority as against the lien of an association or property owners' association subject to the master association, regardless of when the lien arose or was perfected.

(1) Master association common expenses shall be allocated among the members of the master association in a fair and equitable manner. If the members include associations or property owners' associations, then the master assessments may be allocated among and levied against the associations or property owners' associations, or allocated among and levied against the units or other parcels of real estate owned by the members of the association or property owners' association. If so provided in the master declaration, master assessments levied against a member association or property owners' association are allocated among and levied against the units or other parcels of real estate owned by the members of the association or property owners' association. If applicable and appropriate, the formulas and

principles described in section ~~515B.2-108, subsections (b)~~ 515B.2-108(b), (c), (d), and (e), shall be used in making the allocations. The assessment formulas and procedures described in the declarations of any common interest communities or any instruments governing other real estate subject to the master association shall not conflict with the formulas and procedures described in the master declaration.

(2) Subject to subsection (i), the master declaration may exempt from liability for all or a portion of master association assessments any person authorized by subsection (c)(1) to appoint the members of the master board, or any other person, and exempt any unit or other parcel of real estate owned by the person from a lien for such assessments, until the building containing the unit, or located within the boundaries of the unit or other parcel of real estate, is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in a jurisdiction that issues that certificate.

(i) A master association shall not be used, directly or indirectly, to avoid or nullify any warranties or other obligations for which a declarant of a common interest community subject to the master association is responsible, or to otherwise avoid the requirements of this chapter.

Sec. 15. Minnesota Statutes 2024, section 515B.2-124, is amended to read:

**515B.2-124 SEVERANCE OF COMMON INTEREST COMMUNITY.**

(a) Unless the declaration provides otherwise, a part of a common interest community containing one or more units, with or without common elements, may be severed from the common interest community, subject to the requirements of this section. Subject to any additional requirements contained in the declaration, the severance shall be approved in a written severance agreement complying with this section, executed by:

(1) unit owners entitled to cast at least 67 percent of the votes in the association, which approval shall include the approval of unit owners entitled to cast a majority of the votes allocated to units in the remaining common interest community and the approval of unit owners entitled to cast a majority of the votes allocated to units in the part of the common interest community being severed;

(2) declarant until the earlier of five years after the recording of the declaration or the time at which declarant no longer owns an unsold unit; and

(3) in the case of a cooperative, all holders of mortgages or contracts for deed on the entire real estate constituting the cooperative.

(b) The declaration may specify a smaller percentage for unit owner approval only if all of the units are restricted to nonresidential use.

(c) The severance agreement shall specify a severance date by which the severance of the common interest community shall be accomplished, after which the severance agreement is void. The severance agreement shall be deemed to grant to the association a power of attorney coupled with an interest to effect the severance of the common interest community on behalf of the unit owners and the holders of all other interests in the units, including without limitations the power to execute the amendment to the declaration, any instruments of conveyance, and all related instruments.

(d) The severance agreement shall:

(1) Approve an amendment to the declaration complying with this chapter, in substantially the same form to be recorded, and an amendment to the CIC plat if required. The declaration amendment shall, at a minimum, (i) legally describe the real estate constituting the remaining common interest community and the real estate being severed, (ii) restate the number of units in the remaining common interest community, (iii) reallocate the interests of the unit owners in the remaining common interest community among the remaining units in accordance with the allocation formula set forth in the declaration, and (iv) recite any easements to which the severed portion of the common interest community remains subject.

(2) Approve an amendment to the articles of incorporation and bylaws of the remaining common interest community, if necessary.

(3) Authorize the association to execute and record the amended declaration, articles of incorporation or bylaws on behalf of the unit owners and all other persons holding an interest in the remaining common interest community, and to take other actions necessary to accomplish the severance of the common interest community.

(4) Allocate the assets and liabilities of the association between the association and (i) a new association formed pursuant to subsection (g), or (ii) the owners of the units being severed, subject to a lien against their interest in the severed real estate or their share in the assets of the association in favor of any person that held a security interest in their unit.

(5) If the units that are being severed from the common interest community will not be included in a new common interest community that is (i) formed simultaneously with the severance of the common interest community, and (ii) includes all of the units and substantially all of the common elements being severed, then the agreement shall contain the written consent of holders of first mortgages on all units that are being severed, and shall describe in detail the proposed disposition of all real estate to be severed and all assets

of the association allocated to the severed units, and the distribution of the proceeds of the disposition, if any, consistent with subsection (i).

(e) The severance agreement or a memorandum of it shall be recorded in every county in which a part of the common interest community is located. The recording of the severance agreement or memorandum of it shall, from the date of recording, constitute notice to all persons subsequently acquiring an interest in the common interest community that the common interest community is being severed, and that those persons acquire their interests subject to the terms and conditions contained in the severance agreement and the amendment to the declaration.

(f) The amendment to the declaration of the remaining common interest community shall be recorded on or before the severance date or the severance agreement and the amendment to the declaration are void as of the day after the severance date. The recording of the amendment to the declaration shall complete the severance of the common interest community and release the severed part of the common interest community from the declaration without further action by any person.

(g) If the units that are being severed from the common interest community will be included in a new common interest community, then unit owners entitled to cast at least 80 percent of the votes allocated by the existing declaration to these units shall approve a new declaration, articles of incorporation and bylaws to govern the new common interest community no later than the date of the severance agreement. However, the new declaration shall not create, increase, or extend special declarant rights, increase the number of units, change unit boundaries, change the formula for allocations of interests, change the use of a unit from residential to nonresidential or conversely, or change the form of common interest community, unless agreed to in writing by all owners whose units are being severed. The new declaration shall be recorded simultaneously with the amendment to the existing declaration. The articles of incorporation creating the association intended to govern the new common interest community shall be filed with the secretary of state and the unit owners whose units are being severed shall elect a board of directors to act on behalf of the new association before the recording of the new declaration. The new association shall have a power of attorney coupled with an interest to execute and record the new declaration, any instruments of conveyance, and all related instruments on behalf of the unit owners whose units are being severed from the common interest community, but shall not thereby acquire any rights or obligations of a declarant. The board of directors of the new association shall cooperate with the board of directors of the existing association to complete the severance. The existing association shall retain all authority to act on behalf of the common interest

community until the amendment to the existing declaration and the new declaration are recorded.

(h) The legal descriptions of the real estate constituting (i) the remaining common interest community, and (ii) the severed portion of the common interest community shall, at the time of recording of the amendment to the declaration referred to in subsection (e), be as follows:

(1) In a planned community using a CIC plat that complies with section ~~515B.2-110, subsection (d)~~ 515B.2-110(d)(1) and (2) or 515B.2-1101(d)(1) and (2), the lot and block descriptions contained in the CIC plat, and any amendments to it, with respect to (i) the remaining common interest community, and (ii) the severed portion of the common interest community.

(2) In a condominium, or cooperative or planned community using a CIC plat that complies with section ~~515B.2-110, subsection (c)~~ 515B.2-110(c) or 515B.2-1101(c), (i) the CIC plat description relating to the remaining common interest community, and (ii) the part of the underlying legal description of the real estate in the declaration creating the common interest community, and any amendments to it, relating to the severed part of the common interest community.

(3) The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal descriptions required by this subsection as of the date of recording of the amendment to the declaration. In the case of registered property, the registrar of titles shall cancel the existing certificates of title for the severed part of the common interest community and issue certificates of title for the property using the legal descriptions required by this subsection.

(i) In a condominium or planned community, if the severed part of the common interest community is not to be reconstituted as a new common interest community following severance, title to all the real estate in the severed part of the common interest community vests in the unit owners of the units being severed, upon severance, as provided in the severance agreement.

(j) No common interest community shall be severed in such a manner as to materially impair access, utility services, communication services, or other essential services with respect to either the remaining common interest community or the severed part of the common interest community.

Sec. 16. Minnesota Statutes 2024, section 515B.2-125, is amended to read:

**515B.2-125 ADDITION OF COMMON ELEMENTS.**

(a) Unless the declaration provides otherwise, real estate owned by the association may be added to the common interest community, as common elements only, subject to the requirements of this section. Subject to any additional requirements contained in the declaration, the addition of the real estate shall be approved by:

(1) unit owners entitled to cast at least 67 percent of the votes in the association;

(2) declarant until the earlier of (i) five years after the recording of the declaration, or (ii) the time at which declarant no longer owns an unsold unit; and

(3) in the case of a cooperative, all holders of mortgages or contracts for deed on the entire real estate constituting the cooperative.

(b) The declaration may specify a smaller percentage for unit owner approval only if all of the units are restricted to nonresidential use. A part of the common elements shall not be designated as limited common elements unless approved unanimously in writing by the unit owners.

(c) The approval by the unit owners shall be deemed to grant to the association a power of attorney coupled with an interest to acquire title to the real estate, if not previously acquired, and to add the real estate to the common interest community on behalf of the unit owners and the holders of all other interests in the units, including without limit the power to execute an amendment to the declaration and any other instruments relating to the acquisition.

(d) Following the required approvals, the association shall record an amendment to the declaration complying with this chapter, that, at a minimum, (i) legally describes the real estate added, (ii) designates the real estate as part of the common elements, and (iii) subjects the real estate to the declaration.

(e) In the case of a common interest community using a plat complying with section ~~515B.2-110, subsection (c)~~ 515B.2-110(c) or 515B.2-1101(c), the association shall record an amended CIC plat reflecting the change in the common elements with the amendment to the declaration. The recording of the amendment to the declaration, and amended CIC plat if required, shall complete the addition of the real estate without further action by any person.

Sec. 17. Minnesota Statutes 2024, section 515B.3-102, is amended to read:

**515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

(a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section

515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association, provided that attorney fees and costs must not be charged or collected from a unit owner who disputes a fine or assessment and, if after the homeowner requests a hearing and a hearing is held by the board or a committee of the board, the board does not adopt a resolution levying the fine or upholding the assessment against the unit owner or owner's unit;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) An association that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section 515B.3-115(g)~~,~~ or 515B.3-1151(g), must provide a dated, written notice to a unit owner that:

(1) states the amount and reason for the fine or assessment;

(2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which a fine is being levied and the date of the levy; and (ii) the specific section of the declaration, bylaws, rules, or regulations allegedly violated;

(3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies: (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

(4) states that all unpaid fines and assessments are liens which, if not satisfied, could lead to foreclosure of the lien against the owner's unit;

(5) describes the unit owner's right to be heard by the board or a committee appointed by the board;

(6) states that if the assessment, fine, late fees, and other allowable charges are not paid, the amount may increase as a result of the imposition of attorney fees and other collection costs; and

(7) informs the unit owner that homeownership assistance is available from the Minnesota Homeownership Center.

(d) Notwithstanding subsection (a), powers exercised under this section must comply with sections 500.215, 500.216, and 500.217.

(e) Notwithstanding subsection (a)(4) or any other provision of this chapter, for common interest communities created on or after August 1, 2017, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the

declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (e)(1) and the proxy expressly references this notice.

(f) For common interest communities created on or after August 1, 2017, the association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (e)(1) and (e)(2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (e) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

Sec. 18. Minnesota Statutes 2025 Supplement, section 515B.3-103, is amended to read:

**515B.3-103 BOARD OF DIRECTORS, OFFICERS AND DECLARANT CONTROL.**

(a) An association shall be governed by a board of directors whose appointment or election shall occur no later than the date of creation of the common interest community and shall be reflected in the association's records. Except as expressly prohibited by the declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this chapter, the board may act in all instances on behalf of the association. In the performance of their duties, the officers and directors are required to exercise (i) if appointed by the declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit owners, the care required of a director by section 302A.251, 308B.455, 308C.455, or 317A.251, as applicable. The officers and directors appointed by the declarant shall have a duty to fulfill, and to cause the association to fulfill, their respective obligations under the declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions

of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners, including the declarant and its affiliates, in a uniform and fair manner. The standards of conduct for officers and directors set forth in this subsection shall also apply to the officers and directors of master associations in the exercise of their duties on behalf of the master association. Notwithstanding the provisions of section 317A.203, if an association is formed under chapter 317A and consists of fewer than three units, the number of directors may be equal to or greater than the number of units.

(b) The board may not act unilaterally to amend the declaration, to terminate the common interest community, to elect directors to the board, or to determine the qualifications, powers and duties, or terms of office of directors, but the board may fill vacancies in its membership created other than by removal by the vote of the association members for the unexpired portion of any term.

(c) The declaration may provide for a period of declarant control of the association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and directors of the association. The period of declarant control begins on the date of creation of the common interest community and terminates upon the earliest of the following events: (i) five years after the date of the first conveyance of a unit to a unit owner other than a declarant in the case of a flexible common interest community or three years in the case of any other common interest community, (ii) the declarant's voluntary surrender of control by giving written notice to the unit owners pursuant to section 515B.1-115, or (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

(d) The board shall cause a meeting of the unit owners to be called, as follows:

(1) If the period of declarant control has terminated pursuant to subsection (c), a meeting of the unit owners shall be called and held within 60 days after said termination, at which the board shall be appointed or elected by all unit owners, including declarant, subject to the requirements of subsection (e).

(2) If 50 percent of the units that a declarant is authorized by the declaration to create have been conveyed prior to the termination of the declarant control period, a meeting of the unit owners shall be called and held within 60 days thereafter, at which not less than 33-1/3 percent of the members of the board shall be elected by unit owners other than a declarant or an affiliate of a declarant.

(3) If the board fails or refuses to cause a meeting of the unit owners required to be called pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may cause the meeting to be called pursuant to the applicable provisions of the law under which

the association was created. The declarant and its affiliates shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting.

(e) Following the termination of any period of declarant control, the unit owners shall appoint or elect the board. All unit owners, including the declarant and its affiliates, may cast the votes allocated to any units owned by them. The board shall thereafter be subject to the following:

(1) Unless otherwise approved by a vote of unit owners other than the declarant or an affiliate of the declarant, a majority of the directors shall be unit owners or a natural person designated by a unit owner that is not a natural person, other than a declarant or an affiliate of a declarant. The remaining directors need not be unit owners unless required by the articles of incorporation or bylaws.

(2) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize the declarant or a person designated by the declarant to appoint one director, who need not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the declarant or other person possessing the power to appoint.

(3) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (i) classes of directors, (ii) the appointment or election of directors in certain classes by certain classes of members, or (iii) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise protect the legitimate interest of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed on declarants by this chapter.

(4) The board shall elect the officers. The directors and officers shall take office upon election.

(f) In determining whether the period of declarant control has terminated under subsection (c), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (d), the percentage of the units conveyed shall be calculated using as a numerator the number of units conveyed and as a denominator the number of units subject to the declaration plus the number of units which the declarant is authorized by the declaration to create on any additional real estate. The percentages referred to in subsections (c) and (d) shall be calculated without reference to units that are auxiliary to

other units, such as garage units or storage units. A person shall not use a master association or other device to evade the requirements of this section.

(g) Except as otherwise provided in this subsection, meetings of the board of directors must be open to the unit owners. To the extent practicable, the board shall give reasonable notice to the unit owners of the date, time, and place of a board meeting. If the date, time, and place of meetings are provided for in the declaration, articles, or bylaws, announced at a previous meeting of the board, posted in a location accessible to the unit owners and designated by the board from time to time, or if an emergency requires immediate consideration of a matter by the board, notice is not required. "Notice" has the meaning given in section 317A.011, subdivision 14. Meetings may be closed to discuss the following:

(1) personnel matters;

(2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or association and unit owners, or other matters in which any unit owner may have an adversarial interest, if the board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the board or association or the privacy of a unit owner or occupant of a unit; or

(3) criminal activity arising within the common interest community if the board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the board meeting or any action taken at the meeting. The minutes of any part of a meeting that is closed under this subsection may be kept confidential at the discretion of the board.

Sec. 19. Minnesota Statutes 2024, section 515B.3-1041, is amended to read:

**515B.3-1041 SPECIAL DECLARANT RIGHTS; TRANSFER, LIABILITY OF TRANSFEROR AND TRANSFEREE, AND TERMINATION; SPECIAL DECLARANT RIGHTS TRANSFERRED ON OR AFTER AUGUST 1, 2010.**

(a) Except as set forth in subsection (b) or (c), a special declarant right, as defined in section ~~515B.1-103(33b)~~ 515B.1-103(33a) or (33b), does not run with title and may only be transferred pursuant to a separate transfer instrument, titled a "Transfer of Special Declarant Rights," that both the transferor and the transferee execute.

(1) A transfer shall be recorded in compliance with applicable law, and is not effective unless the transferee is the owner of record of a unit or additional real estate at the time the

transfer is recorded. Transfers recorded on or after June 1, 2011, shall be recorded against title to all units in the common interest community.

(2) A transferor may transfer fewer than all of the special declarant rights the transferor holds provided that any special declarant rights not transferred are subject to item (i).

(3) If as a result of a transfer there will be multiple declarants holding special declarant rights, the transfer shall describe the allocation of each special declarant right between or among the transferor and each transferee, including, at a minimum, a description of the units or additional real estate to which the respective special declarant rights apply and the name and address of the owner or owners of record of the respective units or additional real estate at the time the transfer is recorded.

(b) If a declarant's ownership interest in a unit, or in additional real estate that may become subject to the declaration pursuant to the exercise of a special declarant right, is transferred to another person as a result of the foreclosure, termination, or cancellation of a security interest, foreclosure of a judgment lien, tax judgment sale, tax-forfeited land sale, sale or transfer under bankruptcy code or receivership proceedings, or other sale or transfer approved by a court, or is transferred by a deed in lieu of foreclosure, then all special declarant rights that are reserved to the declarant in the declaration and that relate to the units or additional real estate transferred are automatically transferred to the person acquiring title from the declarant, and the transfer is effective as to all special declarant rights, unless or until: (i) the security instrument in the case of the foreclosure, termination, or cancellation of a security interest, (ii) the instrument effecting the involuntary transfer, or (iii) a separate instrument executed by the transferee and recorded in compliance with applicable law within 60 days after the date the transferee acquires title to the declarant's ownership interest, provides for the transfer of fewer than all of the declarant's special declarant rights. From and after June 1, 2011, a separate instrument recorded pursuant to subsection (b), item (iii), shall be recorded against title to all units in the common interest community. For purposes of this subsection, the transferee shall be deemed to acquire title upon the expiration of the owner's period of redemption, or reinstatement in the case of contract for deed. The transferor shall cease to have and shall not exercise any special declarant right that relates to the transferor's ownership interest in the units or additional real estate transferred, whether or not the transferee subsequently disclaims the right, but the transferor retains all reserved special declarant rights that relate to its ownership interest that is not transferred to the transferee.

(c) If a declarant is an individual rather than a legal entity, and the individual dies, than all special declarant rights that are reserved to the declarant in the declaration and that relate

to the units or additional real estate owned by the declarant are automatically transferred with the title to said units or additional real estate.

(d) A transferor's liability for the performance of obligations that this chapter imposes upon a declarant is as follows:

(1) A transferor remains liable under this chapter for all obligations that this chapter imposes upon a declarant that arise on or before the effective date of the transfer, except that a transferor is not liable under section 515B.4-112 for any express warranties that a transferee makes to a purchaser. Except as set forth in subsection (d), clauses (2) and (3), a transferor is not liable under this chapter for the performance of any obligations that this chapter imposes upon a declarant and arising after the effective date of the transfer.

(2) If a transferor and a transferee are affiliates, the transferor and the transferee are jointly and severally liable under this chapter for the performance of all the obligations that this chapter imposes upon a declarant, whether such obligations arise before, on, or after the effective date of the transfer. Upon a subsequent transfer, a prior transferor remains liable to the extent its transferee remains liable under subsection (d) and is relieved of liability to the same extent that its transferee is relieved of liability under subsection (e).

(3) If, following a transfer of special declarant rights, the transferor retains special declarant rights, the transferor and transferee are jointly and severally liable for the performance of all the obligations that this chapter imposes upon a declarant and that arise after the effective date of the transfer, except that the transferor is not liable under section 515B.4-101(b) ~~or~~, 515B.4-102(b)~~, and section~~ or 515B.4-1021(b), as applicable, 515B.4-109, 515B.4-110, 515B.4-111, 515B.4-112, 515B.4-113, 515B.4-117, or 515B.4-118, to any purchaser from or through the transferee.

(e) Except as provided in subsections (g) and (h), a transferee's liability for the performance of obligations that this chapter imposes upon a declarant is as follows:

(1) Except as set forth in subsection (e), clause (3), a transferee is liable under this chapter for all obligations that this chapter imposes upon a declarant and that arise after the effective date of the transfer. A transferee is not liable under this chapter for the performance of any obligations that this chapter imposes upon a declarant and that arise before or on the effective date of the transfer, except that a transferee is liable under section 515B.4-112 for any express warranties the transferee makes to a purchaser before or on the effective date of the transfer.

(2) If a transferor and a transferee are affiliates, the transferor and the transferee are jointly and severally liable under this chapter for the performance of all the obligations that

this chapter imposes upon a declarant, whether such obligations arise before, on, or after the effective date of the transfer. Upon a subsequent transfer, a prior transferor remains liable to the extent its transferee remains liable under subsection (d) and is relieved of liability to the same extent that its transferee is relieved of liability under this subsection.

(3) If, following a transfer of special declarant rights under subsection (a) or (b), the transferor retains special declarant rights, the transferor and transferee are jointly and severally liable for the performance of all the obligations that this chapter imposes upon a declarant and that arise after the effective date of the transfer, except that the transferee is not liable under section 515B.4-101(b) ~~or~~, 515B.4-102(b)~~, and section~~ or 515B.4-1021(b), as applicable, 515B.4-109, 515B.4-110, 515B.4-111, 515B.4-112, 515B.4-113, 515B.4-117, or 515B.4-118, to any purchaser from or through the transferor.

(f) For purposes of this section, a declarant's obligations under section 515B.3-111(a) arise when the tort or contract violation occurs, a declarant's obligations to a purchaser under section 515B.4-112 arise when the declarant makes an express warranty to the purchaser and a declarant's obligations to a purchaser under sections 515B.4-113 and 515B.4-118(a) arise when the declarant conveys a unit to the purchaser.

(g) A transferee who acquires special declarant rights pursuant to subsection (b) and who is not an affiliate of the transferor may record an instrument in compliance with subsection (b) stating that the transferee elects to acquire only the special declarant rights described in section ~~515B.1-103(33b)(i)~~ 515B.1-103(33a)(i), (ii), and (iv) or (33b)(i), (ii), and (iv). In that case, the transferee is liable as a declarant only to purchasers from said transferee and only for the obligations of a declarant under sections 515B.4-101(b) ~~and~~, 515B.4-102(b)~~, and sections~~ or 515B.4-1021(b), as applicable, 515B.4-109, 515B.4-110, 515B.4-111, 515B.4-113, 515B.4-117, and 515B.4-118, and for any express warranties under section 515B.4-112 that the transferee makes to purchasers.

(h) A transferee who acquires special declarant rights pursuant to subsection (b) and who is not an affiliate of the transferor may record an instrument in compliance with subsection (b) stating that the transferee elects to acquire the special declarant rights solely for subsequent retransfer to another person who acquires title to units or additional real estate from said transferee. In that case, (i) the transferee may not utilize special declarant rights in the sale of units or otherwise sell units, except to a person who also acquires one or more special declarant rights the transferee holds with respect to the units or additional real estate sold; (ii) the transferee may not exercise any special declarant rights other than the rights described in section ~~515B.1-103(33b)(v)~~ 515B.1-103(33a)(viii) or (33b)(v); (iii) the transferee is not liable to make up any operating deficit under section 515B.3-115(a)(2)

or 515B.3-1151(a)(2), as applicable; and (iv) the transferee is liable as a declarant only for the obligations of a declarant under sections 515B.3-103, 515B.3-111, and 515B.3-120, as applicable. A transferee who makes the election described in this subsection may subsequently rescind the election in whole or in part by recording an instrument in compliance with applicable law, and upon the recording of such an instrument the transferee's rights and obligations as a declarant shall be as otherwise set forth in this section.

(i) Nothing in this section shall subject any transferee of a special declarant right to any claims against or other obligations of a transferor, other than claims and obligations arising under this chapter, or the declaration or bylaws.

(j) A special declarant right held by a declarant terminates upon the earlier of: (i) that declarant's voluntary surrender of the special declarant right by giving written notice to the unit owners pursuant to section 515B.1-115; or (ii) the conveyance, whether voluntary or involuntary, by that declarant, of all of the units and additional real estate owned by that declarant, unless immediately after the conveyance the special declarant right is transferred to the grantee. All special declarant rights terminate ten years after the date of the first conveyance of a unit to a person other than a declarant unless extended by the vote or written agreement of unit owners entitled to cast at least 67 percent of the votes allocated to units not owned by a declarant.

(k) No person shall exercise special declarant rights unless, at the time of exercise, the person holds title of record to one or more units or additional real estate. Any exercise of a special declarant right in violation of this section shall be void, and the person attempting to exercise the right shall be liable for all damages and costs arising from its actions.

(l) Subsections (a) through (i) apply only to transfers of special declarant rights that are effective on or after August 1, 2010. Subsections (j) and (k) apply only to special declarant rights reserved in a declaration that is first recorded on or after August 1, 2010.

Sec. 20. Minnesota Statutes 2024, section 515B.3-105, is amended to read:

**515B.3-105 TERMINATION OF CONTRACTS, LEASES; CIC CREATED BEFORE AUGUST 1, 2010.**

(a) If entered into prior to termination of the period of declarant control, (i) any management contract, employment contract, or lease of recreational facilities, or garages or other parking facilities, (ii) any contract, lease, or license binding the association, and to which a declarant or an affiliate of a declarant is a party, or (iii) any contract, lease, or license binding the association or any unit owner other than the declarant or an affiliate of the

declarant which is not bona fide or which was unconscionable to the unit owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the association under the procedures described in this section.

(b) If prior to expiration of the suspension period described in Minnesota Statutes 2008, section ~~515B.2-121, subsection (c), paragraph (3)~~ 515B.2-121(c)(3) or the termination of the period of master developer control described in section 515B.2-121(c)(1), as applicable, a contract, lease, or license of a type described in subsection (a) is entered into by a person having authority to appoint the directors of the master association and is binding upon the master association, then the master association, and not any association, may terminate the contract, lease, or license under the procedures described in this section.

(c) Termination shall be upon no less than 90 days' notice. Notice of termination shall be given by the association or master association, as applicable, in accordance with section 515B.1-115; provided, that notice shall be effective only if given within two years following the termination of the period of declarant control ~~or~~; the suspension period described in Minnesota Statutes 2008, section ~~515B.2-121, subsection (c), paragraph (3)~~ 515B.2-121(c)(3); or the termination of the period of master developer control described in section 515B.2-121(c)(1), as applicable.

(d) This section does not apply to:

(1) any lease the termination of which would terminate the common interest community;

(2) in the case of a cooperative, a mortgage or contract for deed encumbering real estate owned by the association, except that if the mortgage or contract for deed contains a contractual obligation involving a type of contract, lease, or license which may be terminated pursuant to subsection (a) or (b), then that contractual obligation may be terminated pursuant to subsection (c); or

(3) an agreement between a declarant ~~or~~; an affiliate of a declarant, or a person having authority pursuant to section 515B.2-121(c)(1) or pursuant to Minnesota Statutes 2008, section ~~515B.2-121, subsection (c), paragraph (3)~~ 515B.2-121(c)(3), to appoint the directors of the master association, and any governmental entity, if such agreement is necessary to obtain governmental approvals, provide financing under any type of government program, or provide for governmentally required access, conservation, drainage, or utilities.

(e) This section applies only to common interest communities created before August 1, 2010.

Sec. 21. Minnesota Statutes 2024, section 515B.3-1051, is amended to read:

**515B.3-1051 TERMINATION OF CONTRACTS, LEASES, LICENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) If entered into prior to termination of the period of declarant control, (i) any management, employment, maintenance, or operations contract or any lease or license of recreational, parking, or storage facilities, that is binding on the association; (ii) any other contract, lease, or license entered into by the association, a declarant or an affiliate of a declarant that is binding on the association; or (iii) any contract, lease, or license that is binding on the association or all unit owners other than a declarant or an affiliate of the declarant which is not bona fide or which was unconscionable to the association or the unit owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the association under the procedures described in this section.

(b) If entered into prior to the termination of the period of master developer control described in section ~~515B.2-121, subsection (c), paragraph (1)~~ 515B.2-121(c)(1), a contract, lease, or license of a type described in subsection (a) is entered into by the master developer and is binding upon the master association, then the master association may terminate the contract, lease, or license under the procedures described in this section.

(c) Termination shall be upon no less than 90 days' notice. Notice of termination shall be given by the association or master association, as applicable, in accordance with section 515B.1-115; provided that notice shall be effective only if given within two years following the termination of the period of declarant control or the period of master developer control, as applicable.

(d) This section does not apply to the following, provided that the rights and obligations created by the referenced instruments are (i) bona fide and not unconscionable as contemplated by subsection (a), item (iii); and (ii) disclosed to the purchaser of the unit in the disclosure statement required by section ~~515B.4-102~~ 515B.4-1021:

(1) a lease the termination of which would terminate the common interest community;

(2) in the case of a cooperative, a mortgage or contract for deed encumbering real estate owned by the association, except that if the mortgage or contract for deed contains a contractual obligation involving a type of contract, lease, or license which may be terminated pursuant to subsection (a) or (b), then that contractual obligation may be terminated pursuant to subsection (c);

(3) an agreement between a declarant or an affiliate of a declarant, or a master developer, and any governmental entity, if such agreement is necessary to obtain governmental approvals, provide financing under any type of government program, or provide for governmentally required access, conservation, drainage, utilities, or other public purpose;

(4) subject to the requirements of section 515B.4-110(a), a lease, easement, covenant, condition, or restriction that is recorded before the recording of the declaration, to the extent that it benefits a person other than a declarant or an affiliate of a declarant; or

(5) a license granted by a declarant pursuant to section 515B.2-109(e).

(e) This section applies only to common interest communities created on or after August 1, 2010.

Sec. 22. Minnesota Statutes 2024, section 515B.3-106, is amended to read:

**515B.3-106 BYLAWS; ANNUAL REPORT.**

(a) A common interest community shall have bylaws which comply with this chapter and the statute under which the association is incorporated. The bylaws and any amendments may be recorded, but need not be recorded to be effective unless so provided in the bylaws. To be eligible for recording on or after August 1, 2026, bylaws or bylaw amendments must be executed by the association.

(b) The bylaws shall provide that, in addition to any statutory requirements:

(1) A meeting of the members shall be held at least once each year, and a specified officer of the association shall give notice of the meeting as provided in section 515B.3-108.

(2) An annual report shall be prepared by the association and a copy of the report shall be provided to each unit owner at or prior to the annual meeting.

(c) The annual report shall contain at a minimum:

(1) a statement of any capital expenditures in excess of two percent of the current budget or $5,000, whichever is greater, approved by the association for the current fiscal year or succeeding two fiscal years;

(2) a statement of the association's total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amounts of the reserves, if any, that the board has allocated for the replacement of each of those components;

(3) a copy of the statement of revenues and expenses for the association's last fiscal year, and a balance sheet as of the end of said fiscal year;

(4) a statement of the status of any pending litigation or judgments to which the association is a party;

(5) a detailed description of the insurance coverage provided by the association including a statement as to which, if any, of the items referred to in section ~~515B.3-113, subsection (b)~~ 515B.3-113(b), are insured by the association; and

(6) a statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting.

Sec. 23. Minnesota Statutes 2024, section 515B.3-107, is amended to read:

**515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

(a) Except to the extent provided by the declaration, this subsection or section 515B.3-113, the association is responsible for the maintenance, repair and replacement of the common elements, and each unit owner is responsible for the maintenance, repair and replacement of the unit owner's unit. ~~Damage to the common~~ With respect to common interest communities created before August 1, 2017, damage to the common elements or any unit as a result of the acts or omissions of a unit owner or the association is the responsibility of the person causing the damage, or whose agents or invitees caused the damage. With respect to common interest communities created on or after August 1, 2017, damage to the common elements or any unit as a result of the acts or omissions of a unit owner or the association, including damage resulting from the unit owner's or association's lack of maintenance or failure to perform necessary repairs or replacement, is the responsibility of the unit owner or association responsible for causing the damage, or whose agents or invitees caused the damage.

(b) The association's board of directors shall prepare and approve a written preventative maintenance plan, maintenance schedule, and maintenance budget for the common elements. The association shall follow the approved preventative maintenance plan. The association's board may amend, modify, or replace an approved preventative maintenance plan or an approved maintenance schedule from time to time. The association must provide all unit owners with a paper copy, electronic copy, or electronic access to the preventative maintenance plan, the maintenance schedule, and any amendments or modifications to or replacements of the preventative maintenance plan and the maintenance schedule. If a common interest community was created on or before August 1, 2017, the association's board of directors shall have until January 1, 2019, to comply with the requirements of this subsection.

(c) The association shall have access through and into each unit for purposes of performing maintenance, repair or replacement for which the association may be responsible. The association and any public safety personnel shall also have access for purposes of abating or correcting any condition in the unit which violates any governmental law, ordinance or regulation, which may cause material damage to or jeopardize the safety of the common interest community, or which may constitute a health or safety hazard for occupants of units.

(d) Neither the association, nor any unit owner other than the declarant or its affiliates, is subject to a claim for payment of expenses incurred in connection with any additional real estate.

Sec. 24. Minnesota Statutes 2024, section 515B.3-112, is amended to read:

**515B.3-112 CONVEYANCE OF, OR CREATION OF SECURITY INTERESTS IN, COMMON ELEMENTS.**

(a) In a condominium or planned community, unless the declaration provides otherwise, portions of the common elements may be conveyed or subjected to a security interest by the association if persons entitled to cast at least 67 percent of the votes in the association, including 67 percent of the votes allocated to units not owned by a declarant, or any larger percentage the declaration specifies, approve that action in writing or at a meeting; but all unit owners of units to which any limited common element is allocated must agree in order to convey that limited common element or subject it to a security interest. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use.

(b) In a cooperative, unless the declaration provides otherwise, part of a cooperative may be conveyed, or all or a part subjected to a security interest, by the association if persons entitled to cast at least 67 percent of the votes in the association, including 67 percent of the votes allocated to units in which the declarant has no interest, or any larger percentage the declaration specifies, approves that action in writing or at a meeting. If fewer than all of the units or limited common elements are to be conveyed or subjected to a security interest, then all unit owners of those units, or the units to which those limited common elements are allocated, must agree in order to convey those units or limited common elements or subject them to a security interest. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use. Any purported conveyance or other voluntary transfer of an entire cooperative is void, unless made pursuant to section 515B.2-119.

(c) The association, on behalf of the unit owners, may contract to convey or encumber an interest in the common elements of a common interest community pursuant to this subsection, subject to the required approval. After the approval has been obtained, the association shall have a power of attorney coupled with an interest to effect the conveyance or encumbrance on behalf of all unit owners in the common interest community, including the power to execute deeds, mortgages, or other instruments of conveyance or security. The instrument conveying or creating the interest in the common interest community shall be recorded and shall include as exhibits (i) an affidavit of the president or secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners and units in the common interest community as of the date of the approval.

(d) Unless made pursuant to this section, any purported conveyance, creation of a security interest in or other voluntary transfer of any interest in the common elements, or of any part of a cooperative, is void. The grant of an easement, lease, or license pursuant to section 515B.3-102(a)(9) is not subject to this section.

(e) In the case of a conveyance involving a condominium, a planned community utilizing a CIC plat complying with section 515B.2-110(c) or 515B.2-1101(c), or a cooperative in which the unit owners' interests are characterized as real estate, the association shall record, simultaneously with the recording of the instrument of conveyance, an amended CIC plat showing the real estate constituting the common interest community exclusive of the real estate conveyed.

(f) A conveyance or encumbrance of common elements, or of a cooperative, pursuant to this section shall not deprive any unit of its rights of support, reasonable access or utility services.

(g) In all common interest communities, upon recording of the instrument of conveyance, the real estate conveyed shall be released from the declaration and all rights and obligations arising therefrom. Except as provided in subsection (a), or unless the declaration otherwise provides, a conveyance or encumbrance of common elements pursuant to this section does not affect the priority or validity of preexisting encumbrances.

(h) Any proceeds of the conveyance or creation of a security interest under this section are an asset of the association.

(i) This section shall not apply to any conveyance or encumbrance of any interest in a proprietary lease.

Sec. 25. Minnesota Statutes 2024, section 515B.3-113, is amended to read:

**515B.3-113 INSURANCE.**

(a) Commencing not later than the time of the first conveyance of a unit to a unit owner other than a declarant, the association shall maintain, to the extent reasonably available:

(1) subject to subsection (b), property insurance (i) on the common elements and, in a planned community, also on property that must become common elements, (ii) for broad form covered causes of loss, and (iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, at the time the insurance is purchased and at each renewal date, exclusive of items normally excluded from property policies; and

(2) commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the property in an amount, if any, specified by the common interest community instruments or otherwise deemed sufficient in the judgment of the board, insuring the board, the association, the management agent, and their respective employees, agents and all persons acting as agents. The declarant shall be included as an additional insured in its capacity as a unit owner or board member. The unit owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the common elements. The insurance shall cover claims of one or more insured parties against other insured parties.

(b) In the case of a common interest community that contains units, or structures within units, sharing or having contiguous walls, siding or roofs, the insurance maintained under subsection (a)(1) shall include those units, or structures within those units, and the common elements. The insurance need not cover the following items within the units: (i) ceiling or wall finishing materials, (ii) finished flooring, (iii) cabinetry, (iv) finished millwork, (v) electrical, heating, ventilating, and air conditioning equipment, and plumbing fixtures serving a single unit, (vi) built-in appliances, or (vii) other improvements and betterments, regardless of when installed. If any improvements and betterments are covered, any increased cost may be assessed by the association against the units affected. The association may, in the case of a claim for damage to a unit or units, (i) pay the deductible amount as a common expense, (ii) assess the deductible amount against one or more of the units affected in any reasonable manner, or (iii) require the unit owners of one or more of the units affected to pay the deductible amount directly.

(c) If the insurance described in subsections (a) and (b) is not reasonably available, the association shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all unit owners. The declaration may require the association to carry any other insurance, and the association in any event may carry any other insurance it considers appropriate to protect the association, the unit owners or officers, directors or agents of the association.

(d) Insurance policies carried pursuant to subsections (a) and (b) shall provide that:

(1) each unit owner and secured party is an insured person under the policy with respect to liability arising out of the unit owner's interest in the common elements or membership in the association;

(2) the insurer waives its right to subrogation under the policy against any unit owner of ~~the condominium~~ a unit in the common interest community or members of the unit owner's household and against the association and members of the board of directors;

(3) no act or omission by any unit owner or secured party, unless acting within the scope of authority on behalf of the association, shall void the policy or be a condition to recovery under the policy; and

(4) if at the time of a loss under the policy there is other insurance in the name of a unit owner covering the same property covered by the policy, the association's policy is primary insurance. A declaration may provide, however, that with respect to insurance policies carried pursuant to subsection (a)(2), if, at the time of a claim under the policy that arises out of or relates to the use of a limited common element assigned to a unit that is restricted to nonresidential use, there is other insurance in the name of the unit owner of the unit to which that limited common element is assigned, any insurance in the name of the unit owner to which the limited common element is assigned is primary insurance.

(e) Any loss covered by the property policy under subsection (a)(1) shall be adjusted by and with the association. The insurance proceeds for that loss shall be payable to the association, or to an insurance trustee designated by the association for that purpose. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and secured parties as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units. If there is a surplus of proceeds after the common elements and units have been completely repaired or restored or the common interest community is terminated, the board of directors may retain the surplus for use by the association or distribute the surplus among the owners on an equitable basis as determined by the board.

(f) Unit owners may obtain insurance for personal benefit in addition to insurance carried by the association.

(g) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance, upon request, to any unit owner or secured party. The insurance may not be canceled until 60 days after notice of the proposed cancellation has been mailed to the association, each unit owner and each secured party for an obligation to whom certificates of insurance have been issued.

(h) Any portion of the common interest community which is damaged or destroyed as the result of a loss covered by the association's insurance shall be promptly repaired or replaced by the association unless (i) the common interest community is terminated and the association votes not to repair or replace all or part thereof, (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (iii) 80 percent of the unit owners, including every unit owner and holder of a first mortgage on a unit or assigned limited common element which will not be rebuilt, vote not to rebuild. Subject to subsection (b), the cost of repair or replacement of the common elements in excess of insurance proceeds and reserves shall be paid as a common expense, and the cost of repair of a unit in excess of insurance proceeds shall be paid by the respective unit owner.

(i) If less than the entire common interest community is repaired or replaced, (i) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the common interest community, (ii) the insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units, including units to which the limited common elements were assigned, and the secured parties of those units, as their interests may appear, and (iii) the remainder of the proceeds shall be distributed to all the unit owners and secured parties as their interests may appear in proportion to their common element interest in the case of a condominium or in proportion to their common expense liability in the case of a planned community or cooperative.

(j) If the unit owners and holders of first mortgages vote not to rebuild a unit, that unit's entire common element interest, votes in the association, and common expense liability are automatically reallocated upon the vote as if the unit had been condemned under section 515B.1-107. The association shall have the power to, and shall, promptly prepare, execute and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, if the common interest community is terminated, insurance proceeds not used for repair or replacement shall be distributed in the same manner as sales proceeds pursuant to section 515B.2-119(e).

(k) The provisions of this section may be varied or waived in the case of a common interest community in which all units are restricted to nonresidential use.

Sec. 26. Minnesota Statutes 2024, section 515B.3-1141, is amended to read:

**515B.3-1141 REPLACEMENT RESERVES.**

(a) The association shall include in its annual budgets replacement reserves projected by the board to be adequate, together with past and future contributions to replacement reserves, to fund the replacement of those components of the common interest community which the association is obligated to replace by reason of ordinary wear and tear or obsolescence, subject to the following:

(1) The amount annually budgeted for replacement reserves shall be adequate, together with past and future contributions to replacement reserves, to replace the components as determined based upon the estimated remaining useful life of each component; provided that portions of replacement reserves need not be segregated for the replacement of specific components.

(2) Unless otherwise required by the declaration, annual budgets need not include reserves for the replacement of (i) components that a remaining useful life of more than 30 years, or (ii) components whose replacement will be funded by assessments authorized under section 515B.3-115(e)(1) or 515B.3-1151(e)(1), or approved in compliance with clause (5).

(3) The association shall keep the replacement reserves in an account or accounts separate from the association's operating funds, and shall not use or borrow from the replacement reserves to fund the association's operating expenses, provided that this restriction shall not affect the association's authority to pledge the replacement reserves as security for a loan to the association.

(4) The association shall reevaluate the adequacy of its budgeted replacement reserves at least every third year after the recording of the declaration creating the common interest community.

(5) Unless otherwise required by the declaration, after the termination of the period of declarant control, and subject to approval by (i) the board, and (ii) unit owners, other than the declarant or its affiliates, of units to which 51 percent of the votes in the association are allocated, the association need not annually assess for replacement reserves to replace those components whose replacement is planned to be paid for by special assessments, if the declaration authorizes special assessments, or by assessments levied under section 515B.3-115(e)(2) or 515B.3-1151(e)(2). The approval provided for in the preceding sentence

shall be effective for no more than the association's current and three following fiscal years, subject to modification or renewal by the same approval standards.

(6) Unless otherwise required by the declaration, subsection (a) shall not apply to a common interest community which is restricted to nonresidential use.

(b) Unless the declaration provides otherwise, any surplus funds that the association has remaining after payment of or provision for common expenses and reserves shall be (i) credited to the unit owners to reduce their future common expense assessments or (ii) credited to reserves, or any combination thereof, as determined by the board of directors.

(c) This section applies to common interest communities only for their fiscal years commencing on or after January 1, 2012.

Sec. 27. Minnesota Statutes 2024, section 515B.3-1151, is amended to read:

**515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) The association shall approve an annual budget of common expenses at or prior to the conveyance of the first unit in the common interest community to a purchaser and annually thereafter. The annual budget shall include all customary and necessary operating expenses and replacement reserves for the common interest community, consistent with this section and section 515B.3-114 or 515B.3-1141, as applicable. For purposes of replacement reserves under subsection (b), until an annual budget has been approved, the reserves shall be paid based upon the budget contained in the disclosure statement required by section ~~515B.4-102~~ 515B.4-1021(a)(23). The obligation of a unit owner to pay common expenses shall be as follows:

(1) If a common expense assessment has not been levied by the association, the declarant shall pay all common expenses of the common interest community, including the payment of the replacement reserve component of the common expenses for all units in compliance with subsection (b).

(2) If a common expense assessment has been levied by the association, all unit owners, including the declarant, shall pay the assessments levied against their units, except as follows:

(i) The declaration may provide for an alternate common expense plan whereby the declarant's common expense liability, and the corresponding assessment lien against the units owned by the declarant, is limited to: (A) paying when due, in compliance with subsection (b), an amount equal to the full share of the replacement reserves allocated to units owned by the declarant, as set forth in the association's annual budget approved as

provided in this subsection; and (B) paying when due all accrued expenses of the common interest community in excess of the aggregate assessments payable with respect to units owned by persons other than a declarant; provided, that the alternate common expense plan shall not affect a declarant's obligation to make up any operating deficit pursuant to item (iv), and shall terminate upon the termination of any period of declarant control unless terminated earlier pursuant to item (iii).

(ii) The alternate common expense plan may be authorized only by including in the declaration and the disclosure statement required by section ~~515B.4-102~~ 515B.4-1021 provisions authorizing and disclosing the alternate common expense plan as described in item (i), and including in the disclosure statement either (A) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget contained in the disclosure statement, or (B) a statement describing how the services or amenities may be affected.

(iii) A declarant shall give notice to the association of its intent to utilize the alternate common expense plan and a commencement date after the date the notice is given. The alternate common expense plan shall be valid only for periods after the notice is given. A declarant may terminate its right to utilize the alternate common expense plan prior to the termination of the period of declarant control only by giving notice to the association and the unit owners at least 30 days prior to a selected termination date set forth in the notice.

(iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause to be prepared and delivered to the association, at the declarant's expense, within 90 days after the termination of the period of declarant control, an audited balance sheet and profit and loss statement certified to the association and prepared by an accountant having the qualifications set forth in section 515B.3-121(b). The audit shall be binding on the declarant and the association.

(v) If the audited profit and loss statement shows an accumulated operating deficit, the declarant shall be obligated to make up the deficit within 15 days after delivery of the audit to the association, and the association shall have a claim against the declarant for an amount equal to the deficit until paid. A declarant who does not utilize an alternate common expense plan is not liable to make up any operating deficit. If more than one declarant utilizes an alternate common expense plan, all declarants who utilize the plan are jointly and severally liable to the association for any operating deficit.

(vi) The existence and amount, if any, of the operating deficit shall be determined using the accrual method of accounting applied as of the date of termination of the period of

declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(vii) Unless approved by a vote of the unit owners other than the declarant and its affiliates, the operating deficit shall not be made up, prior to the election by the unit owners of a board of directors pursuant to section 515B.3-103(d), through the use of a special assessment described in subsection (c) or by assessments described in subsections (e), (f), and (g).

(viii) The use by a declarant of an alternate common expense plan shall not affect the obligations of the declarant or the association as provided in the declaration, the bylaws, or this chapter, or as represented in the disclosure statement required by section ~~515B.4-102~~ 515B.4-1021, except as to matters authorized by this chapter.

(b) The replacement reserves required by section 515B.3-114 or 515B.3-1141, as applicable, shall be paid to the association by each unit owner for each unit owned by that unit owner in accordance with the association's annual budget approved pursuant to subsection (a), regardless of whether an annual assessment has been levied or whether the declarant has utilized an alternate common expense plan under subsection (a)(2). Replacement reserves shall be paid with respect to a unit commencing as of the later of (1) the date of creation of the common interest community or (2) the date that the structure and exterior of the building containing the unit, or the structure and exterior of any building located within the unit boundaries, but excluding the interior finishing of the structure itself, are substantially completed. If the association has not approved an annual budget as of the commencement date for the payment of replacement reserves, then the reserves shall be paid based upon the budget contained in the disclosure statement required by section ~~515B.4-102~~ 515B.4-1021.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon an annual budget approved by the association. In addition to and not in lieu of annual assessments, an association may, if so provided in the declaration, levy special assessments against all units in the common interest community based upon the same formula required by the declaration for levying annual assessments. Special assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures or operating expenses, or (4) to replace certain components of the common interest community described in section ~~515B.3-114(a)~~ 515B.3-1141(a), if such alternative method of funding is approved under section ~~515B.3-114(a)(5)~~ 515B.3-1141(a)(5). The association may also levy assessments against fewer than all units as provided in subsections (e), (f),

and (g). An assessment under subsection (e)(2) for replacement reserves is subject to the requirements of section 515B.3-1141(a)(5).

(d) Except as modified by subsections (a), clauses (1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner's unit, subject to section 515B.3-116(h); and

(5) fees, charges, late charges, fines, and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement

must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) This section applies only to common interest communities created on or after August 1, 2010.

Sec. 28. Minnesota Statutes 2024, section 515B.3-116, is amended to read:

**515B.3-116 LIEN FOR ASSESSMENTS.**

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, late charges, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable as assessments, under this section. Recording of the declaration constitutes record notice and perfection of any assessment lien under this section, and no further recording of any notice of or claim for the lien is required.

(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1)

to (3), (f), and (i) and 515B.3-1151(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2) or 515B.3-1151(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) and 515B.3-1151(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection.

(1) In a condominium or planned community, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580, except that any portion of the assessment that represents attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate under section 580.30 or chapter 581.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

(3) $500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR INCURRED; PLUS

(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR

SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the redemption period in a foreclosure of the association's assessment lien, the association may bring an action for eviction against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

Sec. 29. Minnesota Statutes 2024, section 515B.4-101, is amended to read:

**515B.4-101 APPLICABILITY; DELIVERY OF DISCLOSURE STATEMENT.**

(a) Sections 515B.4-101 through 515B.4-118 apply to all units subject to this chapter, except as provided in subsection (c) or as modified or waived by written agreement of purchasers of a unit which is restricted to nonresidential use.

(b) Subject to subsections (a) and (c), a declarant who offers a unit to a purchaser shall deliver to the purchaser a current disclosure statement which complies with the requirements of section 515B.4-102 or 515B.4-1021, as applicable. The disclosure statement shall include any material amendments to the disclosure statement made prior to the conveyance of the unit to the purchaser. The declarant shall be liable to the purchaser to whom it delivered the disclosure statement for any false or misleading statement set forth therein or for any omission of a material fact therefrom.

(c) Neither a disclosure statement nor a resale disclosure certificate need be prepared or delivered in the case of:

(1) a gratuitous transfer;

(2) a transfer pursuant to a court order;

(3) a transfer to a government or governmental agency;

(4) a transfer to a secured party by foreclosure or deed in lieu of foreclosure;

(5) an option to purchase a unit, until exercised;

(6) a transfer to a person who "controls" or is "controlled by," the grantor as those terms are defined with respect to a declarant under section 515B.1-103(2);

(7) a transfer by inheritance;

(8) a transfer of special declarant rights under section 515B.3-104 or 515B.3-1041; or

(9) a transfer in connection with a change of form of common interest community under section 515B.2-123.

(d) A purchase agreement for a unit shall contain the following notice: "The following notice is required by Minnesota Statutes. The purchaser is entitled to receive a disclosure statement or resale disclosure certificate, as applicable. The disclosure statement or resale disclosure certificate contains important information regarding the common interest community and the purchaser's cancellation rights."

(e) The sale, to the initial occupant, of a platted lot or other parcel of real estate (i) which is or may be subject to a master declaration, (ii) which is intended for residential occupancy, and (iii) which does not and is not intended to constitute a unit, shall be subject to the following requirements:

(1) The purchase agreement for the lot or other parcel shall contain the following notice: "The following notice is required by Minnesota Statutes: The real estate to be conveyed under this agreement is or may be subject to a master association as defined in Minnesota Statutes, chapter 515B. The master developer is required to provide to the buyer, within ten days after receipt of a request from the buyer or the buyer's authorized representative, a statement containing the information required by Minnesota Statutes, section 515B.4-102(a)(20) or 515B.4-1021(a)(20), as applicable, with respect to the master association. The statement contains important information regarding the master association. The name, address, and telephone number of the master developer are [insert information]."

(2) A master developer shall, within ten days after receipt of a request described in clause (1), furnish to the requesting person the information required to be provided by section 515B.4-102(a)(20) or 515B.4-1021(a)(20), as applicable.

(f) A claim by a buyer based upon a failure to comply with subsection (e):

(1) shall be limited to legal, and not equitable, remedies; or

(2) shall be barred unless it is commenced within the time period specified in section 515B.4-115(a) or 515B.4-1152(a), as applicable.

Sec. 30. Minnesota Statutes 2024, section 515B.4-102, is amended to read:

**515B.4-102 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED BEFORE AUGUST 1, 2010.**

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of the declarant;

(3) the number of units which the declarant has the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or

rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community and the nature of the occupancy, and (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or a master association will be required to maintain;

(4a) copies of the initial maintenance plan, initial maintenance schedule, and initial maintenance budget described in section 515B.3-107(b);

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that a declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; and an explanation of declarant's limited assessment liability under section 515B.3-115(b);

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD) or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 through 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that: (i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a); (ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser

cannot cancel the purchase agreement; and (iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section ~~515B.3-113, subsection (b)~~ 515B.3-113(b), are insured by the association;

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative: (i) whether the unit owners will be entitled for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative; (ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and (iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement: (i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest and penalties, and stating the years for which taxes are delinquent, and (ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year

in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the association or the purchaser of the unit will be a member of a master association, a statement to that effect, and all of the following information with respect to the master association: (i) a copy of the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto; (ii) the name, address and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members; (iii) a description of any nonresidential use permitted on any property subject to the master association; (iv) a statement as to the estimated maximum number of associations, unit owners or other persons which may become members of the master association, and the degree and period of control of the master association by a declarant or other person; (v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member or the master association; (vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made; (vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly common expense assessment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment; (viii) a description of any expenses or services not reflected in the budget, paid for or provided by a declarant or a person executing the master declaration, which may become an expense of the master association in the future; (ix) a description of any powers delegated to and accepted by the master association pursuant to section ~~515B.2-121(f)(2)~~ 515B.2-121(e)(2); (x) identification of any liens, defects or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members; (xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-112(b); (xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association; (xiii) a description of any insurance coverage provided for the benefit of its members by the master association; and (xiv) any current or expected fees or charges, other than assessments by the master

association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) a copy of the declaration and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, or reservations affecting the common interest community; the articles of incorporation, bylaws and any rules or regulations of the association; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by purchaser at closing; and a brief narrative description of any (i) contracts or leases that are or may be subject to cancellation by the association under section 515B.3-105 and (ii) any material agreements entered into between the declarant and a governmental entity that affect the common interest community; and

(23) a balance sheet for the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation: (i) a statement of the amount included in the budget as a reserve for replacement; (ii) a statement of any other reserves; (iii) the projected common expense for each category of expenditures for the association; (iv) the projected monthly common expense assessment for each type of unit; and (v) a footnote or other reference to those components of the common interest community the maintenance, repair, or replacement of which the budget assumes will be funded by assessments under section 515B.3-115(e), rather than by assessments included in the association's annual budget, and a statement referencing section 515B.3-115(e)(1) or (2), as the source of funding. If, based upon the association's then current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included.

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20) is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created before August 1, 2010.

Sec. 31. Minnesota Statutes 2024, section 515B.4-1021, is amended to read:

**515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of each declarant holding any special declarant rights; a description of the special declarant rights held by each declarant; a description of the units or additional real estate to which the respective special declarant rights apply; and a copy of any recorded transfer of special declarant rights pursuant to section ~~515B.3-104(a)~~ 515B.3-1041(a), or any instrument recorded pursuant to section ~~515B.3-104(b)~~ 515B.3-1041(b), (g), or (h);

(3) the total number of units which all declarants have the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum~~,~~ (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community, and the nature of the occupancy, (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or master association will be required to maintain, and (vii) a description of any declarant licensing rights under section 515B.2-109(e)~~, and (viii)~~;

(4a) copies of the initial maintenance plan, initial maintenance schedule, and initial maintenance budget ~~under~~ described in section 515B.3-107(b). For common interest communities created on or after August 1, 2017, the initial maintenance plan prepared by the declarant must be based on the best available information listing all building elements to which the plan will apply and the generally accepted standards of maintenance on which the plan is based. The initial plan must be dated and signed by the declarant and be fully funded by the initial budget provided by the declarant;

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that the declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; a description of any alternate common expense plan under section ~~515B.3-115(a)(2)(i)~~ 515B.3-1151(a)(2)(i); and, if the declaration provides for an alternate common expense plan, either (i) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget or disclosed in the disclosure statement, or (ii) a statement describing how the services or amenities may be affected;

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD), or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 to ~~515B.4-115~~ 515B.4-114 and either 515B.4-1151 or 515B.4-1152, as applicable, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that:

(i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a);

(ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement; and

(iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113(b), are insured by the association;

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative:

(i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative;

(ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and

(iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement:

(i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties, and stating the years for which taxes are delinquent; and

(ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the unit or other parcel of real estate being purchased is or may be subject to a master declaration at the time of the conveyance from the declarant to the purchaser, a statement to that effect, and all of the following information with respect to the master association:

(i) copies of the following documents (which may be in proposed form if the master declaration has not been recorded): the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto;

(ii) the name and address of the master developer, and the name, address, and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members;

(iii) a description of any nonresidential use permitted on any property subject to the master declaration;

(iv) a statement as to the estimated maximum number of associations, unit owners, or other persons which may become members of the master association, and a description of any period of control of the master association and rights to appoint master association directors by a master developer or other person pursuant to section 515B.2-121(c);

(v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member of the master association;

(vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made;

(vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other periodic common expense assessment payment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;

(viii) a description of any expenses or services not reflected in the budget, paid for or provided by a master developer or another person executing the master declaration, which may become an expense of the master association in the future;

(ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(e)(2);

(x) identification of any liens, defects, or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members;

(xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-113(b)(2);

(xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association;

(xiii) a description of any insurance coverage provided for the benefit of its members by the master association; and

(xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and, if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) copies of the following documents (which may be in proposed form if the declaration has not been recorded): the declaration and any supplemental declaration, and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions,

restrictions, and reservations affecting the common interest community; the articles of incorporation, bylaws, and any rules or regulations of the association; the names of the current members of the association's board of directors; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by the purchaser at closing; and a description of any material contracts, leases, or other agreements affecting the common interest community; and

(23) a balance sheet for the association, following the creation of the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation:

(i) a statement of the amount included in the budget as a reserve for replacement, the components of the common interest community for which the reserves are budgeted, and the amounts of the reserves, if any, that are allocated for the replacement of each of those components;

(ii) a statement of any other reserves;

(iii) the projected common expense for each category of expenditures for the association;

(iv) the projected monthly common expense assessment for each type of unit; and

(v) a statement as to the components of the common interest community whose replacement will be funded by assessments under section ~~515B.3-115(e)~~ 515B.3-1151(c) or (e), rather than by replacement reserves as approved pursuant to section ~~515B.3-114(a)~~ 515B.3-1141(a). If, based upon the association's then-current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included.

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by

subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created on or after August 1, 2010.

Sec. 32. Minnesota Statutes 2024, section 515B.4-103, is amended to read:

**515B.4-103 COMMON INTEREST COMMUNITIES SUBJECT TO RIGHTS TO ADD ADDITIONAL REAL ESTATE.**

If the declaration provides that a common interest community is subject to any rights to add additional real estate:

(1) the disclosure statement shall include the following notice:

"The following notice is required by Minnesota Statutes. The declarant has reserved in the declaration certain rights to add additional real estate. These rights allow a declarant to add units or common elements to a common interest community, and to make other changes to the community over a specified period of time. These changes may have a substantial effect upon the units or rights of unit owners, by changing relative voting power and share of common expenses, by increasing the number of persons using the common elements, by altering the size and appearance of the common interest community and by making other changes which may affect the value or utility of the units. A purchaser of units in this common interest community should consider the possible effects of the declarant's rights reserved for this project"; and

(2) the disclosure statement shall include, in addition to the information required by section 515B.4-102 or 515B.4-1021, as applicable, a statement referencing the provisions of the declaration where rights to add additional real estate are reserved.

Sec. 33. Minnesota Statutes 2024, section 515B.4-104, is amended to read:

**515B.4-104 TIME SHARES.**

If the declaration permits time shares, the disclosure statement shall contain or disclose, in addition to the information required by sections 515B.4-102 or 515B.4-1021, as applicable, and 515B.4-103:

(1) the unit identifiers of the units in which time shares may be created;

(2) the total number of time shares that may be created;

(3) the minimum duration of any time shares that may be created;

(4) the extent to which the creation of time shares will or may affect the enforceability of the association's lien for assessments provided in section 515B.3-116;

(5) a statement as to whether the time share interest is a fixed time period in a designated unit or if either the time period or unit may vary;

(6) copies of all organizational documents, contracts, leases and other documents affecting the time share association or the time shares, or the purchaser's rights therein;

(7) any state or federal ruling or nonaction letter regarding the classification of the time shares as a security or a statement that there is no ruling or nonaction letter;

(8) a statement as to whether the time share is registered with the state under the Subdivided Land Sales Act or with the federal government under the Interstate Land Sales Act and, if the time share is so registered, a copy of the public offering statement or other disclosure document required by those acts; and

(9) if the time share owners are to be permitted or required to become members of or to participate in a program for the exchange of occupancy rights among themselves or with the owners of time shares in other projects or both, a general description of the program.

Sec. 34. Minnesota Statutes 2024, section 515B.4-105, is amended to read:

**515B.4-105 COMMON INTEREST COMMUNITY WITH BUILDING ONCE OCCUPIED.**

The disclosure statement for a common interest community containing any building that was at any time before the creation of the common interest community wholly or partially occupied, for any purpose, by persons other than purchasers or persons who occupied with the consent of purchasers, shall contain, in addition to the information required by sections 515B.4-102 or 515B.4-1021, as applicable, 515B.4-103, and 515B.4-104:

(1) a professional opinion prepared by a registered professional architect or engineer, licensed in this state, describing the current condition of all structural components and mechanical, electrical, and plumbing installations material to the use and enjoyment of the building, to the extent reasonably ascertainable without disturbing the improvements or dismantling the equipment, which will be in place or be operational at the time of conveyance of the first unit to a person other than a declarant. Subject to such reasonable accessibility, the opinion shall include, at a minimum, the following information concerning the following

components and installations: (i) the composition and condition of all roofs, (ii) the type of building frame and its condition, (iii) the composition and condition of exterior walls, (iv) whether any building foundation, or any exterior walls or exposed load-bearing components, show significant spalling, buckling, shearing, or other obvious settling, damage, or load distress, (v) the type, composition, and condition of predominant window and door systems, (vi) the condition of any furnaces or boilers, (vii) the stated capacity of common electrical service, (viii) the type and condition of any common elevator system serving any building, and (ix) evidence of water damage within any building and any apparent source of the damage;

(2) a statement of the remaining useful life of each item reported on in paragraph (1) or a statement that no representations are made in that regard as to some or all of the items;

(3) a list of any outstanding notices of uncured violations of building code or other municipal regulations, together with the estimated cost of curing those violations;

(4) the approximate age of each building and the approximate date of any major alterations or additions thereto; and

(5) a statement as to which, if any, of the components or installations reported on in clause (1) has been replaced or will be replaced prior to the recording of the declaration and the approximate date when the replacement occurred or will occur.

Sec. 35. Minnesota Statutes 2024, section 515B.4-106, is amended to read:

**515B.4-106 PURCHASER'S RIGHT TO CANCEL.**

(a) A person required to deliver a disclosure statement pursuant to section 515B.4-101 (b) shall provide at least one of the purchasers of the unit with a copy of the disclosure statement and all amendments thereto before conveyance of the unit. If a purchaser is not given a disclosure statement more than ten days before execution of the purchase agreement, the purchaser may, before conveyance, cancel the purchase agreement within ten days after first receiving the disclosure statement. If a purchaser is given the disclosure statement more than ten days before execution of the purchase agreement, the purchaser may not cancel the purchase agreement pursuant to this section. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the disclosure statement. The person required to deliver a disclosure statement may not condition the sale of the unit on the purchaser agreeing to modify or waive the purchaser's ten-day right of rescission, may not contractually obligate the purchaser to modify or waive the purchaser's ten-day right of rescission, and may not

include a modification or waiver of the ten-day right of rescission in any purchase agreement for the unit. To be effective, a modification or waiver of a purchaser's ten-day right of rescission must be evidenced by an instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser receives the disclosure statement.

(b) If an amendment to the disclosure statement materially and adversely affects a purchaser, then the purchaser shall have ten days after delivery of the amendment to cancel the purchase agreement in accordance with this section. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the amendment. To be effective, a modification or waiver of a purchaser's ten-day right of rescission under this section must be evidenced by a written instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser receives the amendment.

(c) If a purchaser elects to cancel a purchase agreement pursuant to this section, the purchaser may do so by giving the seller or the seller's agent notice thereof pursuant to section 515B.1-115 or, if the seller or seller's agent has provided an electronic address at which the seller or seller's agent agrees to receive electronic communication, as defined in section 317A.011, subdivision 7a, by electronic communication sent to that address. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded promptly. Notwithstanding anything in this section to the contrary, the purchaser's cancellation rights under this section terminate upon the purchaser's acceptance of a conveyance of the unit.

(d) If a declarant obligated to deliver a disclosure statement fails to deliver to the purchaser a disclosure statement which substantially complies with this chapter, the declarant shall be liable to the purchaser in the amount of $5,000, in addition to any damages or other amounts recoverable under this chapter or otherwise. Any action brought under this subsection shall be commenced within the time period specified in section ~~515B.4-115, subsection (a)~~ 515B.4-115(a), 515B.4-1151(a), or 515B.4-1152(a), as applicable.

Sec. 36. Minnesota Statutes 2024, section 515B.4-107, is amended to read:

**515B.4-107 RESALE OF UNITS.**

(a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution of any purchase agreement for a unit or otherwise before conveyance, the following documents relating to the association or to the master association, if applicable:

(1) copies of the declaration (other than any CIC plat), the articles of incorporation and bylaws, any rules and regulations, and any amendments or supplemental declarations;

(2) copies of the master declaration, articles of incorporation, bylaws, and rules and regulations, if the common interest community is subject to a master declaration; and

(3) a resale disclosure certificate from the association dated not more than 90 days prior to the date of the purchase agreement or the date of conveyance, whichever is earlier, containing the information set forth in subsection (b).

(b) The resale disclosure certificate must be in substantially the following form:

COMMON INTEREST COMMUNITY

RESALE DISCLOSURE CERTIFICATE

Name of Common Interest Community:.....

Name of Association:.....

Address of Association:.....

Unit Number(s) (include principal unit and any garage, storage, or other auxiliary units):

Common elements licensed under Minnesota Statutes, section 515B.2-109(e):

.....

.....

The following information is furnished by the association named above according to Minnesota Statutes, section 515B.4-107.

1. There is no right of first refusal or other restraint on the free alienability of the above unit(s) contained in the declaration, bylaws, rules and regulations, or any amendment to them, except as follows:.....

.....

.....

.....

2. The following periodic installments of common expense assessments and special assessments are payable with respect to the above unit(s):

a. Annual assessment installments: $..... Due:.....

b. Special assessment installments: $..... Due:.....

c. Unpaid assessments, fines, or other charges:

(1) Annual $.....

(2) Special $.....

(3) Fines $.....

(4) Other Charges $.....

d. The association has/has not (strike one) approved a plan for levying certain common expense assessments against fewer than all the units according to Minnesota Statutes, section ~~515B.3-115, subsection (e)~~ 515B.3-115(e) or 515B.3-1151(e), as applicable. If a plan is approved, a description of the plan is attached to this certificate.

3. In addition to the amounts due under paragraph 2, the following additional fees or charges other than assessments are payable by unit owners (include late payment charges, user fees, etc.):

.....

.....

.....

4. There are no extraordinary expenditures approved by the association, and not yet assessed, for the current and two succeeding fiscal years, except as follows:.....

.....

.....

5. The association is obligated to replace the following components of the common interest community:.....

.....

.....

The association has the following amounts in its reserves for replacement of those components:

.....

.....

The replacement of the following components is funded by assessments levied only against the unit or units served by the component, pursuant to Minnesota Statutes, section 515B.3-115(e)(1) or (2) or 515B.3-1151(e)(1) or (2), as applicable.....

.....

.....

6. The following documents are furnished with this certificate according to statute:

a. The most recent regularly prepared balance sheet and income and expense statement of the association.

b. The current budget of the association.

c. Copies of the association's written preventative maintenance plan, maintenance schedule, and maintenance budget for the common elements of the common interest community are either furnished with this certificate or are available electronically from the association as follows:.....

7. There are no unsatisfied judgments against the association, except as follows (identify creditor and amount):.....

.....

.....

8. There are no pending lawsuits to which the association is a party, except as follows (identify and summarize status):.....

.....

.....

9. Description of insurance coverages:

a. The association provides the following insurance coverage for the benefit of unit owners: (Reference may be made to applicable sections of the declaration or bylaws; however, any additional coverages should be described in this space).....

.....

.....

.....

b. The following described fixtures, decorating items, or construction items within the unit referred to in Minnesota Statutes, section ~~515B.3-113, subsection (b)~~ 515B.3-113(b), are insured by the association (check as applicable):

..... Ceiling or wall finishing materials

..... Finished flooring

..... Cabinetry

..... Finished millwork

..... Electrical, heating, ventilating, and air conditioning equipment, or plumbing fixtures serving a single unit

..... Built-in appliances

..... Improvements and betterments as originally constructed

..... Additional improvements and betterments installed by unit owners

10. The board of directors of the association has not notified the unit owner (i) that any alterations or improvements to the unit or to the limited common elements assigned to it violate any provision of the declaration; or (ii) that the unit is in violation of any governmental statute, ordinance, code, or regulation, except as follows:.....

.....

11. The remaining term of any leasehold estate affecting the common interest community and the premises governing any extension or renewal of it are as follows:.....

.....

.....

12. This Resale Disclosure Certificate is given in connection with the resale of a unit by a unit owner who is not a declarant and who, therefore, is not liable for express warranties under Minnesota Statutes, section 515B.4-112, or implied warranties under Minnesota Statutes, section 515B.4-113. The conveyance of this unit may, however, result in a transfer of preexisting warranties made by a declarant under the referenced statutes, subject to the terms of Minnesota Statutes, sections 515B.4-114 ~~and~~, 515B.4-1141, 515B.4-115, and 515B.4-1151, as applicable.

13. In addition to the above, the following matters affecting the occupancy or use of the unit, or the unit owner's obligations with respect to the unit, are deemed material:.....

.....

I hereby certify that the foregoing information and statements are true and correct as of.....

.....

(Date)

By: .....

Title: .....

(Association representative)

Address: .....

Phone Number: .....

RECEIPT

In addition to the foregoing information furnished by the association, the unit owner is obligated to furnish to the purchaser before execution of any purchase agreement for a unit or otherwise before conveyance, copies of the following documents relating to the association or to the master association (as applicable): the declaration (other than any common interest community plat), articles of incorporation, bylaws, rules and regulations (if any), and any amendments to these documents. Receipt of the foregoing documents, and the resale disclosure certificate, is acknowledged by the undersigned buyer(s).

Dated: ..... .....

(Buyer)

.....

(Buyer)

(c) If the common interest community is subject to a master declaration and governed by a master association to which has been delegated any of the association's powers under section 515B.3-102(a)(2), then the financial information required to be disclosed under subsection (b) may be disclosed on a consolidated basis.

(d) The association, within ten days after a request by a unit owner, or the unit owner's authorized representative, shall furnish the certificate required in subsection (a). The association may charge a reasonable fee for furnishing the certificate and any association documents related thereto. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate. A unit owner who has acquired title to a unit pursuant to section 515B.3-104 or 515B.3-1041, including, but not limited to, a unit owner who has acquired title through foreclosure or a deed in lieu of foreclosure, must indicate to the association in connection with a request for a resale disclosure certificate whether the requesting unit owner is or is not a declarant. The unit owner, not the association, is liable for any damage, loss, or other consequence arising out of the incorrect representation of its declarant status.

(e) A purchaser is not liable for any unpaid common expense assessments, including special assessments, if any, not set forth in the certificate required in subsection (a). A purchaser is not liable for the amount by which the annual or special assessments exceed the amount of annual or special assessments stated in the certificate for assessments payable in the year in which the certificate was given, except to the extent of any increases subsequently approved in accordance with the declaration or bylaws. A unit owner is not liable to a purchaser for the failure of the association to provide the certificate, or a delay by the association in providing the certificate in a timely manner.

Sec. 37. Minnesota Statutes 2024, section 515B.4-113, is amended to read:

**515B.4-113 IMPLIED WARRANTIES.**

(a) A declarant warrants to a purchaser that a unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.

(b) A declarant warrants to a purchaser that:

(1) a unit and the common elements in the common interest community are suitable for the ordinary uses of real estate of its type; and

(2) any improvements subject to use rights by the purchaser, made or contracted for by the declarant, or made by any person in contemplation of the creation of the common interest community, will be (i) free from defective materials and (ii) constructed in accordance with applicable law, according to sound engineering and construction standards, and in a workmanlike manner.

(c) In addition, a declarant warrants to a purchaser of a unit which under the declaration is available for residential use that the residential use will not violate applicable law at the earlier of the time of conveyance or delivery of possession.

(d) Warranties imposed by this section may be excluded or modified only as specified in section 515B.4-114.

(e) For purposes of this section, improvements made or contracted for by an affiliate of a declarant are made or contracted for by the declarant.

(f) Any conveyance of a unit transfers to the purchaser all implied warranties.

(g) This section does not in any manner abrogate the provisions of chapter 327A relating to statutory warranties for housing, or affect any other cause of action under a statute or the common law.

(h) With respect to common interest communities created on or after August 1, 2017, a development party shall not have liability under this section for loss or damage caused by the failure of the association or a unit owner to comply with obligations imposed by section 515B.3-107, unless the loss or damage is caused by failure to comply with section 515B.3-107 while the declarant controlled the board.

Sec. 38. Minnesota Statutes 2024, section 515B.4-116, is amended to read:

**515B.4-116 RIGHTS OF ACTION; ATTORNEY'S FEES.**

(a) In addition to any other rights to recover damages, attorney's fees, costs or expenses, whether authorized by this chapter or otherwise, if a declarant, an association, or any other person violates any provision of this chapter, or any provision of the declaration, bylaws, or rules and regulations any person or class of persons adversely affected by the failure to comply has a claim for appropriate relief. Subject to the requirements of section ~~515B.3-102~~ 515B.3-102(d) with respect to common interest communities created on or after August 1, 2017, the association shall have standing to pursue claims on behalf of the unit owners of two or more units.

(b) The court may award reasonable attorney's fees and costs of litigation to the prevailing party. Punitive damages may be awarded for a willful failure to comply.

(c) For common interest communities created on or after August 1, 2017, as a condition precedent to any construction defect claim, the parties to the claim must submit the matter to mediation before a mutually agreeable neutral third party. For the purposes of this section, mediation has the meaning given under the General Rules of Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator from the roster maintained by the Minnesota Supreme Court, the parties may petition the district court in the jurisdiction in which the common interest community is located to appoint a mediator. The applicable statute of limitations and statute of repose for an action based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged construction defect, is tolled from the date that any party makes a written demand for mediation under this section until the latest of the following:

(1) five business days after mediation is completed; or

(2) 180 days.

Notwithstanding the foregoing, mediation shall not be required prior to commencement of a construction defect claim if the parties have completed home warranty dispute resolution under section 327A.051.

(d) The remedies provided for under this chapter are not exclusive and do not abrogate any remedies under other statutes or the common law, notwithstanding whether those remedies are referred to in this chapter.

Sec. 39. Minnesota Statutes 2024, section 515B.4-118, is amended to read:

**515B.4-118 DECLARANT'S OBLIGATION TO COMPLETE AND RESTORE.**

(a) Except for improvements labeled "NEED NOT BE BUILT," the declarant shall complete all improvements depicted on any CIC plat prepared pursuant to section 515B.2-110 or 515B.2-1101, whether or not the plat is contained in the disclosure statement.

(b) The declarant is liable for the prompt repair and restoration of any portion of the common interest community damaged by the declarant's exercise of any special declarant rights.

Sec. 40. Laws 2024, chapter 96, article 1, section 91, as amended by Laws 2025, chapter 32, article 4, section 12, is amended to read:

Sec. 91. **EFFECTIVE DATE.**

This article is effective August 1, ~~2026~~ 2027.

Sec. 41. Laws 2024, chapter 96, article 2, section 13, as amended by Laws 2025, chapter 32, article 4, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2026~~ 2027.

## SPECIAL ORDER

**H.F. No. 3741:** A bill for an act relating to veterans; modifying educational assistance for veterans' children and spouses; appropriating money; amending Minnesota Statutes 2024, sections 197.75, subdivisions 2, 3, 5, by adding a subdivision; 197.791, subdivision 8; Minnesota Statutes 2025 Supplement, section 197.75, subdivision 1; repealing Minnesota Statutes 2024, section 197.752.

H.F. No. 3741 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | Mathews | Rasmusson |
| Bahr | Frentz | Johnson Stewart | Maye Quade | Rest |
| Boldon | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |
| Farnsworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Pappas, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Lucero.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3622:** A bill for an act relating to real property; making clarifying, technical, and conforming changes to the Minnesota Common Interest Ownership Act; providing for certain exemptions; providing for number of directors for certain associations; clarifying certain insurance policies; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-104; 515B.2-105; 515B.2-108; 515B.2-110; 515B.2-1101; 515B.2-113; 515B.2-118; 515B.2-119; 515B.2-121; 515B.2-124; 515B.2-125; 515B.3-102; 515B.3-1041; 515B.3-105; 515B.3-1051; 515B.3-106; 515B.3-107; 515B.3-112; 515B.3-113; 515B.3-1141; 515B.3-1151; 515B.3-116; 515B.4-101; 515B.4-102; 515B.4-1021; 515B.4-103; 515B.4-104; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-113; 515B.4-116; 515B.4-118; Minnesota Statutes 2025 Supplement, section 515B.3-103.

Senator Kreun moved to amend S.F. No. 3622 as follows (A-2):

Page 97, after line 8, insert:

"Sec. 40. Laws 2024, chapter 96, article 1, section 91, as amended by Laws 2025, chapter 32, article 4, section 12, is amended to read:

Sec. 91. **EFFECTIVE DATE.**

This article is effective August 1, ~~2026~~ 2027.

Sec. 41. Laws 2024, chapter 96, article 2, section 13, as amended by Laws 2025, chapter 32, article 4, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2026~~ 2027."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 3622 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Lucero.

So the bill, as amended, was passed and its title was agreed to.

## MEMBERS EXCUSED

Senator Carlson was excused from the Session of today from 11:00 to 11:30 a.m.

# 087. HF 3544

**Vote:** 2026-04-16 | **Workbook row:** 92
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Certain veterans or former members of the armed forces who have forfeited federal benefits made ineligible for state-funded benefits, services, or programs; and environmental hazards information and assistance program for veterans discontinued.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-03-18** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3544/versions/1/pdf/

## Original Senate journal context

PDF pages 105-106. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260416059.pdf#page=105

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3544/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 3544**

02/19/2026 Authored by Repinski
The bill was read for the first time and referred to the Veterans and Military Affairs Division
02/26/2026 Adoption of Report: Re-referred to the Committee on Health Finance and Policy
03/18/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/13/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/16/2026 Passed by the Senate and returned to the House
04/20/2026 Presented to Governor
04/21/2026 Governor Approval

A bill for an act

relating to veterans; providing that certain veterans or former members of the armed forces who have forfeited federal benefits do not qualify for state-funded veterans benefits, services, or programs; discontinuing the environmental hazards information and assistance program for veterans; amending Minnesota Statutes 2024, section 196.021; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 2024, sections 196.19; 196.21; 196.22, subdivisions 1, 2, 3, 5; 196.23; 196.24; 196.25; 196.26; 197.225.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 196.021, is amended to read:

**196.021 DEPUTY COMMISSIONERS; DUTIES.**

Subdivision 1. **Appointment.** The commissioner shall appoint a deputy commissioner for veteran services, a deputy commissioner for administration, and a deputy commissioner for veteran health care. ~~Both~~ Deputy commissioners serve in the unclassified service at the pleasure of the commissioner. ~~Both deputies~~ Deputy commissioners must be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. **Powers and duties.** The deputy commissioner for veteran services ~~and~~, the deputy commissioner for veteran health care, and the deputy commissioner for administration have those powers delegated by the commissioner. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.

Sec. 2. **[197.792] FORFEITURE OF BENEFITS.**

An individual who is a veteran, as defined under section 197.447, or a former member of the armed forces does not qualify for state-funded veterans benefits, services, or programs

under chapters 196 to 198 if the United States Department of Veterans Affairs has determined that the individual has forfeited the individual's entitlement to federal benefits according to United States Code, title 38, chapter 61.

Sec. 3. **REPEALER.**

Minnesota Statutes 2024, sections 196.19; 196.21; 196.22, subdivisions 1, 2, 3, and 5; 196.23; 196.24; 196.25; 196.26; and 197.225, are repealed.

**196.19 ENVIRONMENTAL HAZARDS INFORMATION AND ASSISTANCE ACT; CITATION.**

Sections 196.19 to 196.26 may be cited as the "Environmental Hazards Information and Assistance Act."

**196.21 DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 196.19 to 196.26 the following terms have the meanings given them.

Subd. 2. **Veteran.** "Veteran" means a person who is a resident of this state and who served in the armed forces of the United States of America.

Subd. 3. **Chemical agents.** "Chemical agents" means Agent Orange and any other identified or unidentified chemical substance or compounds suspected by medical experts of adversely affecting the physical, mental, or emotional health of members of the armed forces.

Subd. 4. **Agent Orange.** "Agent Orange" means any herbicide, defoliant, or pesticide containing dioxin and composed primarily of trichlorophenoxyacetic acid and dichlorophenoxyacetic acid.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of veterans affairs.

**196.22 POWERS AND DUTIES OF COMMISSIONER.**

Subdivision 1. **Environmental hazards information and assistance program.** The commissioner shall establish and maintain an environmental hazards information and assistance program. The commissioner shall:

(1) provide information regarding epidemiological, genetic, and other scientific studies proposed, underway, or completed that pertain to adverse health conditions which may be associated with exposure to chemical agents;

(2) monitor and report on the activities and policies of the United States government relating to the exposure of veterans to chemical agents; and

(3) respond, within the commissioner's powers and duties under this chapter and chapter 197, to other issues of concern to veterans relating to exposure to chemical agents.

Subd. 2. **Referral programs.** The commissioner, in cooperation with the United States Veterans Administration, county veterans service officers, and veterans organizations shall institute referral programs to:

(1) refer veterans to appropriate federal agencies or other available resources for treatment of adverse health conditions which may have resulted from possible exposure to chemical agents; and

(2) refer veterans to state, county, or veterans organizations advocacy services to assist them in filing compensation claims for disabilities that may have resulted from possible exposure to chemical agents.

Subd. 3. **Limited studies.** The commissioner may contract for limited studies regarding the prevalence of adverse health conditions in veterans which may be associated with possible exposure to chemical agents. Prior to contracting for such studies, the commissioner shall consult with the commissioner of health, the University of Minnesota School of Public Health, and other appropriate scientific and technical advisors pertaining to their design.

Subd. 5. **Communication of veterans' concerns.** Within the commissioner's powers and duties under chapters 196 and 197, the commissioner shall take any action appropriate to represent to appropriate officials and representatives of the United States government the concerns of veterans related to exposure to chemical agents.

**196.23 ENVIRONMENTAL HAZARDS INFORMATION AND ASSISTANCE SECTION.**

Subdivision 1. **Establishment of section.** The commissioner shall establish an environmental hazards information and assistance section in the Department of Veterans Affairs. The section shall be headed by a director. The commissioner shall provide the director with office space, administrative services, and clerical support.

Subd. 2. **Position of director.** The director of the environmental hazards information and assistance section shall be appointed by the commissioner. The director shall assist the commissioner in carrying out the duties and responsibilities required under sections 196.19 to 196.26. The

commissioner of management and budget, in consultation with the commissioner, shall establish minimum qualifications for the position of director. In setting the minimum qualifications, the commissioner of management and budget shall consider the scientific and technical background necessary to perform the duties under sections 196.19 to 196.26.

**196.24 DUTIES OF COMMISSIONER OF HEALTH.**

Subdivision 1. **Information to health professionals.** The commissioner of health shall provide medical information to health professionals in this state regarding the detection, diagnosis, and treatment of acute and chronic symptoms which may be associated with exposure to chemical agents.

Subd. 2. **Genetic information and counseling.** The commissioner of health, in cooperation with the health facilities of the University of Minnesota, shall provide genetic information and counseling to veterans who have concerns regarding the possible genetic effects which may be associated with exposure to chemical agents.

Subd. 3. **Technical assistance.** The commissioner of health shall provide scientific information and other appropriate technical assistance necessary to enable the commissioner to perform the duties and responsibilities required under sections 196.19 to 196.26.

**196.25 CONFIDENTIALITY.**

The identity of a veteran about whom information has been received under sections 196.19 to 196.26 is classified as private data pursuant to section 13.02, subdivision 12, and may not be disclosed unless the veteran consents to the disclosure. Summary data, as defined in section 13.02, subdivision 19, derived from information received under sections 196.19 to 196.26 is public information.

**196.26 CLASS ACTION REPRESENTATION BY ATTORNEY GENERAL.**

The commissioner may request the attorney general to represent a class of individuals composed of veterans who may have suffered adverse health conditions as a result of possible exposure to chemical agents in a suit for release of information relating to exposure to these chemicals during military service and for release of individual medical records.

**197.225 LIST OF DECEASED MILITARY PERSONNEL.**

(a) The commissioner of veterans affairs shall collect and maintain data about Minnesota residents who have died of service-connected causes while serving in the United States armed forces. The data may include deceased service members who are the immediate family members of Minnesota residents, but who themselves were not Minnesota residents at the time of death. The commissioner shall collect the following data: the individual's full name, military rank, branch of service, age at the time of death, and Minnesota hometown or if not a Minnesota resident at the time of death, the service member's home state.

(b) Data collected pursuant to this section are nonpublic data, but may be disseminated to the individual's next of kin, and for ceremonial or honorary purposes to veterans' organizations, civic organizations, the news media, and researchers. No other use or dissemination of the data is permitted.

(c) The next of kin of a veteran whose data is collected may request that the data not be disseminated for any purpose. Upon receiving such a request, the Department of Veterans Affairs must exclude the deceased veteran's data from any data disseminated for ceremonial or honorary purposes as permitted by paragraph (b).

(d) Data collected pursuant to this section shall not be indicative of any person's status with regard to qualification for veterans benefits or other benefits.

Senator Kunesh moved that her name be stricken as chief author and the name of Senator Marty be added as chief author to S.F. No. 2255. The motion prevailed.

Senator Pratt moved that S.F. No. 4125 be withdrawn from the Committee on Judiciary and Public Safety and re-referred to the Committee on Capital Investment. The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 3544, 3467, 3479, and S.F. No. 3637.

## SPECIAL ORDER

**H.F. No. 3544:** A bill for an act relating to veterans; providing that certain veterans or former members of the armed forces who have forfeited federal benefits do not qualify for state-funded veterans benefits, services, or programs; discontinuing the environmental hazards information and assistance program for veterans; amending Minnesota Statutes 2024, section 196.021; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 2024, sections 196.19; 196.21; 196.22, subdivisions 1, 2, 3, 5; 196.23; 196.24; 196.25; 196.26; 197.225.

H.F. No. 3544 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rasmusson |
| Bahr | Fateh | Johnson | Mathews | Rest |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Seeberger |
| Carlson | Green | Klein | McEwen | Utke |
| Champion | Gruenhagen | Koran | Mohamed | Weber |
| Clark | Gustafson | Kreun | Murphy | Wesenberg |
| Coleman | Hauschild | Kunesh | Nelson | Westlin |
| Cwodzinski | Hawj | Kupec | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Lang | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Latz | Pha | Xiong |
| Dornink | Hoffman | Lieske | Port | |
| Draheim | Holmstrom | Limmer | Pratt | |
| Drazkowski | Housley | Lucero | Putnam | |
| Duckworth | Howe | Mann | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Heintzeman, Lucero, and Utke.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senator: Koran.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3467:** A bill for an act relating to veterans; allowing the commissioner of veterans affairs to direct agency resources to veterans' initiatives; requiring reports; amending Minnesota Statutes 2024, section 196.22, by adding a subdivision.

H.F. No. 3467 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Limmer | Pratt |
| Bahr | Farnsworth | Howe | Lucero | Putnam |
| Boldon | Fateh | Jasinski | Mann | Rarick |
| Carlson | Frentz | Johnson | Marty | Rasmusson |
| Champion | Green | Johnson Stewart | Mathews | Rest |
| Clark | Gruenhagen | Klein | Maye Quade | Seeberger |
| Coleman | Gustafson | Koran | McEwen | Utke |
| Cwodzinski | Hauschild | Kreun | Mohamed | Weber |
| Dahms | Hawj | Kunesh | Murphy | Wesenberg |
| Dibble | Heintzeman | Kupec | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Lang | Pappas | Westrom |
| Draheim | Hoffman | Latz | Pha | Wiklund |
| Drazkowski | Holmstrom | Lieske | Port | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Heintzeman, Lucero, Pratt, and Utke.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3479:** A bill for an act relating to mortgage foreclosures; clarifying right to postpone a mortgage sale; amending Minnesota Statutes 2024, section 580.07, subdivision 3; Minnesota Statutes 2025 Supplement, section 580.07, subdivision 2.

H.F. No. 3479 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

# 088. HF 3467

**Vote:** 2026-04-16 | **Workbook row:** 93
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Commissioner of veterans affairs allowed to direct agency resources to veterans' initiatives, and reports required.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-03-16** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3467/versions/1/pdf/

## Original Senate journal context

PDF pages 106-106. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260416059.pdf#page=106

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3467/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 3467

02/19/2026 Authored by Rehrauer; Johnson, P.; Hill; Hansen, R., and Kozlowski
The bill was read for the first time and referred to the Veterans and Military Affairs Division
03/16/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/13/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to veterans; allowing the commissioner of veterans affairs to direct agency resources to veterans' initiatives; requiring reports; amending Minnesota Statutes 2024, section 196.22, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 196.22, is amended by adding a subdivision to read:

Subd. 6. **Support for veterans' initiatives; report.** The commissioner may direct nonmonetary agency resources, as available, to support initiatives relating to veterans' food insecurity, homelessness, and suicide prevention. By October 15 of each year, the commissioner must submit a report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs that provides information on the resources expended and the critical issues that were supported during the previous year.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3467:** A bill for an act relating to veterans; allowing the commissioner of veterans affairs to direct agency resources to veterans' initiatives; requiring reports; amending Minnesota Statutes 2024, section 196.22, by adding a subdivision.

H.F. No. 3467 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Limmer | Pratt |
| Bahr | Farnsworth | Howe | Lucero | Putnam |
| Boldon | Fateh | Jasinski | Mann | Rarick |
| Carlson | Frentz | Johnson | Marty | Rasmusson |
| Champion | Green | Johnson Stewart | Mathews | Rest |
| Clark | Gruenhagen | Klein | Maye Quade | Seeberger |
| Coleman | Gustafson | Koran | McEwen | Utke |
| Cwodzinski | Hauschild | Kreun | Mohamed | Weber |
| Dahms | Hawj | Kunesh | Murphy | Wesenberg |
| Dibble | Heintzeman | Kupec | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Lang | Pappas | Westrom |
| Draheim | Hoffman | Latz | Pha | Wiklund |
| Drazkowski | Holmstrom | Lieske | Port | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Heintzeman, Lucero, Pratt, and Utke.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3479:** A bill for an act relating to mortgage foreclosures; clarifying right to postpone a mortgage sale; amending Minnesota Statutes 2024, section 580.07, subdivision 3; Minnesota Statutes 2025 Supplement, section 580.07, subdivision 2.

H.F. No. 3479 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

# 089. HF 3479

**Vote:** 2026-04-16 | **Workbook row:** 94
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Right to postpone a mortgage sale clarified.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-03-23** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3479/versions/2/pdf/

## Original Senate journal context

PDF pages 106-106. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260416059.pdf#page=106

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3479/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 3479**

| | |
|---|---|
| 02/19/2026 | Authored by Freiberg |
| | The bill was read for the first time and referred to the Committee on Commerce Finance and Policy |
| 02/26/2026 | Adoption of Report: Amended and re-referred to the Committee on Judiciary Finance and Civil Law |
| 03/23/2026 | Adoption of Report: Placed on the General Register as Amended |
| | Read for the Second Time |
| 04/13/2026 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 04/16/2026 | Passed by the Senate and returned to the House |
| 04/20/2026 | Presented to Governor |
| 04/21/2026 | Governor Approval |

A bill for an act

relating to mortgage foreclosures; clarifying right to postpone a mortgage sale; amending Minnesota Statutes 2024, section 580.07, subdivision 3; Minnesota Statutes 2025 Supplement, section 580.07, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner, or, if the mortgagor or owner is deceased, the personal representatives or any person entitled to a transfer of ownership by devise, descent, or operation of law, may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the ~~originally~~ scheduled date of sale if the ~~original~~ statutory redemption period ~~was~~ is six months under section 580.23, subdivision 1; or

(2) 11 months after the ~~originally~~ scheduled date of sale if the ~~original~~ statutory redemption period ~~was~~ is 12 months under section 580.23, subdivision 2.

(b) To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03, or a postponed sale date in a subsequent notice of postponement under subdivision 1, but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (i) execute a sworn affidavit in the form set forth in subdivision 3, (ii) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (iii)

file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The foreclosure of the mortgage shall not be invalidated if the party conducting the foreclosure postpones the sale in response to receipt of a defective or untimely affidavit, unless the affidavit is procured as part of conduct in violation of chapter 325N.

(c) The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once~~, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale~~ during each foreclosure proceeding commenced under this chapter or chapter 581.

~~(b)~~ (d) If the automatic stay under United States Code, title 11, section 362, applies to ~~the~~ a mortgage foreclosure proceeding after a ~~mortgagor or owner requests~~ postponement of ~~the~~ a sheriff's sale under this section, then when the automatic stay is no longer applicable, the ~~mortgagor's or owner's~~ election to shorten the redemption period to five weeks under this section remains applicable only to ~~the~~ that mortgage foreclosure.

~~(c) Except for the circumstances set forth in paragraph (b),~~ (e) This section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

~~(d)~~ (f) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to foreclosures with a notice of pendency under Minnesota Statutes, chapter 580, or a lis pendens for a foreclosure under Minnesota Statutes, chapter 581, recorded on or after that date.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 3, is amended to read:

Subd. 3. **Affidavit form.** The affidavit referred to in subdivision 2 shall be in substantially the following form and shall contain all of the following information.

STATE OF .....

COUNTY OF .....

..... (whether one or more, "Owner"), being first duly sworn on oath, states as follows:

1. (He is) (She is) (They are) the owner(s) or mortgagor(s) of the real property (the "Property") situated in ..... (Name of) County, Minnesota, legally described in the attached published Notice of Mortgage Foreclosure Sale (the "Notice of Sale") or the notice of postponement under section 580.07, subdivision 1 ("Postponement Notice"), and make this affidavit for the purpose of postponing the foreclosure sale of the Property scheduled for ..... pursuant to Minnesota Statutes, section 580.07, subdivision 2, for five months from the date scheduled in the attached Notice of Sale or Postponement Notice if the original redemption period is six months, or for 11 months if the original redemption period is 12 months.

2. The Property is classified as homestead under Minnesota Statutes, section 273.124, is occupied by Owner as a homestead, and is improved with not more than four dwelling units.

3. Owner has elected to shorten Owner's redemption period from any foreclosure sale of the Property to five weeks in exchange for the postponement of the foreclosure sale for five months if the original redemption period was six months, or for 11 months if the original redemption period was 12 months.

..... (signature(s) of owner)

Signed and sworn to (or affirmed) before me on ..... (date) by ..... (name(s) of person(s) making statement).

..... (signature of notary public)

Notary Public

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to foreclosures with a notice of pendency under Minnesota Statutes, chapter 580, or a lis pendens for a foreclosure under Minnesota Statutes, chapter 581, recorded on or after that date.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3467:** A bill for an act relating to veterans; allowing the commissioner of veterans affairs to direct agency resources to veterans' initiatives; requiring reports; amending Minnesota Statutes 2024, section 196.22, by adding a subdivision.

H.F. No. 3467 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Limmer | Pratt |
| Bahr | Farnsworth | Howe | Lucero | Putnam |
| Boldon | Fateh | Jasinski | Mann | Rarick |
| Carlson | Frentz | Johnson | Marty | Rasmusson |
| Champion | Green | Johnson Stewart | Mathews | Rest |
| Clark | Gruenhagen | Klein | Maye Quade | Seeberger |
| Coleman | Gustafson | Koran | McEwen | Utke |
| Cwodzinski | Hauschild | Kreun | Mohamed | Weber |
| Dahms | Hawj | Kunesh | Murphy | Wesenberg |
| Dibble | Heintzeman | Kupec | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Lang | Pappas | Westrom |
| Draheim | Hoffman | Latz | Pha | Wiklund |
| Drazkowski | Holmstrom | Lieske | Port | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Heintzeman, Lucero, Pratt, and Utke.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3479:** A bill for an act relating to mortgage foreclosures; clarifying right to postpone a mortgage sale; amending Minnesota Statutes 2024, section 580.07, subdivision 3; Minnesota Statutes 2025 Supplement, section 580.07, subdivision 2.

H.F. No. 3479 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

# 090. SF 3637

**Vote:** 2026-04-16 | **Workbook row:** 95
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Optometrists prescribing of certain window glaze materials authorization clarification provision

## Included complete bill documents

**1. Introduction, posted 2026-02-17** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3637/versions/0/pdf/

## Original Senate journal context

PDF pages 107-107. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260416059.pdf#page=107

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3637/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3637

**(SENATE AUTHORS: HOWE)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/19/2026 | 6329 | Introduction and first reading |
| | | Referred to Transportation |
| 02/26/2026 | 6390 | Comm report: To pass |
| | 6392 | Second reading |
| 04/16/2026 | 8191 | Special Order |
| | 8191 | Third reading Passed |
| 05/07/2026 | 9977 | Returned from House |
| | | Presentment date 05/11/26 |
| | 10596 | Governor's action Approval 05/12/26 |
| | 10596 | Secretary of State Chapter 89 05/12/26 |
| | | Effective date 07/01/2026 |

A bill for an act

relating to transportation; clarifying that an optometrist may prescribe certain window glazing materials; amending Minnesota Statutes 2025 Supplement, section 169.71, subdivision 4a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 169.71, subdivision 4a, is amended to read:

Subd. 4a. **Glazing material; exceptions.** (a) Subdivision 4 does not apply to glazing materials that:

(1) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformity with Federal Motor Vehicle Safety Standard 205;

(2) are required to satisfy prescription or medical needs, provided:

(i) the vehicle's driver or a passenger possesses a prescription or a physician's or optometrist's statement of medical need;

(ii) the prescription specifically states whether the medical need is a temporary or permanent condition;

(iii) the prescription or statement specifically states the minimum percentage that light transmittance may be reduced to satisfy the prescription or medical needs of the patient; and

(iv) the prescription or statement contains an expiration date provided by the physician or optometrist, which must be no more than two years after the date the prescription or

statement was issued, unless an indication is made by the physician or optometrist that the driver's condition is permanent and no expiration date is appropriate; or

(3) are applied to:

(i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

(ii) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.002, subdivision 40;

(iii) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a license under section 149A.50;

(iv) the side and rear windows of a limousine as defined in section 168.002, subdivision 15; or

(v) the rear and side windows of a police vehicle.

(b) For the purposes of paragraph (a), clause (2), a driver of a vehicle may rely on a prescription or physician's or optometrist's statement of medical need issued to a person not present in the vehicle if:

(1) the prescription or physician's or optometrist's statement of medical need is issued to (i) the driver's parent, child, grandparent, grandchild, sibling, or spouse, or (ii) a person for whom the driver is a personal care attendant;

(2) the prescription or physician's or optometrist's statement of medical need specifies the make, model, and license plate of one or two vehicles that will have tinted windows; and

(3) the driver is in possession of the prescription or physician's or optometrist's statement of medical need.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2025, and applies to prescriptions issued on or after that date.

| | | | | |
|---|---|---|---|---|
| Fateh | Holmstrom | Kupec | McEwen | Rasmusson |
| Frentz | Housley | Lang | Mohamed | Rest |
| Green | Howe | Latz | Murphy | Seeberger |
| Gruenhagen | Jasinski | Lieske | Nelson | Utke |
| Gustafson | Johnson | Limmer | Pappas | Weber |
| Hauschild | Johnson Stewart | Lucero | Pha | Wesenberg |
| Hawj | Klein | Mann | Port | Westlin |
| Heintzeman | Koran | Marty | Pratt | Westrom |
| Hemmingsen-Jaeger | Kreun | Mathews | Putnam | Wiklund |
| Hoffman | Kunesh | Maye Quade | Rarick | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Port, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Heintzeman, Lucero, Pratt, and Utke.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3637:** A bill for an act relating to transportation; clarifying that an optometrist may prescribe certain window glazing materials; amending Minnesota Statutes 2025 Supplement, section 169.71, subdivision 4a.

S.F. No. 3637 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rasmusson |
| Bahr | Fateh | Johnson | Mathews | Rest |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Seeberger |
| Carlson | Green | Klein | McEwen | Utke |
| Champion | Gruenhagen | Koran | Mohamed | Weber |
| Clark | Gustafson | Kreun | Murphy | Wesenberg |
| Coleman | Hauschild | Kunesh | Nelson | Westlin |
| Cwodzinski | Hawj | Kupec | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Lang | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Latz | Pha | Xiong |
| Dornink | Hoffman | Lieske | Port | |
| Draheim | Holmstrom | Limmer | Pratt | |
| Drazkowski | Housley | Lucero | Putnam | |
| Duckworth | Howe | Mann | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Port, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Heintzeman, Lucero, Pratt, and Utke.

So the bill passed and its title was agreed to.

# 091. SF 4561

**Vote:** 2026-04-20 | **Workbook row:** 96
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Omnibus Agriculture policy bill

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-20** - 17 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/4561/versions/2/pdf/

## Original Senate journal context

PDF pages 332-334. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260420060.pdf#page=333

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/4561/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 4561

**(SENATE AUTHORS: PUTNAM)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/18/2026 | 6810 | Introduction and first reading |
| | | Referred to Agriculture, Veterans, Broadband, and Rural Development |
| 03/26/2026 | 7048a | Comm report: To pass as amended |
| | 7091 | Second reading |
| 04/20/2026 | 8524a | Special Order: Amended |
| | 8525 | Third reading Passed as amended |

A bill for an act

relating to agriculture; modifying agriculture policy provisions; defining cell-cultured food; requiring food labels to identify a product containing cell-cultured food; defining agrivoltaics system; modifying noxious weed provisions; modifying Cervidae farm fencing requirements; modifying immunity for agritourism related to off-road vehicle trail events; modifying plant and soil amendment requirements; amending Minnesota Statutes 2024, sections 17.81, by adding a subdivision; 18.77, subdivision 12, by adding subdivisions; 18.771; 18.79, subdivision 2; 18.81, subdivision 3; 18.82; 18.83, subdivision 3; 18.86; 18.91, subdivision 2; 18C.005, subdivisions 6, 6a, 25, 33, by adding subdivisions; 18C.211, subdivision 4; 18C.411, subdivision 2; 31.01, by adding a subdivision; 31.12; 31.633; 34A.01, by adding a subdivision; 35.155, subdivision 4; 604A.40, subdivision 1; Minnesota Statutes 2025 Supplement, section 18.79, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 18C; repealing Minnesota Statutes 2024, section 18.77, subdivision 14.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 17.81, is amended by adding a subdivision to read:

Subd. 4a. **Agrivoltaic system.** "Agrivoltaic system" means the simultaneous integration of farming, as defined in section 41C.02, subdivision 10, and solar energy generation on the same land.

Sec. 2. Minnesota Statutes 2024, section 18.77, is amended by adding a subdivision to read:

Subd. 3b. **Cultivated variety or cultivar.** "Cultivated variety" or "cultivar" means a named plant variety that is clonally propagated to maintain genetic uniformity.

Sec. 3. Minnesota Statutes 2024, section 18.77, is amended by adding a subdivision to read:

Subd. 11a. **Plant variety.** "Plant variety" means a more precisely defined group of plants, selected from within a species, with a common set of characteristics.

Sec. 4. Minnesota Statutes 2024, section 18.77, is amended by adding a subdivision to read:

Subd. 11b. **Propagate.** "Propagate" means to cause or continue to increase by sexual or asexual reproduction. Propagate includes but is not limited to germination by seed; regeneration of vegetative parts such as roots, stems, or leaves; and the removal of plants from one location and replanting at another location.

Sec. 5. Minnesota Statutes 2024, section 18.77, subdivision 12, is amended to read:

Subd. 12. **Propagating parts.** "Propagating parts" means all plant parts~~, including seeds,~~ that are capable of producing new plants.

Sec. 6. Minnesota Statutes 2024, section 18.77, is amended by adding a subdivision to read:

Subd. 18. **Reasonable grounds.** "Reasonable grounds" means a report, a complaint, direct observation, or circumstantial evidence, such as the nearby presence of noxious weeds, a history of noxious weed infestation, or other evidence from which a reasonable person acting in good faith might infer the presence of noxious weeds.

Sec. 7. Minnesota Statutes 2024, section 18.771, is amended to read:

**18.771 NOXIOUS WEED CATEGORIES.**

Subdivision 1. **Noxious weed categories.** (a) For purposes of designation under section 18.79, subdivision 13, noxious weed category means each of the following categories:

(1) the prohibited-eradicate noxious weeds category;

(2) the prohibited-control noxious weeds category;

(3) the restricted noxious weeds category;

(4) the specially regulated plants category; and

(5) the county noxious weeds category.

(b) The "prohibited-eradicate noxious weeds" category includes noxious weeds that must be eradicated on all lands within the state. ~~Transportation of the propagating parts of prohibited-eradicate noxious weeds is prohibited except as allowed under section 18.82.~~ Prohibited-eradicate noxious weeds ~~may~~ and their propagating parts must not be imported into Minnesota or sold ~~or~~, propagated, or transported in Minnesota, except as allowed under section 18.82. Noxious weeds that are designated as prohibited-eradicate noxious weeds and placed on the prohibited-eradicate noxious weeds list are plants that are not currently known to be present in Minnesota or are not widely established in the state. All prohibited-eradicate noxious weeds must be eradicated.

(c) The "prohibited-control noxious weeds" category includes noxious weeds that must be controlled on all lands within the state. ~~Transportation of the propagating parts of prohibited-control noxious weeds is prohibited~~ Prohibited-control noxious weeds and their propagating parts must not be imported into Minnesota or sold, propagated, or transported in Minnesota, except as allowed under section 18.82. ~~Prohibited-control noxious weeds may not be propagated or sold in Minnesota.~~ Noxious weeds that are designated as prohibited-control noxious weeds and placed on the prohibited-control noxious weeds list are plants that are already established throughout the state or regions of the state. At a minimum, these species must be controlled in a way that prevents spread of these species by seed or vegetative means.

(d) The "restricted noxious weeds" category includes noxious weeds and their propagating parts that ~~may~~ must not be imported~~,~~ into Minnesota or sold, propagated, or transported in the state, except as allowed ~~by permit~~ under section 18.82. Noxious weeds that are designated as restricted and placed on the restricted list may be plants that are widely distributed in Minnesota and for which a requirement of eradication or control would not be feasible on a statewide basis using existing practices. The commissioner may establish a nursery production phase-out period for species that will be designated as restricted.

(e) The "specially regulated plants" category includes noxious weeds ~~that may be native species or nonnative species~~ that have ~~demonstrated economic value~~ clearly defined benefits, but also have the potential to cause harm in noncontrolled environments. Plants designated as specially regulated have been determined to pose ecological, economical, or human or animal health concerns. Species-specific management plans or rules that define the use and management requirements for these plants must be developed by the commissioner of agriculture for each plant designated as specially regulated. The commissioner must also take measures to minimize the potential for harm caused by these plants.

(f) The "county noxious weeds" category includes noxious weeds that are designated by individual county boards to be enforced as prohibited noxious weeds within the county's jurisdiction and must be approved by the commissioner of agriculture, in consultation with the Noxious Weed Advisory Committee. Each county board must submit newly proposed county noxious weeds to the commissioner of agriculture for review. Approved county noxious weeds ~~shall~~ must also be posted with the county's general weed notice prior to May 15 each year. Counties are solely responsible for developing county noxious weed lists and their enforcement.

Subd. 2. **Exemptions.** The commissioner may designate a specific plant variety, including a cultivated variety, as exempt from subdivision 1 if the commissioner finds that, based on credible and sufficient documentation, the variety is bred for low seeding, the variety is sterile, or, for reasons other than low seeding or sterility, the variety has low invasive potential.

Sec. 8. Minnesota Statutes 2024, section 18.79, subdivision 2, is amended to read:

Subd. 2. **Authorized agents.** ~~County agricultural inspectors may administer and enforce sections 18.76 to 18.91. A county-designated employee may enforce sections 18.78, 18.82, 18.83, 18.84, 18.86, and 18.87. A county must make the identity of a county-designated employee described by this subdivision available to the public.~~ County agricultural inspectors, county-designated employees, local weed inspectors, and assistant weed inspectors are authorized agents of the commissioner for their jurisdictions. A county agricultural inspector or a county-designated employee must be responsible for the duties and enforcement of sections 18.78 and 18.81 to 18.87. A county must make the identity of a county agricultural inspector or county-designated employee available to the public. A local weed inspector or the inspector's assistant must be responsible for the duties and enforcement of sections 18.78, subdivision 1; 18.81, subdivision 2; 18.82 to 18.84; 18.86; and, for a municipality, 18.87.

Sec. 9. Minnesota Statutes 2025 Supplement, section 18.79, subdivision 3, is amended to read:

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to 18.91, an inspector or county-designated employee ~~shall~~ must contact a landowner through direct communication prior to entering upon the land for a noxious weed inspection. If a landowner cannot be contacted, an inspector or county-designated employee may enter upon land without consent of the owner and without being subject to an action for trespass or any

damages. For the purposes of this subdivision, "direct communication" may include contact with the landowner through an in-person visit, phone call, voice mail, text message, mail, or email. A landowner ~~cannot~~ must not refuse an inspector or county-designated employee ~~having probable cause to conduct an inspection for noxious weeds~~ who has reasonable grounds, as defined in section 18.77, subdivision 18, to believe that noxious weeds may be present on their lands. Within five business days of a completed inspection, the inspector or county-designated employee ~~shall~~ must provide the landowner with a copy of the inspection report, including further actions if applicable.

Sec. 10. Minnesota Statutes 2024, section 18.81, subdivision 3, is amended to read:

Subd. 3. **Nonperformance by inspectors; reimbursement for expenses.** If local weed inspectors neglect or fail to do their duty as prescribed in this section, the county agricultural inspector or county-designated employee~~, in consultation with the commissioner,~~ may issue a notice to the inspector providing instructions on how and when to do their duty. If, after the time allowed in the notice, the local weed inspector has not complied as directed, the county agricultural inspector or county-designated employee may consult with the ~~commissioner~~ county attorney or county board to perform the duty for the local weed inspector. A claim for the expense of doing the local weed inspector's duty is a legal charge against the municipality in which the inspector has jurisdiction. The county agricultural inspector or county-designated employee overseeing the work may file an itemized statement of costs with the clerk of the municipality in which the work was performed. The municipality ~~shall~~ must immediately issue proper warrants to the county for the work performed. If the municipality fails to issue the warrants, the county auditor may include the amount contained in the itemized statement of costs as part of the next annual tax levy in the municipality and withhold that amount from the municipality in making its next apportionment.

Sec. 11. Minnesota Statutes 2024, section 18.82, is amended to read:

**18.82 TRANSPORTATION OR POSSESSION OF NOXIOUS WEED PROPAGATING PARTS.**

Subdivision 1. **Permits required.** Transporting noxious weed propagating parts without a permit on public roads in the state or possessing noxious weed propagating parts in the state without a permit is prohibited, except as provided in section 21.74.

Subd. 1a. **Permits.** (a) If a person wants to transport noxious weed propagating parts ~~along~~ on a public ~~roadway~~ road, including materials or equipment containing the propagating parts of noxious weeds, the person must secure a written permit for transportation from the

commissioner, an inspector, or a county-designated employee. Inspectors or county-designated employees may issue permits to persons residing or operating within their jurisdiction. A permit is not required for the transport of noxious weeds for the purpose of destroying propagating parts at an appropriate disposal site. Anyone transporting noxious weed propagating parts for the purpose of disposal at an appropriate disposal site ~~shall~~ must ensure that all materials are contained in a manner that prevents escape during transport and complies with section 115A.931.

(b) A person must obtain a permit from the commissioner before possessing noxious weeds with propagating parts for research, education and outreach, or other reasons approved by the commissioner.

Subd. 2. **Conditions of permit issuance.** ~~The following conditions must be met before a permit under subdivision 1 may be issued:~~ Any person requesting a permit under subdivision 1a must provide the following information in writing to the commissioner, an inspector, or a county-designated employee for a specific jurisdiction before the commissioner, inspector, or county-designated employee issues a permit under this section:

~~(1) any material or equipment containing noxious weed propagating parts that is about to be transported along a public roadway must be in a container that is sufficiently tight and closed or otherwise covered to prevent the blowing or scattering of the material along the highway or on other lands or water;~~

~~(2) the destination for unloading and the use of the material or equipment containing noxious weed propagating parts must be stated on the permit along with the method that will be used to destroy the viability of the propagating parts and thereby prevent the material being dumped or scattered upon land or water; and~~

~~(3) the applicant for a permit for possession of noxious weed propagating parts must agree to follow the guidelines listed on the permit by the inspector.~~

(1) a description of the process that the person will use to ensure that the exterior of any vehicle or equipment being used for transportation is free from noxious weed materials and their propagating parts;

(2) a description of the manner in which the person will securely contain noxious weed materials and their propagating parts to prevent the escape of noxious weed materials and their propagating parts during transport in compliance with section 115A.931;

(3) a description of the specific locations where research will occur and a description of how the location is designed to prevent the escape of noxious weed materials and their propagating parts;

(4) a description of the established processes that the person will use to monitor and protect research locations from the escape of noxious weed materials and their propagating parts during research and after the research has been completed;

(5) a description of the purpose of using noxious weed materials, such as a description of how the noxious weed materials will be used for education and outreach, and how containers holding the materials will be designed to prevent the escape of the noxious weed materials and their propagating parts;

(6) a description of the process for destroying noxious weed materials and their propagating parts after the completion of use according to the permit;

(7) a description of the location where noxious weed materials and their propagating parts will be destroyed after the completion of use according to the permit; and

(8) any specific information required by the commissioner.

Subd. 3. **Duration of permit; inspection; revocation.** A permit under subdivision ~~1~~ 1a is valid for up to one year after the date it is issued unless otherwise specified by the commissioner, inspector, or county-designated employee issuing the permit. Any person receiving a permit must allow inspection by the issuing authority to ensure that all permit requirements are met. The permit may be revoked if ~~an~~ the commissioner, inspector, or county-designated employee determines that the applicant has not complied with this section.

Sec. 12. Minnesota Statutes 2024, section 18.83, subdivision 3, is amended to read:

Subd. 3. **Appeal of individual notice; appeal committee.** ~~(1)~~ (a) A recipient of an individual notice may appeal, in writing, the order for control or eradication of noxious weeds. This appeal must be filed with a member of the appeal committee in the county where the land is located within two working days of the time the notice is received. The committee must inspect the land specified in the notice and report back to the recipient and the inspector or county-designated employee who issued the notice within five working days, either agreeing with, disagreeing with, or revising the order. The decision may be appealed in district court. If the committee agrees with or revises the order, the control or eradication specified in the order, as approved or revised by the committee, may be carried out.

~~(2)~~ (b) The county board ~~shall~~ must appoint members of the appeal committee. The membership must include a county commissioner or municipal official and a landowner residing in the county. The expenses of the members may be reimbursed by the county upon submission of an itemized statement to the county auditor. At its option, the county board, by resolution, may delegate the duties of the appeal committee to its board of adjustment established pursuant to section 394.27. When carrying out the duties of the appeal committee, the zoning board of adjustment ~~shall~~ must comply with all of the procedural requirements of this section.

Sec. 13. Minnesota Statutes 2024, section 18.86, is amended to read:

**18.86 UNLAWFUL ACTS.**

No person may:

(1) hinder or obstruct in any way an inspector or county-designated employee in the performance of duties under sections 18.76 to 18.91 or related rules;

(2) neglect, fail, or refuse to comply with section 18.82 ~~or related rules in the transportation and use of material or equipment infested with noxious weed propagating parts~~;

(3) sell material containing noxious weed propagating parts to a person who does not have a permit to transport that material or to a person who does not have a screenings permit issued in accordance with section 21.74; or

(4) neglect, fail, or refuse to comply with a general notice or an individual notice to control or eradicate noxious weeds.

Sec. 14. Minnesota Statutes 2024, section 18.91, subdivision 2, is amended to read:

Subd. 2. **Membership.** The commissioner ~~shall~~ must appoint and approve members~~,~~ ~~which shall include~~ who have successfully completed the application process with the secretary of state, including representatives from the following:

(1) the Department of Horticultural Science at the University of Minnesota;

(2) the Department of Agronomy at the University of Minnesota;

(3) the Department of Forest Resources at the University of Minnesota;

(4) the nursery and landscape industry in Minnesota;

(5) the seed industry in Minnesota;

(6) the Department of Agriculture;

(7) the Department of Natural Resources;

(8) a conservation organization;

(9) an environmental organization;

(10) at least two farm organizations;

(11) the county agricultural inspectors;

(12) city governments;

(13) township governments;

(14) county governments;

(15) the Department of Transportation;

(16) the University of Minnesota Extension;

(17) the timber and forestry industry in Minnesota;

(18) the Board of Water and Soil Resources;

(19) soil and water conservation districts;

(20) the Minnesota Association of County Land Commissioners; and

(21) other members as needed.

Sec. 15. Minnesota Statutes 2024, section 18C.005, is amended by adding a subdivision to read:

Subd. 1d. **Active ingredient.** "Active ingredient" means an ingredient present in a fertilizer, soil amendment, plant amendment, or beneficial substance that is a plant nutrient or a soil or plant amending ingredient.

Sec. 16. Minnesota Statutes 2024, section 18C.005, subdivision 6, is amended to read:

Subd. 6. **Compost.** "Compost" ~~is a biologically stable material derived from the composting process~~ has the meaning given in section 18C.132, subdivision 1.

Sec. 17. Minnesota Statutes 2024, section 18C.005, subdivision 6a, is amended to read:

Subd. 6a. **Composting.** "Composting" ~~is the biological decomposition of organic matter. It is accomplished by mixing and piling in such a way as to promote aerobic or anaerobic~~

~~decay or both. The process inhibits pathogens, viable weed seeds, and odors~~ has the meaning given in section 18C.132, subdivision 2.

Sec. 18. Minnesota Statutes 2024, section 18C.005, is amended by adding a subdivision to read:

Subd. 15b. **Inert ingredient.** "Inert ingredient" means an ingredient that is not an active ingredient in a specialty fertilizer, soil amendment, plant amendment, or beneficial substance.

Sec. 19. Minnesota Statutes 2024, section 18C.005, subdivision 25, is amended to read:

Subd. 25. **Plant amendment.** "Plant amendment" means a substance applied to plants or seeds that is intended to improve germination, growth, yield, product quality, reproduction, flavor, or other desirable characteristics of plants, including beneficial substances and plant biostimulants, except fertilizers, soil amendments, agricultural liming materials, pesticides, and other materials that are exempted by rule.

Sec. 20. Minnesota Statutes 2024, section 18C.005, is amended by adding a subdivision to read:

Subd. 25a. **Plant biostimulant.** "Plant biostimulant" means a substance, microorganism, or mixture thereof that, when applied to seeds, plants, the rhizosphere, soil, or other growth media, supports a plant's natural nutrition processes independently of the biostimulant's nutrient content and improves nutrient availability, uptake, or use efficiency; tolerance to abiotic stress; and consequent growth, development, quality, or yield.

Sec. 21. Minnesota Statutes 2024, section 18C.005, subdivision 33, is amended to read:

Subd. 33. **Soil amendment.** "Soil amendment" means a substance intended to improve the structural, physical, chemical, biochemical, or biological characteristics of the soil or modify organic matter at or near the soil surface, including beneficial substances, except fertilizers, agricultural liming materials, pesticides, and other materials exempted by the commissioner's rules.

Sec. 22. **[18C.132] COMPOST AND COMPOSTING.**

Subdivision 1. **Compost.** "Compost" is the product manufactured through the controlled aerobic, biological decomposition of biodegradable materials. The product has undergone mesophilic and thermophilic temperatures, which significantly reduces the viability of

pathogens and weed seeds and stabilizes the carbon such that it is beneficial to plant growth. Compost is typically used as a soil amendment but may also contribute plant nutrients.

Subd. 2. **Composting.** "Composting" is the biological decomposition of organic matter. Composting is accomplished by mixing and piling in such a way as to promote aerobic or anaerobic decay, or both. Composting is a process that inhibits pathogens, viable weed seeds, and odors.

Sec. 23. Minnesota Statutes 2024, section 18C.211, subdivision 4, is amended to read:

Subd. 4. **Guaranteed analysis of soil or plant amendment or beneficial substance.** The guaranteed analysis of a soil amendment ~~or~~, plant amendment, or beneficial substance must be an accurate statement of composition including the percentages of each active ingredient. If the product is a microbiological product, the number of viable microorganisms per milliliter for a liquid ~~or~~, the number of viable microorganisms per gram, or any other acceptable units for a ~~dry~~ product must also be listed.

Sec. 24. **[18C.217] SOIL AMENDMENT, PLANT AMENDMENT, AND BENEFICIAL SUBSTANCE LABELING.**

(a) A person may not sell or distribute a soil amendment, plant amendment, or beneficial substance in bags or other containers in this state unless a label is placed on or affixed to the bag or container stating in a clear, legible, and conspicuous form the following information:

(1) the product name;

(2) the net weight or net volume expressed in imperial and metric measurements;

(3) the name and address of the guarantor and registrant;

(4) a statement identifying the purpose of the product;

(5) directions for use; and

(6) the guaranteed analysis of each active ingredient.

(b) If the soil amendment, plant amendment, or beneficial substance contains mircroorganisms, the label must include an expiration date and recommended storage conditions.

(c) The label is not required to list inert ingredients.

(d) A person selling or distributing a bulk shipment of soil amendments, plant amendments, or beneficial substances to a singular, end consumer may provide the purchaser with a single printed form with the information required in paragraphs (a) and (b) instead of placing or affixing a label on the bulk bag or container.

Sec. 25. Minnesota Statutes 2024, section 18C.411, subdivision 2, is amended to read:

Subd. 2. **Application.** The application for registration must include:

(1) for specialty fertilizers:

(i) the name and address of the guarantor and registrant;

(ii) the brand and grade;

(iii) the guaranteed analysis as required by section 18C.211;

(iv) the sources from which nitrogen, phosphorus, potassium, or other elements or materials are derived; and

(v) the amount and formulas of inert ingredients; and

(2) for soil amendments and plant amendments:

(i) the name and address of the guarantor and registrant;

(ii) the brand name;

(iii) the sources from which the ingredients used in the product are derived; ~~and~~

(iv) the guaranteed analysis as required by section 18C.211~~.~~; and

(v) a certificate of composition that describes the amount and formulas of each inert ingredient and beneficial substance included in the formula.

Sec. 26. Minnesota Statutes 2024, section 31.01, is amended by adding a subdivision to read:

Subd. 33. **Cell-cultured food.** "Cell-cultured food" has the meaning given in section 34A.01, subdivision 1a.

Sec. 27. Minnesota Statutes 2024, section 31.12, is amended to read:

**31.12 LABELING.**

(a) For the purpose of preventing fraud and deception in the manufacture, use, sale, and transportation of food, or for the purpose of protecting and preserving the public health, it

shall be the duty of the commissioner, by rulings not inconsistent with law, to require that any article of food, or the package, receptacle, or container thereof, before it be sold, transported, used, offered for sale or transportation, or had in possession with intent to use, sell or transport within this state, shall be labeled, stamped, stenciled, marked, or branded in such manner as to plainly exhibit to the purchaser any or all of the following data or information: The percentages and true composition of such food article, its quality, strength, quantity, source of its manufacture or production or the person by or for whom the same is manufactured, produced, packed, or shipped. The commissioner shall also have authority to prescribe by such rulings the date on which the same shall take effect and be in force, and also the form, size, style, and wording of, and the place, time, method, means and manner of use of all such labels, stamps, stencils, brands, and markings, which rulings shall be made in the manner provided by law. Until such rulings are made and in effect the rulings heretofore made by the commissioner shall remain in full force and effect, except as otherwise prescribed by law. Any person who shall fail to comply with such ruling or rulings shall be guilty of a misdemeanor.

(b) If a product contains cell-cultured food, a statement must be labeled, stamped, stenciled, marked, or branded on the package in such a manner as to plainly exhibit to the purchaser that the food contains cell-cultured food. A person is in violation of this paragraph if the person (1) knowingly sells or offers for sale a product containing cell-cultured food that is not labeled as required, or (2) reasonably should have known that the product contains cell-cultured food based on information provided by the manufacturer, distributor, or supplier.

Sec. 28. Minnesota Statutes 2024, section 31.633, is amended to read:

**31.633 MEAT OR POULTRY SUBSTITUTES; INDICATION ON MENU~~;~~**
**~~PENALTIES~~.**

Subdivision 1. ~~**Menu requirement**~~ **Meat or poultry substitutes.** Any restaurant, eating place, or other establishment serving meat or poultry in any form to the public that has any filler or meat or poultry substitute added to it or incorporated in it, shall clearly and prominently indicate on its menu or bill of fare the meat entrees that contain filler or meat or poultry substitutes.

Subd. 3. **Cell-cultured food.** Any restaurant, eating place, or other establishment serving cell-cultured food to the public must clearly and prominently indicate on its menu or bill of fare the menu items that contain cell-cultured food.

Sec. 29. Minnesota Statutes 2024, section 34A.01, is amended by adding a subdivision to read:

Subd. 1a. **Cell-cultured food.** "Cell-cultured food" means a food grown from animal or plant cells in a controlled environment.

Sec. 30. Minnesota Statutes 2024, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae~~,~~ or entry into the premises by free-roaming Cervidae~~, and physical contact between farmed Cervidae and free-roaming Cervidae~~. The Board of Animal Health or commissioner of natural resources may determine whether the construction and maintenance of fencing is adequate to prevent ~~physical contact or~~ escape or entry under this subdivision and may compel corrective action when fencing is determined to be inadequate. All new fencing installed and all fencing used to repair deficiencies must be high tensile. All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must immediately repair the deficiency. All other deficiencies must be repaired within a reasonable time, as determined by the Board of Animal Health, not to exceed 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

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

Sec. 31. Minnesota Statutes 2024, section 604A.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For ~~the~~ purposes of this section, the terms in paragraphs (b) to (g) have the meanings given ~~them~~.

(b) "Agricultural products" means livestock, aquacultural, poultry, horticultural, floricultural, viticultural, silvicultural, or other products of a farm or ranch.

(c) "Agritourism activity" means activity carried out on a farm or ranch that allows organizations or members of the general public, for recreational, entertainment, charitable, or educational purposes, to view, enjoy, or participate in rural activities, including~~,~~ but not limited to~~:~~ farming; viticulture; winemaking; ranching; off-road vehicle trail events; and historical, cultural, farm stay, gleaning, harvest-your-own, or natural activities and attractions. An activity is an agritourism activity whether or not the participant pays to participate in the activity.

(d) "Agritourism professional" means a person who is engaged in providing one or more agritourism activities, whether or not for compensation.

(e) "Farm or ranch" means one or more areas of land used for the production, cultivation, growing, harvesting, or processing of agricultural products.

(f) "Inherent risks of agritourism activity" means dangers or conditions that are an integral part of an agritourism activity including but not limited to:

(1) natural hazards and conditions of land, vegetation, and waters including surface and subsurface conditions;

(2) the behavior of wild or domestic animals; and

(3) ordinary dangers of structures or equipment ordinarily used in farming or ranching operations.

(g) "Participant" means a person, other than an agritourism professional, who engages in an agritourism activity and who has the capacity to understand the inherent risks of agricultural tourism.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to causes of action accruing on or after that date.

Sec. 32. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber the subdivisions of Minnesota Statutes, section 18.77, listed in column A to the references listed in column B. The revisor must make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

| Column A | Column B |
|---|---|
| subdivision 2a | subdivision 2e |
| subdivision 2b | subdivision 2f |
| subdivision 13 | subdivision 8b |

| | |
|---|---|
| subdivision 15 | subdivision 2d |
| subdivision 16 | subdivision 2c |
| subdivision 17 | subdivision 5b |

(b) The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 18C.005, in alphabetical order and correct all cross-references.

Sec. 33. **REPEALER.**

Minnesota Statutes 2024, section 18.77, subdivision 14, is repealed.

**18.77 DEFINITIONS.**

Subd. 14. **Cooperative weed management areas or CWMAs.** "Cooperative weed management areas" or "CWMAs" means partnership organizations formed with the goal of managing invasive plants across jurisdictional and land ownership boundaries through collective planning and sharing of knowledge and resources.

Senator Oumou Verbeten moved that the name of Senator Seeberger be added as a co-author to S.F. No. 3971. The motion prevailed.

Senator Kupec moved that the name of Senator Putnam be added as a co-author to S.F. No. 4433. The motion prevailed.

Senator Hoffman moved that the name of Senator Pha be added as a co-author to S.F. No. 4662. The motion prevailed.

Senator Jasinski moved that the name of Senator Nelson be added as a co-author to S.F. No. 4718. The motion prevailed.

Senator Drazkowski moved that the name of Senator Jasinski be added as a co-author to S.F. No. 4839. The motion prevailed.

Senator Hemmingsen-Jaeger moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 4982. The motion prevailed.

Senator Abeler moved that the name of Senator Coleman be added as a co-author to S.F. No. 5114. The motion prevailed.

Senator Pratt moved that the name of Senator Jasinski be added as a co-author to S.F. No. 5147. The motion prevailed.

**Senators Cwodzinski, Johnson, Murphy, Coleman, and Kunesh introduced --**

**Senate Resolution No. 76:** A Senate resolution commemorating the 250th anniversary of the founding of the United States of America.

Referred to the Committee on Rules and Administration.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 4561, 4555, 4171, and 1943; H.F. Nos. 3437 and 4241.

## SPECIAL ORDER

**S.F. No. 4561:** A bill for an act relating to agriculture; modifying agriculture policy provisions; defining cell-cultured food; requiring food labels to identify a product containing cell-cultured food; defining agrivoltaics system; modifying noxious weed provisions; modifying Cervidae farm fencing requirements; modifying immunity for agritourism related to off-road vehicle trails; modifying plant and soil amendment requirements; modifying provisions relating to the practice of veterinary medicine and veterinary technology; amending Minnesota Statutes 2024, sections 17.81, by adding a subdivision; 18.77, subdivision 12, by adding subdivisions; 18.771; 18.79, subdivision 2; 18.81, subdivision 3; 18.82; 18.83, subdivision 3; 18.86; 18.91, subdivision 2; 18C.005, subdivisions 6, 6a, 25, 33, by adding subdivisions; 18C.211, subdivision 4; 18C.411, subdivision 2; 31.01, by adding

a subdivision; 31.12; 31.633; 34A.01, by adding a subdivision; 35.155, subdivision 4; 156.001, subdivisions 2, 3, 5, 7a, 8, 10b, by adding subdivisions; 156.01, subdivisions 1, 3, by adding a subdivision; 156.02, subdivisions 1, 2; 156.03; 156.04; 156.05; 156.06; 156.07; 156.071; 156.072, subdivisions 1, 2; 156.076; 156.077, subdivision 3, by adding subdivisions; 156.078; 156.081; 156.12, subdivisions 1, 2; 156.121; 156.16, subdivisions 5, 12, 14; 156.18, subdivisions 1, 2, 4; 156.19; 604A.40, subdivision 1; Minnesota Statutes 2025 Supplement, sections 18.79, subdivision 3; 156.015, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 18C; 156; repealing Minnesota Statutes 2024, sections 18.77, subdivision 14; 156.001, subdivision 9; 156.01, subdivision 2; 156.02, subdivision 3; 156.072, subdivision 3; 156.073; 156.16, subdivisions 2, 3, 4, 7, 8, 11; 156.20.

Senator Putnam moved to amend S.F. No. 4561 as follows (A15):

Page 2, delete lines 2 and 3

Page 16, delete article 2

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Seeberger moved to amend S.F. No. 4561 as follows (A13):

Page 15, line 15, delete "trails" and insert "trail events"

The motion prevailed. So the amendment was adopted.

S.F. No. 4561 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Dornink.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4555:** A bill for an act relating to state government; changing copy numbers for legislative manual; changing provisions for business filings, energy and water use in state facilities, enterprise sustainability, grant management, pharmacy benefit manager selection, historic site management, lien notice, public television block grant eligibility, attorney general civil actions, barbers, and cosmetologists; modifying provisions for local government elections, organization, investments, personnel structure, and financing of public projects; dedicating Snow Professionals Appreciation Month and Hmong American Heritage Week; designating the state sled; extending the Legislative Commission on Cybersecurity; requiring payment transparency; defining terms; amending Minnesota Statutes 2024, sections 3.888, subdivision 7; 5.02; 5.08; 5.23, subdivision 1; 15.72, by adding a subdivision; 16B.32, subdivisions 1, 2, by adding subdivisions; 16B.372, subdivision 1; 16B.97, subdivisions 4, 5; 16B.98, subdivision 11; 16B.991, subdivision 1; 43A.231, subdivision 5; 118A.09, subdivisions 2, 4, by adding a subdivision; 129D.13, subdivision 1; 138.669; 154.001, subdivision 2; 154.003; 154.01; 154.02, subdivisions 1, 4, by adding subdivisions; 154.05; 154.07, subdivision 1, by adding a subdivision; 154.08; 154.09; 154.11, subdivision 1; 155A.20; 155A.23, subdivisions 4, 5, 8, 9, 10, 18, by adding a subdivision; 155A.25, subdivisions 1a, 5, 7; 155A.27, subdivisions 5a, 10; 155A.271, subdivision 2; 155A.29, subdivision 2; 155A.30, subdivisions 3, 4, 5, 6, 7, 8, 9, 11, 12; 155A.31; 155A.32; 155A.33, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 268.058, subdivision 1; 365.05; 365.50, subdivisions 1, 2; 367.03, subdivision 2; 367.12; 367.161; 379.01, subdivision 3; 383A.281, subdivision 13; 383A.283, subdivisions 2, 3; 383A.284, subdivisions 1, 2, 3, 4, 5; 383A.285, subdivisions 2, 3, 4, 5, 10; 383A.286, subdivisions 2, 3; 383A.288, subdivisions 5, 6; 383A.289, subdivisions 1, 3; 383A.291, subdivision 1a; 383A.292, subdivisions 1, 2; 383A.294, subdivision 6; 383A.295, subdivisions 1, 2; 429.011, subdivision 2a; 429.021, subdivision 1; 444.075, subdivision 1; Minnesota Statutes 2025 Supplement, section 15A.082, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 1; 10; 43A; 358; repealing Minnesota Statutes 2024, sections 383A.298; 383A.301; 462.357, subdivision 5; Laws 2017, First Special Session chapter 4, article 1, section 29; Minnesota Rules, parts 2100.2500; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, 5; 2100.5300; 2100.6000.

Senator Xiong moved to amend S.F. No. 4555 as follows (A30):

Page 14, delete article 2

Page 22, delete article 3

Page 46, line 10, reinstate the stricken language and delete the new language and strike "(b)" and insert "(2)"

Page 46, line 25, reinstate the stricken "eight"

Page 47, line 1, reinstate the stricken "three" and reinstate the stricken "a"

# 092. HF 3437

**Vote:** 2026-04-20 | **Workbook row:** 97
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Application of certain residential mortgage loan fees and penalties modified.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3437/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2026-04-20** - 2 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/3437/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 349-349. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260420060.pdf#page=349

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3437/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 3437**

02/17/2026 Authored by Allen
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/13/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to commerce; modifying the application of residential mortgage loan fees and penalties in certain instances; amending Minnesota Statutes 2024, sections 58.137, by adding a subdivision; 58.20, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 58.137, is amended by adding a subdivision to read:

Subd. 4. **Exception.** Subdivisions 1 and 2 do not apply to a residential mortgage loan that is a purchase money, first lien, or DSCR loan if:

(1) the loan is made for investment purposes only;

(2) no borrower, guarantor, or cosigner intend to or do occupy the residential real property securing the loan; and

(3) the seller does not continue to occupy the residential real property after the sale.

Sec. 2. Minnesota Statutes 2024, section 58.20, is amended by adding a subdivision to read:

Subd. 5a. **Debt service coverage ratio loan or DSCR loan.** "Debt service coverage ratio loan" or "DSCR loan" means a mortgage:

(1) that is not a qualified mortgage, as defined in United States Code, title 15, section 1639c;

(2) secured by investment property; and

(3) where the lender's decision to make the loan is based on the expected cash flow to be generated from the investment property instead of the borrower's personal income.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to residential mortgage loans executed on or after that date.

A bill for an act

relating to commerce; modifying the application of residential mortgage loan fees and penalties in certain instances; amending Minnesota Statutes 2024, sections 58.137, by adding a subdivision; 58.20, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 58.137, is amended by adding a subdivision to read:

Subd. 4. **Exception.** Subdivisions 1 and 2 do not apply to a residential mortgage loan that is a purchase money, first lien, or DSCR loan, as defined in section 58.20, subdivision 5a, if:

(1) the loan is made for investment purposes only;

(2) no borrower, guarantor, or cosigner intend to or do occupy the residential real property securing the loan; and

(3) the seller does not continue to occupy the residential real property after the sale.

Sec. 2. Minnesota Statutes 2024, section 58.20, is amended by adding a subdivision to read:

Subd. 5a. **Debt service coverage ratio loan or DSCR loan.** "Debt service coverage ratio loan" or "DSCR loan" means a mortgage:

(1) that is not a qualified mortgage, as defined in United States Code, title 15, section 1639c;

(2) secured by investment property; and

(3) where the lender's decision to make the loan is based on the expected cash flow to be generated from the investment property instead of the borrower's personal income.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to residential mortgage loans executed on or after that date.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Green | Johnson | Mathews | Wesenberg |
| Dahms | Gruenhagen | Koran | Miller | Westrom |
| Dornink | Heintzeman | Lang | Rarick | |
| Draheim | Holmstrom | Lieske | Rasmusson | |
| Drazkowski | Howe | Limmer | Utke | |
| Farnsworth | Jasinski | Lucero | Weber | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3437:** A bill for an act relating to commerce; modifying the application of residential mortgage loan fees and penalties in certain instances; amending Minnesota Statutes 2024, sections 58.137, by adding a subdivision; 58.20, by adding a subdivision.

Senator Duckworth moved that the amendment made to H.F. No. 3437 by the Committee on Rules and Administration in the report adopted April 15, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Duckworth moved to amend H.F. No. 3437 as follows (A-1):

Page 1, line 9, after "loan" insert "as defined in section 58.20, subdivision 5a,"

The motion prevailed. So the amendment was adopted.

H.F. No. 3437 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Latz, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Housley.

# 093. SF 4171

**Vote:** 2026-04-20 | **Workbook row:** 98
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Vacating tenants submetered utility service final billing provision and payment of rent by tenants provisions modifications

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/4171/versions/1/pdf/

## Original Senate journal context

PDF pages 347-348. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260420060.pdf#page=348

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/4171/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 4171

**(SENATE AUTHORS: PORT, Lucero and Clark)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/05/2026 | 6518 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 04/07/2026 | 7204a | Comm report: To pass as amended |
| | 7904 | Second reading |
| 04/14/2026 | 8033 | Author added Clark |
| 04/20/2026 | 8539 | Special Order |
| | 8539 | Third reading Passed |
| 05/04/2026 | | Returned from House with amendment |
| | | Senate concurred and repassed bill |
| | | Third reading Passed as amended |

A bill for an act

relating to housing; providing for submetered utility service final billing for vacating tenants; modifying provisions related to the payment of rent by tenants; amending Minnesota Statutes 2024, sections 216B.023, by adding a subdivision; 504B.118; 504B.216, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 216B.023, is amended by adding a subdivision to read:

Subd. 3a. **Final billing for submetered utility service.** If, by the date the tenant vacates the unit, a landlord has not received from the utility provider the actual utility bill for utility service, the landlord may issue an estimated final utility bill to the tenant. The calculation must be based on the immediately preceding billing period for the submetered utility bill charged to the tenant, prorated for the number of days between the end of the prior billing period and the date the tenant vacates the unit. No additional fees or charges may be assessed, except that nothing in this subdivision prohibits a landlord from assessing and including in the final utility bill:

(1) an administrative billing charge authorized under subdivision 4; and

(2) a late payment charge authorized under subdivision 6, provided that the late payment charge reflects only a late fee for unpaid charges from the immediately preceding billing period.

Sec. 2. Minnesota Statutes 2024, section 504B.118, is amended to read:

**504B.118 ~~RECEIPT FOR RENT PAID IN CASH~~ PAYMENT OF RENT.**

Subdivision 1. **Definition.** For the purposes of this section, "digital payment platform" means an electronic application or system, under the direct control of the landlord or operated by a vendor under contract with the landlord, that permits a user to conduct financial transactions.

Subd. 2. **Receipt for rent paid in cash.** A landlord receiving rent or other payments from a tenant in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person.

Subd. 3. **Digital payment platforms.** (a) If a landlord requires or permits a tenant to pay rent and other charges using a digital payment platform, a landlord must offer a tenant an alternative to using the digital payment platform if the platform is not functioning. No fee may be charged to the tenant to use an alternative form of payment.

(b) If the landlord knows that the digital payment platform is not functioning, the landlord must restore access to the digital payment platform or offer an alternative means of payment as soon as practicable.

(c) A landlord is prohibited from taking any adverse action, including but not limited to filing an eviction or assessing late fees, when payment of rent or other charges is not paid because both the digital payment platform and the alternative payment method the landlord provided are not functioning for the tenant.

Subd. 4. **Affirmative defense.** The tenant has an affirmative defense against an eviction action filed for nonpayment of rent if the landlord violates this section. Upon a showing that the landlord has violated this section, the eviction action must be dismissed, and the tenant is entitled to reasonable attorney fees and any other equitable relief the court deems appropriate.

**EFFECTIVE DATE.** This section is effective August 1, 2026. Subdivision 4 applies to eviction actions filed on or after that date.

Sec. 3. Minnesota Statutes 2024, section 504B.216, is amended by adding a subdivision to read:

Subd. 7a. **Final billing for apportioned utility service.** If, by the date the tenant vacates the unit, a landlord has not received from the utility provider the actual utility bill for utility

service, the landlord may issue an estimated final utility bill to the tenant. The calculation must be based on the immediately preceding billing period for the apportioned utility bill charged to the tenant, prorated for the number of days between the end of the prior billing period and the date the tenant vacates the unit. No additional fees or charges may be assessed, except that nothing in this subdivision prohibits a landlord from assessing and including in the final utility bill:

(1) an administrative billing charge authorized under subdivision 8; and

(2) a late payment charge authorized under subdivision 9, provided that the late payment charge reflects only a late fee for unpaid charges from the immediately preceding billing period.

the affected property. This subdivision does not apply if the operation has undergone a substantial and material expansion resulting in a significant increase in the intensity of use relative to historical operations at the time the claimant acquired or improved the property. Nothing in this subdivision exempts an operation from compliance with applicable state or federal law.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to causes of action commenced on or after that date. "

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 4555 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson Stewart | Maye Quade | Port |
| Boldon | Frentz | Klein | McEwen | Putnam |
| Carlson | Gustafson | Kunesh | Mohamed | Rest |
| Champion | Hauschild | Kupec | Murphy | Seeberger |
| Clark | Hawj | Latz | Oumou Verbeten | Westlin |
| Cwodzinski | Hemmingsen-Jaeger | Mann | Pappas | Wiklund |
| Dibble | Hoffman | Marty | Pha | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Latz, Putnam, and Rest.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Farnsworth | Jasinski | Lucero | Utke |
| Coleman | Green | Johnson | Mathews | Weber |
| Dahms | Gruenhagen | Koran | Miller | Wesenberg |
| Dornink | Heintzeman | Kreun | Nelson | Westrom |
| Draheim | Holmstrom | Lang | Pratt | |
| Drazkowski | Housley | Lieske | Rarick | |
| Duckworth | Howe | Limmer | Rasmusson | |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4171:** A bill for an act relating to housing; providing for submetered utility service final billing for vacating tenants; modifying provisions related to the payment of rent by tenants; amending Minnesota Statutes 2024, sections 216B.023, by adding a subdivision; 504B.118; 504B.216, by adding a subdivision.

S.F. No. 4171 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Latz, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Housley.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1943:** A bill for an act relating to commerce; prohibiting pet shops from selling cats and dogs; amending Minnesota Statutes 2024, sections 325F.79; 325F.791, subdivisions 1, 5; 325F.792, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 325F.

S.F. No. 1943 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 26, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Klein | Mohamed | Rest |
| Boldon | Frentz | Kreun | Murphy | Seeberger |
| Carlson | Gustafson | Kunesh | Nelson | Westlin |
| Champion | Hauschild | Kupec | Oumou Verbeten | Wiklund |
| Clark | Hawj | Latz | Pappas | Xiong |
| Coleman | Hemmingsen-Jaeger | Mann | Pha | |
| Cwodzinski | Hoffman | Marty | Port | |
| Dibble | Housley | Maye Quade | Pratt | |
| Duckworth | Johnson Stewart | McEwen | Putnam | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Latz, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Housley.

# 094. HF 4118

**Vote:** 2026-04-21 | **Workbook row:** 99
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 51 yeas, 15 nays

**Workbook subject:** Credit unions authorized to obtain insurance from a credit union share insurance provider, credit union share guaranty corporations regulated, and conforming changes made.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 53 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4118/versions/1/pdf/

## Original Senate journal context

PDF pages 391-394. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260421061.pdf#page=394

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4118/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4118**

03/09/2026 Authored by Kotyza-Witthuhn and Allen
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
03/16/2026 Adoption of Report: Re-referred to the Committee on Ways and Means
03/25/2026 Adoption of Report: Re-referred to the Committee on Commerce Finance and Policy
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/13/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/22/2026 Passed by the Senate and returned to the House
04/28/2026 Presented to Governor
04/29/2026 Governor Approval

A bill for an act

relating to financial institutions; authorizing credit unions to obtain insurance from a credit union share insurance provider; regulating credit union share guaranty corporations; making conforming changes; amending Minnesota Statutes 2024, sections 11A.24, subdivision 4; 17.59, subdivision 4; 46A.01, subdivision 10; 52.001, by adding a subdivision; 52.04, subdivision 1; 52.063, subdivision 3; 52.09, subdivision 2; 52.24, subdivisions 1, 2, by adding a subdivision; 53B.28, subdivision 10; 53B.29; 53B.38; 53B.62, subdivisions 1, 2; 60A.091; 67A.231; 79A.22, subdivision 7; 80A.41; 80A.45; 82.77, subdivision 1; 118A.04, subdivision 5; 123B.14, subdivision 3; 142F.20, subdivision 2; 149A.97, subdivisions 3a, 5; 325K.01, subdivision 12; 354B.25, subdivision 2; 356.001, subdivision 3; 356.645; 356A.06, subdivisions 6, 7, 8a; 366.01, subdivision 4; 385.07; 424B.22, subdivision 9; 427.06; 524.3-715.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 11A.24, subdivision 4, is amended to read:

Subd. 4. **Other obligations.** (a) The state board is authorized to invest funds in:

(1) bankers acceptances and deposit notes if issued by a United States bank that is rated in the highest four quality categories by a nationally recognized rating agency;

(2) certificates of deposit if issued by a United States bank or savings institution that is rated in the top four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies, or certificates of deposits issued by a credit union in an amount within the limit of the insurance coverage provided by the National Credit Union Administration or an approved credit union share guaranty corporation;

(3) commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency;

(4) mortgage securities and asset-backed securities if rated in the top four quality categories by a nationally recognized rating agency;

(5) repurchase agreements and reverse repurchase agreements if collateralized with letters of credit or securities authorized in this section;

(6) guaranteed investment contracts if issued by an insurance company or a bank that is rated in the top four quality categories by a nationally recognized rating agency or alternative guaranteed investment contracts if the underlying assets comply with the requirements of this section;

(7) savings accounts if fully insured by a federal agency; and

(8) guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual insurance company.

(b) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the state board under paragraph (a), clause (2).

(c) In addition to investments authorized by paragraph (a), clause (4), the state board is authorized to purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The state board may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The state board may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the state board comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The state board may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

Sec. 2. Minnesota Statutes 2024, section 17.59, subdivision 4, is amended to read:

Subd. 4. **Deposit and use of checkoff fees.** Checkoff fees collected pursuant to sections 17.51 to 17.69 shall be deposited in a federally insured depository institution or an institution insured by an approved credit union share guaranty corporation and shall be disbursed by the officers and employees approved by the council for the necessary expenses incurred in the administration of sections 17.51 to 17.69. Checkoff fees collected shall be used

exclusively for the purpose collected and not to support or oppose a political party or a candidate for nomination or election to a public office.

Sec. 3. Minnesota Statutes 2024, section 46A.01, subdivision 10, is amended to read:

Subd. 10. **~~Federally~~ Insured depository financial institution.** "~~Federally~~ Insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits or deposits insured by an approved credit union share guaranty corporation.

Sec. 4. Minnesota Statutes 2024, section 52.001, is amended by adding a subdivision to read:

Subd. 1a. **Approved credit union share guaranty corporation.** "Approved credit union share guaranty corporation" means a corporation that insures share accounts in compliance with section 52.24, subdivision 1a, and has been approved by the commissioner.

Sec. 5. Minnesota Statutes 2024, section 52.04, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal

funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the Federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. ~~However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration.~~ The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policyholder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life, accident and health, and involuntary unemployment insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118A or section 9.031

or other applicable law and to receive deposits of trust funds provided that either the provider or the beneficial owner of the funds is a member of the credit union accepting the deposit;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149A.97, subdivision 5, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(i) the loan is secured by a first lien;

(ii) the board of directors approves the sale;

(iii) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(A) identify the loan or loans covered by the agreement;

(B) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(C) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(D) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(E) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(F) provide for loan status reports;

(G) state the terms and conditions under which the agreement may be terminated or modified; and

(iv) the sale is without recourse or repurchase unless the agreement:

(A) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(B) allows the seller to repurchase at its discretion; or

(C) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans,

other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(i) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(ii) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; ~~and~~

(iii) the member is clearly notified, as applicable, of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions; and

(iv) the member is clearly notified, as applicable, of the fact that approved credit union share guaranty corporation coverage is limited to funds held in deposit, share or share certificate accounts of the approved credit union share guaranty corporation-insured credit unions;

(26) to impose reasonable charges for the services it provides to its members;

(27) to impose financing charges and reasonable late charges in the event of default on loans, and recover reasonable costs and expenses, including, but not limited to, actual collection costs and attorneys' fees incurred both before and after judgment, incurred in the collection of sums due, if provided for in the note or agreement signed by the borrower;

(28) to acquire, lease, hold, assign, pledge, sell, or otherwise dispose of interests in a loan or groups of loans other than a self-replenishing line of credit; and

(29) to conduct savings promotion raffles in the manner and subject to the requirements set forth in section 609.761, subdivision 6.

Sec. 6. Minnesota Statutes 2024, section 52.063, subdivision 3, is amended to read:

Subd. 3. **Appointment of National Credit Union Administration Board as receiver.** Upon a request by the commissioner of commerce, the court may appoint the National Credit Union Administration Board, created by section 3 of the Federal Credit Union Act, as amended, or a share insurance provider approved by the commissioner as receiver of a credit union, without bond, when the deposits of the credit union are to any extent insured by the National Credit Union Administration Board or approved share insurance provider, and the credit union has had its operations suspended or has executed a consent cease and desist order with the commissioner in lieu of a suspension under section 52.062. Notwithstanding any other provisions of law, the commissioner of commerce may, in the event of the suspension or consent cease and desist order, tender to the National Credit Union Administration Board or approved share insurance provider the proposed appointment as receiver of the credit union. If the National Credit Union Administration Board or approved share insurance provider accepts the proposed appointment and the court appoints the National Credit Union Administration Board or approved share insurance provider as receiver upon a request by the commissioner, the National Credit Union Administration Board or approved shared insurance provider shall have and possess all the powers and privileges provided by the laws of this state and section 207 of the Federal Credit Union Act, as amended, with respect to a receiver of a credit union, the board of directors of the credit union, and its members.

Sec. 7. Minnesota Statutes 2024, section 52.09, subdivision 2, is amended to read:

Subd. 2. **Particular duties.** The directors shall manage the affairs of the credit union and shall:

(1) act on applications for membership. This power may be delegated to a membership chair who serves at the pleasure of the board of directors and is subject to its rules. An application must contain a certification signed by the membership chair or a member of the board showing the basis of membership;

(2) determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semiannual, or annual basis, and may be paid on all deposits whether or not the deposits have been withdrawn during the interest period. Interest may be computed on a daily basis;

(3) fix the amount of the surety bond required of all officers and employees handling money;

(4) declare dividends and transmit to the members recommended amendments to the bylaws;

(5) fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

(6) limit the number of shares and deposits which may be owned by a member, not to exceed ten percent of the outstanding shares and deposits, or $2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a comaker, guarantor, or endorser to ten percent of outstanding shares and deposits. The ten percent share and deposit limitation is not applicable to the Minnesota corporate credit union, or to credit unions insured by the National Credit Union Administration or an approved credit union share guaranty corporation;

(7) have charge of investments including loans to members. If a credit committee is established pursuant to section 52.08 or clause (13), then the credit committee shall have charge of loans to members;

(8) fix the salaries of the treasurer and other employees, which must be on a fixed monthly or annual basis, in dollars (not percentage);

(9) designate the depository institution in which the funds of the credit union will be deposited;

(10) authorize the officers of the credit union to borrow money from any source, as provided in section 52.15;

(11) with the permission of the commissioner of commerce, suspend any member of the credit committee or supervisory committee if it deems this action necessary to the proper conduct of the credit union, and call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members;

(12) provide financial assistance to the supervisory committee in carrying out its audit responsibilities;

(13) if the bylaws so provide and no credit committee has been elected pursuant to section 52.08, appoint a credit manager or a credit committee of not less than three members; and

(14) to establish different classes of shares.

Sec. 8. Minnesota Statutes 2024, section 52.24, subdivision 1, is amended to read:

Subdivision 1. **Insurance accounts.** Every credit union under the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the National Credit Union Act or through a credit union share guaranty corporation that is approved by the commissioner. A credit union ~~which~~ that fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve or merge with another credit union ~~which~~ that is insured under title II of the National Credit Union Act or through a credit union share guaranty corporation that is approved by the commissioner.

Sec. 9. Minnesota Statutes 2024, section 52.24, is amended by adding a subdivision to read:

Subd. 1a. **Credit union share guaranty corporation; accounts insured.** (a) A credit union share account of an individual member or a nonmember of a participating credit union must be guaranteed in an amount established from time to time by the credit union share guaranty corporation. The primary guaranteed amount must be at least the amount of the credit union share account but must not exceed $250,000 or the primary guaranteed amount insured by the National Credit Union Administration, whichever is greater.

(b) The commissioner may examine a credit union share guaranty corporation that insures the member accounts of a credit union that is subject to this section. The commissioner may assess the credit union share guaranty corporation examined for reasonable costs incurred to conduct an examination under this section. Money received from an assessment under this paragraph must be deposited in the financial institutions account in the special revenue fund.

(c) A credit union is prohibited from voluntarily terminating the credit union's insurance with the National Credit Union Administration Share Insurance Program or a credit union share guaranty corporation without receiving approval from the commissioner.

Sec. 10. Minnesota Statutes 2024, section 52.24, subdivision 2, is amended to read:

Subd. 2. **Certificate of approval.** No credit union shall be granted a certificate of approval by the commissioner of commerce unless the credit union has obtained a commitment for insurance of its member share and deposit accounts under the provisions of title II of the National Credit Union Act or from an approved credit union share guaranty corporation.

Sec. 11. Minnesota Statutes 2024, section 53B.28, subdivision 10, is amended to read:

Subd. 10. **~~Federally~~ Insured depository financial institution.** "~~Federally~~ Insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits or deposits insured by an approved credit union share guaranty corporation.

Sec. 12. Minnesota Statutes 2024, section 53B.29, is amended to read:

**53B.29 EXEMPTIONS.**

This chapter does not apply to:

(1) an operator of a payment system, to the extent the operator of a payment system provides processing, clearing, or settlement services between or among persons exempted by this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers;

(2) a person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided that:

(i) there exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(ii) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(iii) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee;

(3) a person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided that the entity:

(i) is properly licensed or exempt from licensing requirements under this chapter;

(ii) provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(iii) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient;

(4) the United States; a department, agency, or instrumentality of the United States; or an agent of the United States;

(5) money transmission by the United States Postal Service or by an agent of the United States Postal Service;

(6) a state; county; city; any other governmental agency, governmental subdivision, or instrumentality of a state; or the state's agent;

(7) ~~a federally~~ an insured depository financial institution; bank holding company; office of an international banking corporation; foreign bank that establishes a federal branch pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended or recodified from time to time; corporation organized pursuant to the Bank Service Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from time to time; or corporation organized under the Edge Act, United States Code, title 12, sections 611 to 633, as amended or recodified from time to time;

(8) electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

(9) a board of trade designated as a contract market under the federal Commodity Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from time to time; or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of its operation as or for a board;

(10) a registered futures commission merchant under the federal commodities laws, to the extent of the registered futures commission merchant's operation as a merchant;

(11) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer;

(12) an individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements under this chapter when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) a person expressly appointed as a third-party service provider to or agent of an entity exempt under clause (7), solely to the extent that:

(i) the service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent;

(14) a payroll processing services provider; or

(15) a person exempt by regulation or order if the commissioner finds that (i) the exemption is in the public interest, and (ii) the regulation of the person is not necessary for the purposes of this chapter.

Sec. 13. Minnesota Statutes 2024, section 53B.38, is amended to read:

**53B.38 APPLICATION FOR LICENSE.**

(a) An applicant for a license must apply in a form and in a medium as prescribed by the commissioner. The application must state or contain, as applicable:

(1) the legal name and residential and business addresses of the applicant and any fictitious or trade name used by the applicant in conducting business;

(2) a list of any criminal convictions of the applicant and any material litigation in which the applicant has been involved in the ten-year period next preceding the submission of the application;

(3) a description of any money transmission previously provided by the applicant and the money transmission that the applicant seeks to provide in this state;

(4) a list of the applicant's proposed authorized delegates and the locations in this state where the applicant and the applicant's authorized delegates propose to engage in money transmission;

(5) a list of other states in which the applicant is licensed to engage in money transmission and any license revocations, suspensions, or other disciplinary action taken against the applicant in another state;

(6) information concerning any bankruptcy or receivership proceedings affecting the licensee or a person in control of a licensee;

(7) a sample form of contract for authorized delegates, if applicable;

(8) a sample form of payment instrument or stored value, as applicable;

(9) the name and address of any ~~federally~~ insured depository financial institution through which the applicant plans to conduct money transmission; and

(10) any other information the commissioner or NMLS reasonably requires with respect to the applicant.

(b) If an applicant is a corporation, limited liability company, partnership, or other legal entity, the applicant must also provide:

(1) the date of the applicant's incorporation or formation and state or country of incorporation or formation;

(2) if applicable, a certificate of good standing from the state or country in which the applicant is incorporated or formed;

(3) a brief description of the structure or organization of the applicant, including any parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly traded;

(4) the legal name, any fictitious or trade name, all business and residential addresses, and the employment, as applicable, in the ten-year period next preceding the submission of the application of each key individual and person in control of the applicant;

(5) a list of any criminal convictions and material litigation in which a person in control of the applicant that is not an individual has been involved in the ten-year period preceding the submission of the application;

(6) a copy of audited financial statements of the applicant for the most recent fiscal year and for the two-year period next preceding the submission of the application or, if the commissioner deems acceptable, certified unaudited financial statements for the most recent fiscal year or other period acceptable to the commissioner;

(7) a certified copy of unaudited financial statements of the applicant for the most recent fiscal quarter;

(8) if the applicant is a publicly traded corporation, a copy of the most recent report filed with the United States Securities and Exchange Commission under section 13 of the federal

Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or recodified from time to time;

(9) if the applicant is a wholly owned subsidiary of:

(i) a corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed under section 13 of the Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or recodified from time to time; or

(ii) a corporation publicly traded outside the United States, a copy of similar documentation filed with the regulator of the parent corporation's domicile outside the United States;

(10) the name and address of the applicant's registered agent in this state; and

(11) any other information the commissioner reasonably requires with respect to the applicant.

(c) A nonrefundable application fee of $4,000 must accompany an application for a license under this section.

(d) The commissioner may: (1) waive one or more requirements of paragraphs (a) and (b); or (2) permit an applicant to submit other information in lieu of the required information.

Sec. 14. Minnesota Statutes 2024, section 53B.62, subdivision 1, is amended to read:

Subdivision 1. **Certain investments permissible.** The following investments are permissible under section 53B.61:

(1) cash, including demand deposits, savings deposits, and funds in accounts held for the benefit of the licensee's customers in a federally insured depository financial institution; and cash equivalents, including ACH items in transit to the licensee and ACH items or international wires in transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-owned locations, debit card or credit card funded transmission receivables owed by any bank, or money market mutual funds rated AAA or the equivalent from any eligible rating service;

(2) certificates of deposit or senior debt obligations of: (i) an insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act, United States Code, title 12, section 1813, as amended or recodified from time to time, or as defined under the federal Credit Union Act, United States Code, title 12, section 1781, as amended or recodified

from time to time; or (ii) a credit union insured through an approved credit union share guaranty corporation;

(3) an obligation of the United States or a commission, agency, or instrumentality thereof; an obligation that is guaranteed fully as to principal and interest by the United States; or an obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

(4) the full drawable amount of an irrevocable standby letter of credit, for which the stated beneficiary is the commissioner, that stipulates that the beneficiary need only draw a sight draft under the letter of credit and present the sight draft to obtain funds up to the letter of credit amount within seven days of presentation of the items required by subdivision 2, paragraph (c); and

(5) one hundred percent of the surety bond or deposit provided for under section 53B.60 that exceeds the average daily money transmission liability in Minnesota.

Sec. 15. Minnesota Statutes 2024, section 53B.62, subdivision 2, is amended to read:

Subd. 2. **Letter of credit; requirements.** (a) A letter of credit under subdivision 1, clause (4), must:

(1) be issued by ~~a federally~~ an insured depository financial institution, a foreign bank that is authorized under federal law to maintain a federal agency or federal branch office in a state or states, or a foreign bank that is authorized under state law to maintain a branch in a state that: (i) bears an eligible rating or whose parent company bears an eligible rating; and (ii) is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks, credit unions, and trust companies;

(2) be irrevocable, unconditional, and indicate that it is not subject to any condition or qualifications outside of the letter of credit;

(3) not contain reference to any other agreements, documents, or entities, or otherwise provide for any security interest in the licensee; and

(4) contain an issue date and expiration date, and expressly provide for automatic extension without a written amendment, for an additional period of one year from the present or each future expiration date, unless the issuer of the letter of credit notifies the commissioner in writing by certified or registered mail or courier mail or other receipted means, at least 60 days before any expiration date, that the irrevocable letter of credit will not be extended.

(b) In the event of any notice of expiration or nonextension of a letter of credit issued under paragraph (a), clause (4), the licensee must demonstrate to the satisfaction of the commissioner, 15 days before the letter or credit's expiration, that the licensee maintains and will maintain permissible investments in accordance with section 53B.61, paragraph (a), upon the expiration of the letter of credit. If the licensee is not able to do so, the commissioner may draw on the letter of credit in an amount up to the amount necessary to meet the licensee's requirements to maintain permissible investments in accordance with section 53B.61, paragraph (a). Any draw under this paragraph must be offset against the licensee's outstanding money transmission obligations. The drawn funds must be held in trust by the commissioner or the commissioner's designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations.

(c) The letter of credit must provide that the issuer of the letter of credit must honor, at sight, a presentation made by the beneficiary to the issuer of the following documents on or before the expiration date of the letter of credit:

(1) the original letter of credit, including any amendments; and

(2) a written statement from the beneficiary stating that any of the following events have occurred:

(i) the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization;

(ii) the filing of a petition by or against the licensee for receivership, or the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization;

(iii) the seizure of assets of a licensee by a commissioner of any other state pursuant to an emergency order issued in accordance with applicable law, on the basis of an action, violation, or condition that has caused or is likely to cause the insolvency of the licensee; or

(iv) the beneficiary has received notice of expiration or nonextension of a letter of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible investments in accordance with section 53B.61, paragraph (a), upon the expiration or nonextension of the letter of credit.

(d) The commissioner may designate an agent to serve on the commissioner's behalf as beneficiary to a letter of credit, provided the agent and letter of credit meet requirements the commissioner establishes. The commissioner's agent may serve as agent for multiple licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable amount for the purposes of subdivision 1, clause (4), and this subdivision are assigned to the commissioner.

(e) The commissioner is authorized to participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including but not limited to services provided by the NMLS and State Regulatory Registry, LLC.

Sec. 16. Minnesota Statutes 2024, section 60A.091, is amended to read:

**60A.091 DEFINITION; QUALIFIED UNITED STATES FINANCIAL INSTITUTION.**

For purposes of sections 60A.092 and 60A.093, "qualified United States financial institution" means an institution that:

(1) is organized or, in the case of a United States office of a foreign banking organization, licensed, under the laws of the United States or any state;

(2) is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies; and

(3) is a member of the Federal Deposit Insurance Corporation~~,~~ or the National Credit Union Administration, or is insured by an approved credit union share guaranty corporation.

Sec. 17. Minnesota Statutes 2024, section 67A.231, is amended to read:

**67A.231 DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.**

The directors of any township mutual insurance company may authorize the treasurer to invest any of its funds and accumulations in:

(a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States agency and instrumentality bonds, debentures, or obligations;

(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state;

(c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state;

(d) Bonds or other interest bearing obligations, payable from revenues, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest four quality categories used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency; or obligations of a United States agency or instrumentality that have been rated in one of the two highest categories established by the Securities Valuation Office of the National Association of Insurance Commissioners. A company may not invest more than 20 percent of its admitted assets in the obligations of any one corporation. This is not applicable to bonds or other interest bearing obligations in default as to principal;

(e) Investments in the obligations stated in paragraphs (a), (b), (c), and (d), may be made either directly or in the form of securities of, or other interests in, an investment company registered under the federal Investment Company Act of 1940. Investment company shares authorized pursuant to this subdivision shall not exceed 20 percent of the company's surplus. These obligations must be carried at the lower of cost or market on the annual statement filed with the commissioner and adjusted to market on an annual basis;

(f) Loans upon improved and unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by property insurance policies payable to and held by the security holder;

(g) Real estate, including land, buildings and fixtures, located in this state and used primarily as home office space for the insurance company;

(h) Demand or time deposits or savings accounts in ~~federally~~ insured depositories located in any state to the extent that the deposit or investment is insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Administration, or an approved credit union share guaranty corporation. An additional deposit not to exceed 50 percent of the township mutual insurance company's policyholder surplus may be located in these depositories if covered by private deposit insurance written by an insurer licensed by the Department of Commerce;

(i) Guarantee fund certificates of a mutual insurer which reinsures the business of the township mutual insurance company. The commissioner may by rule limit the amount of guarantee fund certificates which the township mutual insurance company may purchase and this limit may be a function of the size of the township mutual insurance company;

(j) Up to $1,500 in stock of an insurer which issues directors and officers liability insurance to township mutual insurance company directors and officers;

(k) Up to $10,000 in shares of stock of the National Association of Mutual Insurance Companies bank, subject to the commissioner's approval; and

(l) Overnight repurchase agreements with the depository that handles the company's primary accounts under paragraph (h). The repurchase agreements must be collateralized by securities that the company is otherwise authorized to invest in under this section. The securities must have an aggregate market value of at least 105 percent of the total amount invested under the repurchase agreement.

Sec. 18. Minnesota Statutes 2024, section 79A.22, subdivision 7, is amended to read:

Subd. 7. **Investments.** (a) Any securities purchased by the common claims fund shall be in such denominations and with dates of maturity to ensure securities may be redeemable at sufficient time and in sufficient amounts to meet the fund's current and long-term liabilities.

(b) Cash assets of the self-insurers' fund may be invested as provided in section 60A.11 for a casualty insurance company, provided that investment in real estate of or indebtedness from a member company or affiliates is prohibited. In addition, investment in the following is allowed:

(1) savings accounts or certificates of deposit in a duly chartered commercial bank located within the state of Minnesota and insured through the Federal Deposit Insurance Corporation;

(2) share accounts or savings certificates in a duly chartered savings association or savings bank located within the state of Minnesota and insured through the Federal Deposit Insurance Corporation;

(3) direct obligations of the United States Treasury, such as notes, bonds, or bills;

(4) a bond or security issued by the state of Minnesota and backed by the full faith and credit of the state;

(5) a credit union where the employees of the self-insurer are members, if the credit union is located in Minnesota and insured through the National Credit Union Administration or an approved credit union share guaranty corporation; or

(6) real estate, common stock, preferred stock, or corporate bonds listed on the New York, American Stock Exchange or NASDAQ Stock Market, so long as these investments

are not issued by any member company or affiliate and the total in all other allowable categories make up at least 75 percent of the total required in the common claims fund.

Sec. 19. Minnesota Statutes 2024, section 80A.41, is amended to read:

**80A.41 SECTION 102; DEFINITIONS.**

In this chapter, unless the context otherwise requires:

(1) "Accredited investor" means an accredited investor as the term is defined in Rule 501(a) of Regulation D adopted pursuant to the Securities Act of 1933.

(2) "Administrator" means the commissioner of commerce.

(3) "Agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this chapter.

(4) "Bank" means:

(A) a banking institution organized under the laws of the United States;

(B) a member bank of the Federal Reserve System;

(C) any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of Public Law 87-722 (12 U.S.C. Section 92a), and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading this chapter; and

(D) a receiver, conservator, or other liquidating agent of any institution or firm included in subparagraph (A), (B), or (C).

(5) "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include:

(A) an agent;

(B) an issuer;

(C) a depository institution; provided such activities are conducted in accordance with such rules as may be adopted by the administrator;

(D) an international banking institution; or

(E) a person excluded by rule adopted or order issued under this chapter.

(6) "Depository institution" means:

(A) a bank; or

(B) a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, an approved credit union share guaranty corporation, or a successor authorized by federal law. The term does not include:

(i) an insurance company or other organization primarily engaged in the business of insurance;

(ii) a Morris Plan bank; or

(iii) an industrial loan company that is not an "insured depository institution" as defined in section 3(c)(2) of the Federal Deposit Insurance Act, United States Code, title 12, section 1813(c)(2), or any successor federal statute.

(7) "Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

(8) "Federal covered security" means a security that is, or upon completion of a transaction will be, a covered security under Section 18(b) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)) or rules or regulations adopted pursuant to that provision.

(9) "Filing" means the receipt under this chapter of a record by the administrator or a designee of the administrator.

(10) "Fraud," "deceit," and "defraud" are not limited to common law deceit.

(11) "Guaranteed" means guaranteed as to payment of all principal and all interest.

(12) "Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity:

(A) a depository institution or international banking institution;

(B) an insurance company;

(C) a separate account of an insurance company;

(D) an investment company as defined in the Investment Company Act of 1940;

(E) a broker-dealer registered under the Securities Exchange Act of 1934;

(F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company;

(G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company;

(H) a trust, if it has total assets in excess of $10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans;

(I) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $10,000,000;

(J) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of $10,000,000;

(K) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of $10,000,000;

(L) a federal covered investment adviser acting for its own account;

(M) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A);

(N) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6);

(O) any other person, other than an individual or a private fund, of institutional character with total assets in excess of $10,000,000 not organized for the specific purpose of evading this chapter; or

(P) any other person specified by rule adopted or order issued under this chapter.

(13) "Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

(14) "Insured" means insured as to payment of all principal and all interest.

(15) "International banking institution" means an international financial institution of which the United States is a member and whose securities are exempt from registration under the Securities Act of 1933.

(16) "Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation. The term does not include:

(A) an investment adviser representative;

(B) a lawyer, accountant, engineer, or teacher whose performance of investment advice is solely incidental to the practice of the person's profession;

(C) a broker-dealer or its agents whose performance of investment advice is solely incidental to the conduct of business as a broker-dealer and that does not receive special compensation for the investment advice;

(D) a publisher of a bona fide newspaper, news magazine, or business or financial publication of general and regular circulation;

(E) a federal covered investment adviser;

(F) a bank or savings institution;

(G) any other person that is excluded by the Investment Advisers Act of 1940 from the definition of investment adviser; or

(H) any other person excluded by rule adopted or order issued under this chapter.

(17) "Investment adviser representative" means an individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing. The term does not include an individual who:

(A) performs only clerical or ministerial acts;

(B) is an agent whose performance of investment advice is solely incidental to the individual acting as an agent and who does not receive special compensation for investment advisory services;

(C) is employed by or associated with a federal covered investment adviser, unless the individual has a "place of business" in this state as that term is defined by rule adopted under Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-3a) and is

(i) an "investment adviser representative" as that term is defined by rule adopted under Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-3a); or

(ii) not a "supervised person" as that term is defined in Section 202(a)(25) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(25)); or

(D) is excluded by rule adopted or order issued under this chapter.

(18) "Issuer" means a person that issues or proposes to issue a security, subject to the following:

(A) The issuer of a voting trust certificate, collateral trust certificate, certificate of deposit for a security, or share in an investment company without a board of directors or individuals performing similar functions is the person performing the acts and assuming the duties of

depositor or manager pursuant to the trust or other agreement or instrument under which the security is issued.

(B) The issuer of an equipment trust certificate or similar security serving the same purpose is the person by which the property is or will be used or to which the property or equipment is or will be leased or conditionally sold or that is otherwise contractually responsible for assuring payment of the certificate.

(C) The issuer of a fractional undivided interest in an oil, gas, or other mineral lease or in payments out of production under a lease, right, or royalty is the owner of an interest in the lease or in payments out of production under a lease, right, or royalty, whether whole or fractional, that creates fractional interests for the purpose of sale.

(19) "Nonissuer transaction" or "nonissuer distribution" means a transaction or distribution not directly or indirectly for the benefit of the issuer.

(20) "Offer to purchase" includes an attempt or offer to obtain, or solicitation of an offer to sell, a security or interest in a security for value. The term does not include a tender offer that is subject to Section 14(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78n(d)).

(21) "Person" means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

(22) "Place of business" of a broker-dealer, an investment adviser, or a federal covered investment adviser means:

(A) an office at which the broker-dealer, investment adviser, or federal covered investment adviser regularly provides brokerage or investment advice or solicits, meets with, or otherwise communicates with customers or clients; or

(B) any other location that is held out to the general public as a location at which the broker-dealer, investment adviser, or federal covered investment adviser provides brokerage or investment advice or solicits, meets with, or otherwise communicates with customers or clients.

(23) "Predecessor Act" means Minnesota Statutes 2002, sections 80A.01 to 80A.31.

(24) "Price amendment" means the amendment to a registration statement filed under the Securities Act of 1933 or, if an amendment is not filed, the prospectus or prospectus supplement filed under the Securities Act of 1933 that includes a statement of the offering

price, underwriting and selling discounts or commissions, amount of proceeds, conversion rates, call prices, and other matters dependent upon the offering price.

(25) "Principal place of business" of a broker-dealer or an investment adviser means the executive office of the broker-dealer or investment adviser from which the officers, partners, or managers of the broker-dealer or investment adviser direct, control, and coordinate the activities of the broker-dealer or investment adviser.

(26) Only for purposes of calculating the number of purchasers under section 80A.46, clauses (1) and (14), "purchaser" does not include:

(A) any relative, spouse, or relative of the spouse of a purchaser who has the same principal residence as the purchaser;

(B) any trust or estate in which a purchaser and any of the persons related to him as specified in Regulation D, Rule 501(e)(1)(i) or (e)(1)(ii) collectively have more than 50 percent of the beneficial interest (excluding contingent interests);

(C) any corporation or other organization of which a purchaser and any of the persons related to the purchaser as specified in Regulation D, Rule 501(e)(1)(i) or (e)(1)(ii) collectively are beneficial owners of more than 50 percent of the equity securities (excluding directors' qualifying shares) or equity interests; and

(D) any accredited investor.

A corporation, partnership, or other entity must be counted as one purchaser. If, however, that entity is organized for the specific purpose of acquiring the securities offered and is not an accredited investor, then each beneficial owner of equity securities or equity interests in the entity shall count as a separate purchaser for all provisions of Regulation D, except to the extent provided in Regulation D, Rule 501(e)(1).

A noncontributory employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 shall be counted as one purchaser where the trustee makes all investment decisions for the plan.

(27) "Record," except in the phrases "of record," "official record," and "public record," means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(28) "Sale" includes every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value.

(A) A security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value.

(B) A gift of assessable stock is considered to involve an offer and sale.

(C) A sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer and a sale or offer of a security that gives the holder a present or future right or privilege to convert the security into another security of the same or another issuer, are each considered to include an offer of the other security.

(29) "Securities and Exchange Commission" means the United States Securities and Exchange Commission.

(30) "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

(A) includes both a certificated and an uncertificated security;

(B) does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed or variable sum of money either in a lump sum or periodically for life or other specified period;

(C) does not include an interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974;

(D) includes as an "investment contract," among other contracts, an interest in a limited partnership and a limited liability company and an investment in a viatical settlement or similar agreement; and

(E) does not include any equity interest of a closely held corporation or other entity with not more than 35 holders of the equity interest of such entity offered or sold pursuant to a transaction in which 100 percent of the equity interest of such entity is sold as a means to

effect the sale of the business of the entity if the transaction has been negotiated on behalf of all purchasers and if all purchasers have access to inside information regarding the entity before consummating the transaction.

(31) "Self-regulatory organization" means a national securities exchange registered under the Securities Exchange Act of 1934, a national securities association of broker-dealers registered under the Securities Exchange Act of 1934, a clearing agency registered under the Securities Exchange Act of 1934, or the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934.

(32) "Sign" means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach or logically associate with the record an electronic symbol, sound, or process.

(33) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(34) "Associated with" with respect to a person means any partner, officer, director, manager, or employee of such person or any person occupying a similar status or performing similar functions or any person directly or indirectly controlling, controlled by, or in common control with, such person, but does not include a person whose primary duties are ministerial or clerical. "Employee" includes an independent contractor who performs advisory functions on behalf of an investment adviser.

(35) "Private fund" means an issuer that would be an investment company as defined in Section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that act.

(36) "Private fund adviser" means an investment adviser whose only advisory clients are one or more qualifying private funds.

(37) "Qualifying private fund" means a private fund that meets the definition of a qualifying private fund in SEC Rule 203(m)-1, Code of Federal Regulations, title 17, section 275.203(m)-1.

(38) "3(c)(1) fund" means a qualifying private fund that is eligible for the exclusion from the definition of an investment company under section 3(c)(1) of the Investment Company Act of 1940, United States Code, title 15, section 80a-3(c)(1).

(39) "Venture capital fund" means a private fund that meets the definition of a venture capital fund in SEC Rule 203(1)-1, Code of Federal Regulations, title 17, section 275.203(1)-1.

(40) "Funding portal" means any person acting as a funding portal as defined in section 3(a)(80) of the Securities Exchange Act of 1934, United States Code, title 15, section 78c(a)(80), and any rule adopted or order issued thereunder.

Sec. 20. Minnesota Statutes 2024, section 80A.45, is amended to read:

**80A.45 SECTION 201; EXEMPT SECURITIES.**

The following securities are exempt from the requirements of sections 80A.49 through 80A.54 and 80A.71:

(1) a security, including a revenue obligation or a separate security as defined in Rule 131 (17 C.F.R. 230.131) adopted under the Securities Act of 1933, issued, insured, or guaranteed by the United States; by a state; by a political subdivision of a state; by a public authority, agency, or instrumentality of one or more states; by a political subdivision of one or more states or by a person controlled or supervised by and acting as an instrumentality of the United States under authority granted by Congress; or a certificate of deposit for any of the foregoing;

(2) a security issued, insured, or guaranteed by a foreign government with which the United States maintains diplomatic relations, or any of its political subdivisions, if the security is recognized as a valid obligation by the issuer, insurer, or guarantor;

(3) a security issued by and representing or that will represent an interest in or a direct obligation of, or be guaranteed by:

(A) an international banking institution;

(B) a banking institution organized under the laws of the United States; a member bank of the Federal Reserve System; or a depository institution a substantial portion of the business of which consists or will consist of receiving deposits or share accounts that are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, an approved credit union share guaranty corporation, or a successor authorized by federal law or exercising fiduciary powers that are similar to those permitted for national banks under the authority of the Comptroller of Currency pursuant to Section 1 of Public Law 87-722 (12 U.S.C. Section 92a); or

(C) any other depository institution, unless by rule or order the administrator proceeds under section 80A.48;

(4) a security issued by and representing an interest in, or a debt of, or insured or guaranteed by, an insurance company authorized to do business in this state;

(5) a security issued or guaranteed by a railroad, other common carrier, public utility, or public utility holding company that is:

(A) regulated in respect to its rates and charges by the United States or a state;

(B) regulated in respect to the issuance or guarantee of the security by the United States, a state, Canada, or a Canadian province or territory; or

(C) a public utility holding company registered under the Public Utility Holding Company Act of 1935 or a subsidiary of such a registered holding company within the meaning of that act;

(6) a federal covered security specified in Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)) or by rule adopted under that provision or a security listed or approved for listing on another securities market specified by rule under this chapter; a put or a call option contract; a warrant; a subscription right on or with respect to such securities; or an option or similar derivative security on a security or an index of securities or foreign currencies issued by a clearing agency registered under the Securities Exchange Act of 1934 and listed or designated for trading on a national securities exchange, a facility of a national securities exchange, or a facility of a national securities association registered under the Securities Exchange Act of 1934 or an offer or sale, of the underlying security in connection with the offer, sale, or exercise of an option or other security that was exempt when the option or other security was written or issued; or an option or a derivative security designated by the Securities and Exchange Commission under Section 9(b) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78i(b));

(7) a security issued by a person organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, social, athletic, or reformatory purposes, or as a chamber of commerce, and not for pecuniary profit, no part of the net earnings of which inures to the benefit of a private stockholder or other person, or a security of a company that is excluded from the definition of an investment company under Section 3(c)(10)(B) of the Investment Company Act of 1940 (15 U.S.C. Section 80a-3(c)(10)(B)); except that with respect to the offer or sale, an issuer of such a note, bond, debenture, or other evidence of indebtedness is required to file a notice specifying the material terms of the proposed offer or sale and copies of any proposed sales and advertising literature to be used together

with the fee required by section 80A.65 and provided that this exemption shall be effective if the administrator does not disallow the exemption in writing within 15 days following the date of the notice filing.

Sec. 21. Minnesota Statutes 2024, section 82.77, subdivision 1, is amended to read:

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

(b) "Closing agent" has the meaning given in section 82.55, subdivision 4.

(c) "Collected funds" means funds deposited, finally settled, and credited to the closing agent's escrow account.

(d) "~~Federally~~ Insured financial institution" means an institution in which monetary deposits are insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Administration, or an approved credit union share guaranty corporation.

(e) "Lender" means a person who makes residential mortgage loans including a person who engages in table funding. "Lender" does not include any organization described in section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, if the organization is exempt from tax under section 501(a) of the Internal Revenue Code of 1986, as amended. "Lender" does not include a state or any political subdivision of a state.

(f) "Qualified loan funds" means funds in one of the following forms:

(1) lawful money of the United States;

(2) wired funds when unconditionally held by the closing agent;

(3) cashier's checks, certified checks, bank money orders, or teller's checks issued by a federally insured financial institution and unconditionally held by the closing agent; and

(4) United States treasury checks, Federal Reserve Bank checks, federal home loan bank checks, and state of Minnesota warrants.

(g) "Table funding" means a closing or settlement at which a mortgage loan is funded by a lender by a contemporaneous advance of mortgage loan funds and an assignment of the mortgage loan to the lender advancing the funds.

Sec. 22. Minnesota Statutes 2024, section 118A.04, subdivision 5, is amended to read:

Subd. 5. **Time deposits.** Funds may be invested in time deposits that are fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration,

an approved credit union share guaranty corporation, or bankers acceptances of United States banks.

Sec. 23. Minnesota Statutes 2024, section 123B.14, subdivision 3, is amended to read:

Subd. 3. **Official depository.** (a) The treasurer shall deposit the funds of the district in the official depository.

(b) In addition to the authority for deposit of district money pursuant to paragraph (a) or other provisions of this chapter, the treasurer may deposit district money in the official depository in accordance with the following conditions:

(1) The official depository is authorized by the treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the district with respect to the money redeposited into such accounts.

(2) The full amount of the redeposited district funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the official depository shall have had at least five years of general custodial experience.

Sec. 24. Minnesota Statutes 2024, section 142F.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302(3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302(30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.

(c) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

(d) "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 142F.301;

(2) a federal community development credit union;

(3) a women-oriented economic development agency;

(4) a federally recognized Tribal Nation; or

(5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code.

(e) "Financial coach" means a person who:

(1) has completed an intensive financial literacy training workshop that includes curriculum on budgeting to increase savings, debt reduction and asset building, building a good credit rating, and consumer protection;

(2) participates in ongoing statewide family assets for independence in Minnesota (FAIM) network training meetings under FAIM program supervision; and

(3) provides financial coaching to program participants under subdivision 5.

(f) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Administration, or an approved credit union share guaranty corporation.

(g) "Household" means all individuals who share finances and use of a dwelling unit as primary quarters for living and eating separate from other individuals. Sharing finances does not include situations in which a person is living in the same dwelling unit as others without sharing any other financial arrangements.

(h) "Permissible use" means:

(1) postsecondary educational expenses at an eligible educational institution as defined in paragraph (b), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization;

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase

price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986;

(5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

(6) contributions to an emergency savings account; and

(7) contributions to a Minnesota 529 savings plan.

Sec. 25. Minnesota Statutes 2024, section 149A.97, subdivision 3a, is amended to read:

Subd. 3a. **Requirements for preneed funeral agreements.** It is unlawful for any person residing or doing business in this state to enter a preneed funeral agreement unless the agreement:

(1) is written in clear, understandable language and printed in a type that is easy to read in size and style;

(2) contains a complete, itemized description of the funeral goods, funeral services, burial site goods, or burial site services selected or purchased, including, when appropriate, manufacturer's name, model numbers, style numbers, and description of the type of material used in construction;

(3) discloses clearly and conspicuously whether the prices of the goods and services selected are guaranteed;

(4) discloses that funding options for a preneed funeral agreement consist of either prepayment to the funeral provider or the purchase of an insurance policy;

(5) discloses whether the funds received from the purchaser are required to be placed in a trust and, if the funds are required to be placed in a trust, provides the following information:

(i) lists the location of the trust account, including the name, address, and telephone number of the institution where the money will be held and any identifying account numbers, the amount of money to be trusted, and the names of the trustees; and

(ii) advises the purchaser as to the disposition of the interest from the trust and as to responsibility for taxes owed on the interest;

(6) contains the names, addresses, and telephone numbers of the Minnesota Department of Health as the regulatory agency for preneed trust accounts and the Minnesota Attorney General's Office as the regulatory agency that handles consumer complaints;

(7) discloses clearly and conspicuously that any person who makes payment under a preneed funeral agreement may cancel the agreement subject to the procedures for cancellation specified in subdivision 6a;

(8) contains the following statement, in boldfaced type and a minimum size of ten points:

"Within 15 calendar days after receipt of any money required to be held in trust, all such money must be deposited in a banking institution, savings association, or credit union, organized under state or federal laws, the accounts of which are insured by an instrumentality of the federal government or an approved credit union share guaranty corporation. The person for whose benefit the money was paid according to this agreement shall be known as the beneficiary; the person or persons who paid the money shall be known as the purchaser; and the funeral provider shall be known as the depositor. The money must be carried in a separate account with the names of the depositor and the purchaser as trustees for the beneficiary.

The preneed arrangement trust shall be considered an asset of the purchaser until the death of the beneficiary. At the death of the beneficiary, the money in the trust shall be considered an asset of the beneficiary's estate, to the extent that the value of the trust exceeds the actual value for the goods and services provided at-need. This does not alter any asset exclusion requirements that exist under federal law. The depositor as trustee must disclose in writing the location of the trust account, including the name and address of the institution where the money is being held and any identifying account numbers, to the beneficiary when the money is deposited and when there are any subsequent changes to the location of the trust account.";

(9) for agreements with revocable trusts, contains the following statement, in boldfaced type and a minimum size of ten points:

"REVOCABLE TRUST:

The preneed arrangement trust being created by the purchaser is revocable. These trust funds, including all principal and accrued interest, are the purchaser's assets. The purchaser may withdraw the principal and accrued interest at any time prior to the death of the beneficiary. At the death of the beneficiary, the funds shall be distributed in their entirety, principal plus accrued interest, with no fees retained by the trustees as administrative fees. The funds shall be distributed for the payment of the at-need funeral goods, funeral services, burial site goods, or burial site services selected, with any excess funds distributed to the beneficiary's estate. At any time before or at the time of the beneficiary's death, the purchaser may transfer the preneed arrangements and related trust funds for use in the payment of

funeral goods, funeral services, burial site goods, or burial site services. The purchaser may not be charged any fee in connection with the transfer of a preneed arrangement and trust funds.";

(10) for agreements with irrevocable trusts, contains the following statement, in boldfaced type and a minimum size of ten points:

"IRREVOCABLE TRUST:

A trust created to hold preneed arrangement funds is revocable in its entirety unless specifically limited by the purchaser. The purchaser has chosen to create an irrevocable trust in the amount of $ (insert the dollar amount of the purchaser's irrevocable trust). The revocable portion of this trust fund is limited to that amount that exceeds the allowable Supplemental Security Income asset exclusion used for determining eligibility for public assistance at the time the trust is created. The principal and accrued interest may not be withdrawn from the trust prior to the beneficiary's death, except to the extent that the trust funds exceed the irrevocable trust limitation. At the time of the beneficiary's death, the funds shall be distributed in their entirety, principal plus accrued interest, with no fees retained by the trustees as administrative fees. The funds shall be distributed for the payment of the at-need funeral goods, funeral services, burial site goods, or burial site services selected, with any excess funds distributed to the beneficiary's estate. At any time prior to or at the time of the beneficiary's death, the purchaser may transfer the preneed arrangements and trust funds for use in the payment of funeral goods, funeral services, burial site goods, or burial site services. The purchaser may not be charged any fee in connection with the transfer of a preneed arrangement and trust funds.";

(11) provides that if the particular funeral goods, funeral services, burial site goods, or burial site services specified in the agreement are unavailable at the time of delivery, the funeral provider must furnish goods and services similar in style and at least equal in quality to the material and workmanship of the goods or services specified and that the representative of the beneficiary has the right to choose the goods or services to be substituted; and

(12) contains an itemization of the sale of grave lots, spaces, lawn crypts, niches, or mausoleum crypts separate from all other goods and services selected.

Sec. 26. Minnesota Statutes 2024, section 149A.97, subdivision 5, is amended to read:

Subd. 5. **Deposit of trust funds and disclosures.** Within 15 calendar days after receipt of any money required to be held in trust, all of the money must be deposited in a banking institution, savings or building and loan association, or credit union, organized under state

or federal laws, the accounts of which are insured by an instrumentality of the federal government or an approved credit union share guaranty corporation. The money must be carried in a separate account with the name of the depositor and the purchaser as trustees for the beneficiary. The depositor as trustee shall not have power to distribute funds, either principal or interest, from the account until the death of the beneficiary, subject to section 149A.80. For purposes of this section, distribute does not mean transferring the trust funds to different investment accounts within an institution or between institutions provided that the depositor as trustee does not have sole access to the funds in a negotiable form. This section shall be construed to limit the depositor's access to trust funds, in a negotiable form, prior to the death of a beneficiary. The preneed arrangements trust shall be considered an asset of the purchaser until the death of the beneficiary, whereupon the money shall be considered an asset of the estate of the beneficiary, to the extent that the value of the trust exceeds the actual value for the goods and services provided at-need. The location of the trust account, including the name and address of the institution in which the money is being held and any identifying account numbers, must be disclosed in writing to the beneficiary by the depositor as trustee at the time the money is deposited and when there are any subsequent changes to the location of the trust account. The depositor shall annually report to the beneficiary the amount of funds in the beneficiary's preneed arrangement trust account, including principal and accrued interest. The depositor may arrange for the banking institution, savings or building and loan association, or credit union to issue such reports. Upon the provision of any funeral or burial site goods or services in connection with a preneed arrangement, the depositor shall provide a statement itemizing the goods or services provided and cost of such goods or services and describing the disposition of all funds in the account.

Sec. 27. Minnesota Statutes 2024, section 325K.01, subdivision 12, is amended to read:

Subd. 12. **Financial institution.** "Financial institution" means a national or state-chartered commercial bank or trust company, savings bank, savings association, or credit union authorized to do business in the state of Minnesota and the deposits of which are federally insured or insured by an approved credit union share guaranty corporation.

Sec. 28. Minnesota Statutes 2024, section 354B.25, subdivision 2, is amended to read:

Subd. 2. **Investment options.** (a) The plan administrator shall arrange for the purchase of investment products.

(b) The investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board.

(c) Various investment accounts offered through the Minnesota supplemental investment fund established under section 11A.17 and administered by the State Board of Investment may be included as investment products for the individual retirement account plan. Direct access must also be provided to lower expense and no-load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

(1) savings accounts at ~~federally insured~~ financial institutions insured federally or through an approved credit union share guaranty corporation;

(2) life insurance contracts, fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;

(3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(4) investment options from a firm that is a registered investment advisor under the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(5) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 29. Minnesota Statutes 2024, section 356.001, subdivision 3, is amended to read:

Subd. 3. **Effect of amendments or termination.** (a) If a public plan or fund defined in subdivision 4 is terminated or the plan or fund provisions are amended, no part of the moneys held in the plan or fund may be used for or diverted to any purpose other than the exclusive benefit of the members or their beneficiaries, except as provided in this subdivision.

(b) If a plan or fund is terminated, all affected members have a nonforfeitable interest in their benefits that were accrued and funded to date. The value of the accrued benefits to be credited to the account of each affected member must be calculated as of the date of termination and the funding ratio of the plan or fund must be applied to the accrued benefit of each affected member.

(c) The board of trustees of the plan or fund shall, as soon as administratively feasible following the termination, pay each eligible member or beneficiary on behalf of a member the amount in the member's account in a lump sum. In the case of a member whose whereabouts is unknown, the board shall notify the member at the last known address by certified mail with return receipt requested advising the member of the member's right to a pending distribution. If the member cannot be located in this manner, the board shall establish a custodial account for the member's benefit in a federally insured bank, savings association, or credit union, or a credit union insured by an approved credit union share guaranty corporation, in which the member's account balance must be deposited. If the board receives proof of death of a member that is satisfactory to the board, the account balance must be paid to the beneficiary of the member.

Sec. 30. Minnesota Statutes 2024, section 356.645, is amended to read:

**356.645 INVESTMENT OF DEFINED CONTRIBUTION PLANS AND VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATIONS.**

The State Board of Investment shall determine the investments to be made available to plan participants in plans defined in sections 352.965, 352.98, and 383B.46 and chapters 352D and 353D and to volunteer firefighters relief associations under chapter 424A. Investments made available to plan participants and relief associations must include at least one or more of the following:

(1) shares in the Minnesota supplemental investment fund established in section 11A.17;

(2) savings accounts in ~~federally insured~~ financial institutions insured federally or by an approved credit union share guaranty corporation;

(3) life insurance contracts, fixed annuity contracts, and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce;

(4) investment options from open-end investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(5) investment options from a firm that is a registered investment adviser under the Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(6) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 31. Minnesota Statutes 2024, section 356A.06, subdivision 6, is amended to read:

Subd. 6. **Limited list of authorized investment securities.** (a) **Authority.** This subdivision specifies the investment authority for a limited list plan. A limited list plan is a covered pension plan that does not:

(1) have pension fund assets with a market value in excess of $1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940, or registered as an investment advisor in accordance with sections 80A.58, and 80A.60, for the investment of at least 60 percent of its pension fund assets, calculated on market value;

(3) use the services of the State Board of Investment for the investment of at least 60 percent of its pension fund assets, calculated on market value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the State Board of Investment for the investment of at least 75 percent of its pension fund assets, calculated on market value.

(b) **Investment agency appointment authority.** The governing board of a covered pension plan may select and appoint investment agencies to act for or on its behalf.

(c) **Savings accounts; similar vehicles.** A limited list plan is authorized to invest in:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation, that is insured by the National Credit Union Administration or an approved credit union share guaranty corporation, or that is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118A.03;

(2) guaranteed investment contracts, limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this paragraph; and

(3) savings accounts, limited to those fully insured by federal agencies.

(d) **Government-backed obligations.** A limited list plan is authorized to invest in governmental obligations as further specified in this paragraph, including bonds, notes, bills, mortgages, and other evidences of indebtedness, if the issue is backed by the full faith and credit of the issuer or if the issue is rated among the top four quality rating categories

by a nationally recognized rating agency. The obligations in which plans are authorized to invest under this paragraph are guaranteed or insured issues of:

(1) the United States, one of its agencies, one of its instrumentalities, or an organization created and regulated by an act of Congress;

(2) the Dominion of Canada or one of its provinces if the principal and interest are payable in United States dollars;

(3) a state or one of its municipalities, political subdivisions, agencies, or instrumentalities; or

(4) any United States government-sponsored organization of which the United States is a member if the principal and interest are payable in United States dollars.

(e) **Corporate obligations.** A limited list plan is authorized to invest in corporate obligations, including bonds, notes, debentures, transportation equipment obligations, or any other longer-term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any of its states, or the Dominion of Canada or any of its provinces if:

(1) the principal and interest are payable in United States dollars; and

(2) the obligations are rated among the top four quality categories by a nationally recognized rating agency.

(f) **Mutual fund authority, limited list authorized assets.** Securities authorized under paragraphs (c) to (e) may be owned directly or through shares in exchange-traded funds, or through open-end mutual funds, or as units of commingled trusts.

(g) **Extended mutual fund authority.** Notwithstanding restrictions in other paragraphs of this subdivision, a limited list plan is authorized to invest the assets of the special fund in exchange-traded funds and open-end mutual funds, if their portfolio investments comply with the type of securities authorized for investment under section 356A.06, subdivision 7, paragraphs (c) to (g). Investments under this paragraph must not exceed 75 percent of the assets of the special fund, not including any money market investments through mutual or exchange-traded funds.

(h) **Supplemental fund authority.** The governing body of a limited list plan may certify special fund assets to the State Board of Investment for investment under section 11A.17.

(i) **Assets mix restrictions.** A limited list plan must conform to the asset mix limitations specified in section 356A.06, subdivision 7.

Sec. 32. Minnesota Statutes 2024, section 356A.06, subdivision 7, is amended to read:

Subd. 7. **Expanded list of authorized investment securities.** (a) **Authority.** A covered pension plan not described by subdivision 6, paragraph (a), is an expanded list plan and shall invest its assets as specified in this subdivision. The governing board of an expanded list plan may select and appoint investment agencies to act for or on its behalf.

(b) **Securities generally; investment forms.** An expanded list plan is authorized to purchase, sell, lend, and exchange the investment securities authorized under this subdivision, including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned directly or through shares in exchange-traded or mutual funds, or as units in commingled trusts, subject to any limitations specified in this subdivision.

(c) **Government obligations.** An expanded list plan is authorized to invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness if the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph are guaranteed or insured issues of:

(1) the United States, one of its agencies, one of its instrumentalities, or an organization created and regulated by an act of Congress;

(2) the Dominion of Canada or one of its provinces if the principal and interest are payable in United States dollars;

(3) a state or one of its municipalities, political subdivisions, agencies, or instrumentalities; and

(4) a United States government-sponsored organization of which the United States is a member if the principal and interest are payable in United States dollars.

(d) **Investment-grade corporate obligations.** An expanded list plan is authorized to invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any of its states, or the Dominion of Canada or any of its provinces if:

(1) the principal and interest are payable in United States dollars; and

(2) the obligations are rated among the top four quality categories by a nationally recognized rating agency.

(e) **Below-investment-grade corporate obligations.** An expanded list plan is authorized to invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories by a nationally recognized rating agency if:

(1) the aggregate value of these obligations does not exceed five percent of the covered pension plan's market value;

(2) the covered pension plan's participation is limited to 50 percent of a single offering subject to this paragraph; and

(3) the covered pension plan's participation is limited to 25 percent of an issuer's obligations subject to this paragraph.

(f) **Other obligations.** (1) An expanded list plan is authorized to invest funds in:

(i) bankers acceptances and deposit notes if issued by a United States bank that is rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit if issued by a United States bank or savings institution rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies, or if issued by a credit union in an amount within the limit of the insurance coverage provided by the National Credit Union Administration or an approved credit union share guaranty corporation;

(iii) commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage securities and asset-backed securities if rated in the top four quality categories by a nationally recognized rating agency;

(v) repurchase agreements and reverse repurchase agreements if collateralized with letters of credit or securities authorized in this section;

(vi) guaranteed investment contracts if issued by an insurance company or a bank that is rated in the top four quality categories by a nationally recognized rating agency or alternative guaranteed investment contracts if the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts if fully insured by a federal agency; and

(viii) guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual insurance company.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), an expanded list plan is authorized to purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(g) **Corporate stocks.** An expanded list plan is authorized to invest in stocks or convertible issues of any corporation organized under the laws of the United States or any of its states, any corporation organized under the laws of the Dominion of Canada or any of its provinces, or any corporation listed on an exchange that is regulated by an agency of the United States or of the Canadian national government.

An investment in any corporation must not exceed five percent of the total outstanding shares of that corporation, except that an expanded list plan may hold up to 20 percent of the shares of a real estate investment trust and up to 20 percent of the shares of a closed mutual fund. Purchase of shares of exchange-traded or mutual funds shall be consistent with paragraph (b).

(h) **Other investments.** (1) In addition to the investments authorized in paragraphs (b) to (g), and subject to the provisions in clause (2), an expanded list plan is authorized to invest funds in:

(i) equity and debt investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts, through investment in limited partnerships, bank-sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(iii) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

(iv) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made under clause (1), items (i), (ii), and (iii), may not exceed 35 percent of the market value of the fund for which the expanded list plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the expanded list plan for investments made under clause (1), item (i), (ii), or (iii);

(iii) the expanded list plan's participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), or (iii);

(iv) the expanded list plan's participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The expanded list plan may not engage in any activity as a limited partner which creates general liability;

(v) the aggregate value of all unrated obligations and obligations that are not rated among the top four quality categories by a nationally recognized rating agency authorized by paragraph (e) and clause (1), item (iv), must not exceed five percent of the covered plan's market value; and

(vi) for volunteer firefighter relief associations, emerging market equity and international debt investments authorized under clause (1), item (iv), must not exceed 15 percent of the association's special fund market value.

(i) **Supplemental plan investments.** The governing body of an expanded list plan may certify assets to the State Board of Investment for investment under section 11A.17.

(j) **Asset mix limitations.** The aggregate value of an expanded list plan's investments under paragraphs (g) and (h) and equity investments under paragraph (i), regardless of the form in which these investments are held, must not exceed 85 percent of the covered plan's market value.

Sec. 33. Minnesota Statutes 2024, section 356A.06, subdivision 8a, is amended to read:

Subd. 8a. **Collateralization requirement.** (a) The governing board of a covered pension plan shall designate a national bank, an insured state bank, an insured credit union, or an insured thrift institution as the depository for the pension plan for assets not held by the pension plan's custodian bank.

(b) Unless collateralized as provided under paragraph (c), a covered pension plan may not deposit in a designated depository an amount in excess of the insurance held by the depository in the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Administration, or an approved credit union share guaranty corporation, whichever applies.

(c) For an amount greater than the insurance under paragraph (b), the depository must provide collateral in compliance with section 118A.03 or with any comparable successor enactment relating to the collateralization of municipal deposits.

Sec. 34. Minnesota Statutes 2024, section 366.01, subdivision 4, is amended to read:

Subd. 4. **Depository; terms; liability; interest.** (a) They may designate a bank as the depository of town money for a time not extending beyond their official term, after the execution by the bank of a sufficient bond to the town to be approved by the board and filed in the office of the town clerk. They may then require the treasurer to deposit all or part of the town money in that bank. The designation shall be in writing, and set forth all the terms upon which the deposits are made. It shall be signed by the chair and clerk and filed with the clerk. The town treasurer shall not be liable for the loss of money while deposited in the bank. All interest on the money shall belong to the town.

(b) In addition to the authority for deposit of town money pursuant to paragraph (a) or other provisions of this chapter, the town treasurer may deposit town money in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the town treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the town with respect to the money redeposited into such accounts.

(2) The full amount of the redeposited town funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years of general custodial experience.

Sec. 35. Minnesota Statutes 2024, section 385.07, is amended to read:

**385.07 FUNDS, WHERE DEPOSITED OR INVESTED.**

(a) All county funds shall be deposited promptly and intact by the county treasurer in the name of the county or invested as provided in section 118A.04. Interest and profits which accrue from such investment shall, when collected, be credited to the general revenue fund of the county.

(b) In addition to the authority for deposit of county funds pursuant to paragraph (a), the county treasurer may deposit county funds in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the county treasurer to (i) arrange for the redeposit of the funds into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the county with respect to the funds redeposited into such accounts.

(2) The full amount of the redeposited county funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years of general custodial experience.

Sec. 36. Minnesota Statutes 2024, section 424B.22, subdivision 9, is amended to read:

Subd. 9. **Missing participants.** (a) For purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

(b) "Retirement benefit" means:

(1) the participant's account balance if the retirement plan is a defined contribution plan;

(2) the participant's lump-sum benefit if the retirement plan is a defined benefit plan that pays a lump sum; or

(3) an amount equal to the present value of the participant's benefit if the retirement plan is a defined benefit plan that pays a monthly annuity.

(c) "Individual retirement account" means an account that satisfies the requirements of section 408(a) of the Internal Revenue Code which is established by an officer of the relief association in the name of the participant or other benefit recipient at a ~~federally insured~~ financial institution insured federally or by an approved credit union guaranty corporation.

(d) If the board of trustees cannot locate a participant or other benefit recipient, the board of trustees shall make a diligent effort to obtain a current address or other contact information as follows:

(1) send a notice to the address on file for the participant or other benefit recipient using certified mail;

(2) check with the Minnesota State Fire Department Association, the municipality, and any other employer of the participant;

(3) check with the participant's designated beneficiary on file with the relief association; and

(4) use one or more of the Internet search tools that are free of charge.

(e) The board of trustees shall transfer the retirement benefit to an individual retirement account or consider the retirement benefit abandoned and deposit funds in the amount of the retirement benefit with the commissioner of commerce under chapter 345, notwithstanding any laws to the contrary, including section 345.381, if the board of trustees is unable to locate the participant or other benefit recipient after taking the actions described in paragraph (d) or the participant or other benefit recipient does not elect to receive or rollover a retirement benefit to which the participant or other benefit recipient is entitled.

Sec. 37. Minnesota Statutes 2024, section 427.06, is amended to read:

**427.06 MONEY, HOW DEPOSITED; CHECKS, HOW DRAWN.**

(a) All money of any city kept in accordance with sections 427.02 to 427.07 in any depository designated by the council of the city shall be kept and deposited in the name of the city and the depository shall have no authority to pay out this money except upon checks drawn upon the depository signed by the city treasurer and countersigned by the city comptroller or recording officer of the city.

(b) In addition to the authority for deposit of city money pursuant to paragraph (a) or other provisions of this chapter, the city treasurer may deposit city money in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the city treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the city with respect to the money redeposited into such accounts.

(2) The full amount of the redeposited city funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years' experience serving in that capacity.

Sec. 38. Minnesota Statutes 2024, section 524.3-715, is amended to read:

**524.3-715 TRANSACTIONS AUTHORIZED FOR PERSONAL REPRESENTATIVES; EXCEPTIONS.**

Except as restricted or otherwise provided by the will or by an order in a formal proceeding and subject to the priorities stated in section 524.3-902, a personal representative, acting reasonably for the benefit of the interested persons, may properly:

(1) retain assets owned by the decedent pending distribution or liquidation including those in which the representative is personally interested or which are otherwise improper for trust investment;

(2) receive assets from fiduciaries, or other sources;

(3) perform, compromise or refuse performance of the decedent's contracts that continue as obligations of the estate, as the personal representative may determine under the circumstances. In performing enforceable contracts by the decedent to convey or lease land, the personal representative, among other possible courses of action, may:

(i) execute and deliver a deed of conveyance for cash payment of all sums remaining due or the purchaser's note for the sum remaining due secured by a mortgage or deed of trust on the land; or

(ii) deliver a deed in escrow with directions that the proceeds, when paid in accordance with the escrow agreement, be paid to the successors of the decedent, as designated in the escrow agreement;

(4) satisfy written charitable pledges of the decedent irrespective of whether the pledges constituted binding obligations of the decedent or were properly presented as claims, if in the judgment of the personal representative the decedent would have wanted the pledges completed under the circumstances;

(5) if funds are not needed to meet debts and expenses currently payable and are not immediately distributable, deposit or invest liquid assets of the estate, including moneys received from the sale of other assets, in ~~federally insured~~ interest-bearing accounts insured

federally or through an approved credit union share guaranty corporation, readily marketable secured loan arrangements or other prudent investments which would be reasonable for use by trustees generally;

(6) acquire or dispose of an asset, including land in this or another state, for cash or on credit, at public or private sale; and manage, develop, improve, exchange, partition, change the character of, or abandon an estate asset;

(7) make ordinary or extraordinary repairs or alterations in buildings or other structures, demolish any improvements, raze existing or erect new party walls or buildings;

(8) subdivide, develop or dedicate land to public use; make or obtain the vacation of plats and adjust boundaries; or adjust differences in valuation on exchange or partition by giving or receiving considerations; or dedicate easements to public use without consideration;

(9) enter for any purpose into a lease as lessor or lessee, with or without option to purchase or renew, for a term within or extending beyond the period of administration;

(10) enter into a lease or arrangement for exploration and removal of minerals or other natural resources or enter into a pooling or unitization agreement;

(11) abandon property when, in the opinion of the personal representative, it is valueless, or is so encumbered, or is in condition that it is of no benefit to the estate;

(12) vote stocks or other securities in person or by general or limited proxy;

(13) pay calls, assessments, and other sums chargeable or accruing against or on account of securities, unless barred by the provisions relating to claims;

(14) hold a security in the name of a nominee or in other form without disclosure of the interest of the estate but the personal representative is liable for any act of the nominee in connection with the security so held;

(15) insure the assets of the estate against damage, loss and liability and the personal representative against liability as to third persons;

(16) borrow money with or without security to be repaid from the estate assets or otherwise; and advance money for the protection of the estate;

(17) effect a fair and reasonable compromise with any debtor or obligor, or extend, renew or in any manner modify the terms of any obligation owing to the estate. The personal representative on holding a mortgage, pledge or other lien upon property of another person may, in lieu of foreclosure, accept a conveyance or transfer of encumbered assets from the owner thereof in satisfaction of the indebtedness secured by lien;

(18) pay in compliance with section 524.3-805, but without the presentation of a claim, the reasonable and necessary last illness expenses of the decedent (except as provided in section 524.3-806 (a)), reasonable funeral expenses, debts and taxes with preference under federal or state law, and other taxes, assessments, compensation of the personal representative and the personal representative's attorney, and all other costs and expenses of administration although the same may be otherwise barred under section 524.3-803;

(19) sell or exercise stock subscription or conversion rights; consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of a corporation or other business enterprise;

(20) allocate items of income or expense to either estate income or principal, as permitted or provided by law;

(21) employ persons, including attorneys, auditors, investment advisors, or agents, even if they are associated with the personal representative, to advise or assist the personal representative in the performance of administrative duties; act without independent investigation upon their recommendations; and instead of acting personally, employ one or more agents to perform any act of administration, whether or not discretionary;

(22) prosecute or defend claims, or proceedings in any jurisdiction for the protection of the estate and of the personal representative in the performance of duties;

(23) sell, mortgage, or lease any real or personal property of the estate or any interest therein, including the homestead, exempt or otherwise, for cash, credit, or for part cash and part credit, with or without security for unpaid balances, and without the consent of any devisee or heir unless the property has been specifically devised to a devisee or heir by decedent's will, except that the homestead of a decedent when the spouse takes any interest therein shall not be sold, mortgaged or leased unless the written consent of the spouse has been obtained;

(24) continue any unincorporated business or venture in which the decedent was engaged at the time of death (i) in the same business form for a period of not more than four months from the date of appointment of a general personal representative if continuation is a reasonable means of preserving the value of the business including good will, (ii) in the same business form for any additional period of time that may be approved by order of the court in a formal proceeding to which the persons interested in the estate are parties; or (iii) throughout the period of administration if the business is incorporated by the personal representative and if none of the probable distributees of the business who are competent adults object to its incorporation and retention in the estate;

(25) incorporate any business or venture in which the decedent was engaged at the time of death;

(26) provide for exoneration of the personal representative from personal liability in any contract entered into on behalf of the estate;

(27) satisfy and settle claims and distribute the estate as provided in this chapter;

(28) foreclose a mortgage, lien, or pledge or collect the debts secured thereby, or complete any such proceeding commenced by the decedent;

(29) exercise all powers granted to guardians and conservators by sections 524.5-101 to 524.5-502.

| | | | | |
|---|---|---|---|---|
| Hawj | Kunesh | Maye Quade | Pappas | Seeberger |
| Hemmingsen-Jaeger | Kupec | McEwen | Pha | Westlin |
| Hoffman | Latz | Mohamed | Port | Wiklund |
| Johnson Stewart | Mann | Murphy | Putnam | Xiong |
| Klein | Marty | Oumou Verbeten | Rest | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, McEwen, Murphy, Port, Rest, and Wiklund.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 4760 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 13, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Marty | Putnam |
| Boldon | Fateh | Johnson Stewart | Maye Quade | Rarick |
| Carlson | Frentz | Klein | McEwen | Rest |
| Champion | Gustafson | Koran | Miller | Seeberger |
| Clark | Hauschild | Kreun | Mohamed | Weber |
| Coleman | Hawj | Kunesh | Murphy | Westlin |
| Cwodzinski | Heintzeman | Kupec | Nelson | Wiklund |
| Dahms | Hemmingsen-Jaeger | Lang | Oumou Verbeten | Xiong |
| Dibble | Hoffman | Latz | Pappas | |
| Dornink | Howe | Limmer | Pha | |
| Draheim | Jasinski | Mann | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, Marty, McEwen, Murphy, Port, Rest, and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Gruenhagen | Lieske | Rasmusson | Westrom |
| Drazkowski | Holmstrom | Mathews | Utke | |
| Green | Housley | Pratt | Wesenberg | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley and Lieske.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4118:** A bill for an act relating to financial institutions; authorizing credit unions to obtain insurance from a credit union share insurance provider; regulating credit union share guaranty corporations; making conforming changes; amending Minnesota Statutes 2024, sections 11A.24, subdivision 4; 17.59, subdivision 4; 46A.01, subdivision 10; 52.001, by adding a subdivision; 52.04, subdivision 1; 52.063, subdivision 3; 52.09, subdivision 2; 52.24, subdivisions 1, 2, by adding a subdivision; 53B.28, subdivision 10; 53B.29; 53B.38; 53B.62, subdivisions 1, 2; 60A.091; 67A.231;

79A.22, subdivision 7; 80A.41; 80A.45; 82.77, subdivision 1; 118A.04, subdivision 5; 123B.14, subdivision 3; 142F.20, subdivision 2; 149A.97, subdivisions 3a, 5; 325K.01, subdivision 12; 354B.25, subdivision 2; 356.001, subdivision 3; 356.645; 356A.06, subdivisions 6, 7, 8a; 366.01, subdivision 4; 385.07; 424B.22, subdivision 9; 427.06; 524.3-715.

Senator Frentz moved that the amendment made to H.F. No. 4118 by the Committee on Rules and Administration in the report adopted April 15, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Rasmusson moved to amend H.F. No. 4118 as follows (A-2):

Page 10, after line 32, insert:

"Sec. 11. **[52.241] MANDATORY DISCLOSURES.**

Subdivision 1. **Mandatory disclosure.** A credit union insured through a credit union share guaranty corporation approved by the commissioner must do the following:

(1) include conspicuously in all periodic statements of account, on each signature card, and on each passbook, certificate of deposit, or share certificate, a notice that the credit union is not federally insured, and that if the credit union fails, the federal government does not guarantee that members will get back their money; and

(2) include clearly and conspicuously in all advertising, except as provided in subdivision 3, and at each station or window where deposits are normally received, its principal place of business and all its branches where it accepts deposits or opens accounts, and on its main Internet page, a notice that the credit union is not federally insured.

Subd. 2. **Acknowledgement of disclosure.** (a) A credit union insured through a credit union share guaranty corporation must obtain written acknowledgment from each member that the credit union is not federally insured and that if the credit union fails, the federal government does not guarantee that members will get back their money.

(b) Within 45 days of the effective date of this section, the credit union must provide members with the following:

(1) a conspicuous card containing the information described in paragraph (a) and a line for the signature of the member; and

(2) accompanying materials requesting the member to sign the card, and return the signed card to the institution.

(c) A member who converts to or merges into a credit union insured through a credit union share guaranty corporation must sign a written acknowledgment as described in paragraph (a). Within 45 days of the conversion or merger, the credit union must provide the member with the following:

(1) a conspicuous card containing the information described in paragraph (a) and a line for the signature of the member; and

(2) accompanying materials requesting the member to sign the card, and return the signed card to the institution.

Subd. 3. **Exceptions.** The following need not include a notice that the credit union is not federally insured:

(1) any sign, document, or other item that contains the name of the credit union, its logo, or its contact information, but only if the sign, document, or item does not include any information about the credit union's products or services or information otherwise promoting the institution; and

(2) small utilitarian items that do not mention deposit products or insurance if inclusion of the notice would be impractical.

Subd. 4. **Enforcement.** The commissioner must enforce the requirements of this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 41, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Coleman | Green | Howe | Lang | Rasmusson |
| Dahms | Gruenhagen | Jasinski | Limmer | Utke |
| Dornink | Heintzeman | Johnson | Lucero | Weber |
| Draheim | Hoffman | Koran | Mathews | Westrom |
| Farnsworth | Holmstrom | Kreun | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Frentz | Kupec | Murphy | Seeberger |
| Boldon | Gustafson | Latz | Nelson | Wesenberg |
| Carlson | Hauschild | Lieske | Oumou Verbeten | Westlin |
| Champion | Hawj | Mann | Pappas | Wiklund |
| Clark | Hemmingsen-Jaeger | Marty | Pha | Xiong |
| Cwodzinski | Housley | Maye Quade | Port | |
| Dibble | Johnson Stewart | McEwen | Pratt | |
| Drazkowski | Klein | Miller | Putnam | |
| Fateh | Kunesh | Mohamed | Rest | |

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, Latz, Marty, McEwen, Murphy, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley and Lieske.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 4118 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 15, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Farnsworth | Klein | McEwen | Seeberger |
| Boldon | Fateh | Kreun | Miller | Weber |
| Carlson | Frentz | Kunesh | Mohamed | Wesenberg |
| Champion | Gruenhagen | Kupec | Murphy | Westlin |
| Clark | Gustafson | Latz | Nelson | Westrom |
| Coleman | Hauschild | Lieske | Oumou Verbeten | Wiklund |
| Cwodzinski | Hawj | Limmer | Pappas | Xiong |
| Dahms | Hemmingsen-Jaeger | Lucero | Pha | |
| Dibble | Holmstrom | Mann | Port | |
| Dornink | Jasinski | Marty | Putnam | |
| Drazkowski | Johnson Stewart | Maye Quade | Rest | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, Latz, Marty, McEwen, Murphy, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Lieske.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Heintzeman | Howe | Lang | Rarick |
| Draheim | Hoffman | Johnson | Mathews | Rasmusson |
| Green | Housley | Koran | Pratt | Utke |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Abeler and Housley.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 2691:** A bill for an act relating to housing; providing standards for rent and utility payments, fees, and charges in manufactured home parks; requiring certain safety inspections; modifying provisions for sale of manufactured home parks; modifying penalties; amending Minnesota Statutes 2024, sections 327C.015, subdivision 13; 327C.03, subdivision 3; 327C.04, subdivision 1, by adding a subdivision; 327C.06, subdivisions 1, 3; 327C.097; 327C.15; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 2024, section 327C.096.

Senator Boldon moved to amend S.F. No. 2691 as follows (A11):

Page 3, line 25, delete "may be challenged as" and insert "is presumed to be"

Page 3, line 27, delete "a preponderance of the" and insert "clear and convincing"

Page 3, line 28, delete everything after "residents"

Page 3, line 29, delete everything before the period

The question was taken on the adoption of the amendment.

# 095. SF 3888

**Vote:** 2026-04-21 | **Workbook row:** 100
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Tow trucks permission to use variable message signs

## Included complete bill documents

**1. Introduction, posted 2026-02-24** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3888/versions/0/pdf/

## Original Senate journal context

PDF pages 401-401. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260421061.pdf#page=401

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3888/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3888

**(SENATE AUTHORS: JASINSKI and Johnson Stewart)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/26/2026 | 6401 | Introduction and first reading<br>Referred to Transportation |
| 03/04/2026 | 6488 | Author added Johnson Stewart |
| 04/07/2026 | 7185 | Comm report: To pass |
| | 7904 | Second reading |
| 04/21/2026 | 8945 | Special Order |
| | 8945 | Third reading Passed |
| 05/04/2026 | 9327 | Returned from House<br>Presentment date 05/06/26 |
| | 10412 | Governor's action Approval 05/07/26 |
| | 10412 | Secretary of State Chapter 78 05/07/26<br>Effective date 08/01/2026 |

A bill for an act

relating to transportation; permitting tow trucks to use variable message signs; amending Minnesota Statutes 2024, section 168B.16.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 168B.16, is amended to read:

**168B.16 FLASHING LIGHT AND VARIABLE MESSAGE SIGN ON TOW TRUCK.**

(a) A tow truck or towing vehicle must be equipped with flashing or intermittent red and amber lights of a type approved by the commissioner of public safety. The lights must be placed on the dome of the vehicle at the highest practicable point visible from a distance of 500 feet. The flashing red light must be displayed only when the tow truck or towing vehicle is engaged in emergency service on or near the traveled portion of a highway. The flashing amber light may be displayed when the tow truck or towing vehicle is moving a disabled vehicle.

(b) A tow truck or towing vehicle may display a portable variable message sign mounted on the tow truck while performing emergency service on or near the traveled portion of a highway. The portable variable message sign must conform to the standards established in the Minnesota Manual on Uniform Traffic Control Devices.

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Port |
| Boldon | Fateh | Johnson Stewart | Maye Quade | Pratt |
| Carlson | Frentz | Klein | McEwen | Putnam |
| Champion | Gustafson | Kunesh | Miller | Rest |
| Clark | Hauschild | Kupec | Mohamed | Seeberger |
| Coleman | Hawj | Lang | Murphy | Westlin |
| Cwodzinski | Heintzeman | Latz | Nelson | Wiklund |
| Dibble | Hemmingsen-Jaeger | Limmer | Oumou Verbeten | Xiong |
| Dornink | Hoffman | Mann | Pappas | |
| Draheim | Jasinski | Marty | Pha | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Mann, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Dornink, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Gruenhagen | Koran | Rarick | Wesenberg |
| Dahms | Holmstrom | Kreun | Rasmusson | Westrom |
| Drazkowski | Housley | Lieske | Utke | |
| Green | Howe | Lucero | Weber | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley, Koran, Kreun, and Lieske.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3888:** A bill for an act relating to transportation; permitting tow trucks to use variable message signs; amending Minnesota Statutes 2024, section 168B.16.

S.F. No. 3888 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | Mathews | Rasmusson |
| Bahr | Frentz | Johnson Stewart | Maye Quade | Rest |
| Boldon | Green | Klein | McEwen | Seeberger |
| Carlson | Gruenhagen | Koran | Miller | Utke |
| Champion | Gustafson | Kreun | Mohamed | Weber |
| Clark | Hauschild | Kunesh | Murphy | Wesenberg |
| Coleman | Hawj | Kupec | Nelson | Westlin |
| Cwodzinski | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dahms | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dibble | Hoffman | Lieske | Pha | Xiong |
| Dornink | Holmstrom | Limmer | Port | |
| Draheim | Housley | Lucero | Pratt | |
| Drazkowski | Howe | Mann | Putnam | |
| Farnsworth | Jasinski | Marty | Rarick | |

# 096. SF 2971

**Vote:** 2026-04-22 | **Workbook row:** 101
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 4 nays

**Workbook subject:** Kayla's HOPE Act establishment

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/2971/versions/1/pdf/

## Original Senate journal context

PDF pages 42-42. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260422062.pdf#page=42

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/2971/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2971

**(SENATE AUTHORS: DIBBLE, Coleman and Johnson Stewart)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/24/2025 | 1020 | Introduction and first reading<br>Referred to Transportation |
| 03/27/2025 | 1117 | Author added Coleman |
| 04/02/2025 | 1280 | Author added Johnson Stewart |
| 04/07/2026 | 7181a | Comm report: To pass as amended |
| | 7904 | Second reading |
| 04/22/2026 | 8990 | Special Order |
| | 8990 | Third reading Passed |
| 05/04/2026 | 9327 | Returned from House<br>Presentment date 05/06/26 |
| | 10412 | Governor's action Approval 05/07/26 |
| | 10412 | Secretary of State Chapter 77 05/07/26<br>Effective date 05/08/2026 |

A bill for an act

relating to transportation; requiring data collection on bridge-related suicides; requiring development of best practices for suicide prevention on bridges; requiring implementation of suicide reduction railings on bridge projects identified as appropriate and feasible; proposing coding for new law in Minnesota Statutes, chapter 165.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[165.16] SUICIDE PREVENTION.**

Subdivision 1. **Data collection.** The commissioner of transportation, in collaboration with the commissioner of health, must identify bridges in Minnesota with a history of suicide-related deaths. The commissioner of transportation must:

(1) annually request and receive data from the commissioner of health regarding known suicide deaths from bridges in the state of Minnesota as obtained from the state's vital statistics records; and

(2) maintain a record of the data to support the identification of bridges for which suicide reduction measures may be appropriate.

Subd. 2. **Best practices.** The commissioner of transportation, in collaboration with the commissioner of health, must develop a methodology for determining when and where suicide reduction measures should be incorporated into bridge projects. The commissioner must:

(1) develop best practices for determining when suicide reduction measures should be considered on a project;

(2) identify potential suicide reduction measures and develop best practices for their appropriate and feasible use; and

(3) develop suicide reduction railing design criteria.

Subd. 3. **Railing implementation.** Suicide reduction railings must be implemented when determined appropriate and feasible using the methodology developed under subdivision 2. This requirement applies to bridge projects undertaken by the commissioner of transportation and by local road authorities when the project scope includes railing replacement, alteration, or addition, consistent with the design criteria developed under subdivision 2, clause (3).

Subd. 4. **Short title.** This section is the "Kayla's HOPE Act."

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

## SPECIAL ORDER

**S.F. No. 2971:** A bill for an act relating to transportation; requiring data collection on bridge-related suicides; requiring development of best practices for suicide prevention on bridges; requiring implementation of suicide reduction railings on bridge projects identified as appropriate and feasible; proposing coding for new law in Minnesota Statutes, chapter 165.

President Pro Tem Rest resumed the Chair.

S.F. No. 2971 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 4, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Rarick |
| Boldon | Fateh | Johnson Stewart | Maye Quade | Rasmusson |
| Carlson | Frentz | Klein | McEwen | Rest |
| Champion | Gruenhagen | Koran | Miller | Seeberger |
| Clark | Gustafson | Kreun | Mohamed | Utke |
| Coleman | Hauschild | Kunesh | Murphy | Weber |
| Cwodzinski | Hawj | Kupec | Nelson | Wesenberg |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Westrom |
| Dornink | Hoffman | Lieske | Pha | Wiklund |
| Draheim | Housley | Limmer | Port | Xiong |
| Drazkowski | Howe | Mann | Pratt | |
| Duckworth | Jasinski | Marty | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Fateh, Klein, Port, Putnam, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, Johnson, Lieske, Rarick, and Westrom.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Holmstrom | Lucero |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4244:** A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2024, sections 3.9215, subdivision 4; 3.9741, subdivision 1; 13.202, subdivision 11; 13.3806, subdivision 22; 13.461, subdivision 7a; 13.55, subdivision 1; 13.825, subdivision 2; 34.02; 43A.34, subdivision 3; 52.09, subdivision 2; 60D.18, subdivision 5; 62A.318, subdivision 5; 65A.35, subdivision 5; 65B.133, subdivision 1; 65B.15, subdivision 1; 66A.16, subdivision 2; 80E.13; 115.48, subdivision 2; 115A.28, subdivision 2; 118A.09, subdivision 3; 120B.234, subdivision 2; 120B.303, subdivision

# 097. SF 4244

**Vote:** 2026-04-22 | **Workbook row:** 102
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 4 nays

**Workbook subject:** Miscellaneous technical corrections to laws and statutes

## Included complete bill documents

**1. Introduction, posted 2026-03-05** - 250 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/4244/versions/0/pdf/

## Original Senate journal context

PDF pages 42-44. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260422062.pdf#page=44

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/4244/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 4244

**(SENATE AUTHORS: LIMMER)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/09/2026 | 6565 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 04/16/2026 | 8181 | Comm report: To pass |
| | | Pursuant to Senate Concurrent Resolution No. 6, referred to Rules and Administration |
| 04/21/2026 | 8860 | Senate Concurrent Resolution 6 Suspended adopt previous committee report |
| | 8868 | Second reading |
| 04/22/2026 | 8990 | Special Order |
| | 8992 | Third reading Passed |
| 05/07/2026 | 9977 | Returned from House |
| | | Presentment date 05/11/2026 |
| | 10596 | Governor's action Approval 05/12/26 |
| | 10596 | Secretary of State Chapter 88 05/12/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2024, sections 3.9215, subdivision 4; 3.9741, subdivision 1; 13.202, subdivision 11; 13.3806, subdivision 22; 13.461, subdivision 7a; 13.55, subdivision 1; 13.825, subdivision 2; 34.02; 43A.34, subdivision 3; 52.09, subdivision 2; 60D.18, subdivision 5; 62A.318, subdivision 5; 65A.35, subdivision 5; 65B.133, subdivision 1; 65B.15, subdivision 1; 66A.16, subdivision 2; 80E.13; 115.48, subdivision 2; 115A.28, subdivision 2; 118A.09, subdivision 3; 120B.234, subdivision 2; 120B.303, subdivision 1; 121A.15, subdivisions 3b, 11; 121A.425, subdivision 1; 124D.03, subdivision 3; 124D.094, subdivision 2; 124D.096; 124D.59, subdivision 2; 125A.76, subdivision 2f; 126C.05, subdivision 1; 126C.17, subdivision 9; 126C.40, subdivision 5; 135A.15, subdivision 1; 136A.031, subdivision 3; 136A.1241, subdivision 2; 136A.829, subdivision 3; 136A.84, subdivision 1; 142A.03, subdivision 32; 142A.05; 142A.604, subdivision 2; 142B.01, subdivision 8; 142B.03, subdivisions 1, 2; 142B.05, subdivisions 7, 8; 142B.10, subdivision 1; 142B.12, subdivision 4; 142B.41, subdivision 3; 142D.08, subdivisions 5, 6; 142D.20, subdivision 2; 142D.32, subdivision 2; 142E.16, subdivision 2; 142G.22, subdivision 1; 142G.25; 142G.40, subdivision 1; 142G.57, subdivisions 2, 4; 144E.28, subdivision 8; 145.882, subdivision 5a; 145.8821; 148B.59; 148F.165, subdivision 2; 148F.205, subdivision 5; 148F.2051; 151.72, subdivision 2; 152.29, subdivision 5; 157.22; 169.223, subdivision 4; 169.99, subdivision 1; 181.211, subdivision 10; 204B.06, subdivision 9; 211B.04, subdivision 3; 214.06, subdivision 1a; 216B.16, subdivisions 6b, 6c; 216B.2411, subdivisions 1, 2; 216B.2425, subdivision 7; 216B.2427, subdivisions 1, 2; 216C.437, subdivision 19; 216I.06, subdivision 2; 240A.03, subdivision 6; 245A.03, subdivisions 6, 7; 245A.07, subdivision 2a; 245D.03, subdivision 2; 245F.03; 245G.11, subdivision 1; 245G.22, subdivision 6; 253B.02, subdivision 4c; 256.017, subdivision 2; 256.043, subdivision 1; 256.9657, subdivisions 1a, 3; 256.975, subdivisions 7d, 9; 256B.04, subdivision 15; 256B.051, subdivision 7; 256B.0624, subdivision 4; 256B.0658; 256B.0911, subdivision 29; 256B.15, subdivision 1h; 256B.196, subdivision 2; 256B.1973, subdivision 1; 256B.431, subdivision 17d; 256B.69, subdivision 16; 256B.77, subdivisions 4, 5; 256B.85, subdivisions 7b, 20; 256D.01, subdivisions 1, 1e, 2; 256D.02, subdivision 1; 256D.03, subdivision 1; 256D.04; 256D.045; 256D.05, subdivision 8; 256D.06, subdivision 7; 256D.07; 256D.16; 256F.10, subdivisions 6, 7; 256I.04, subdivision 1; 256I.05, subdivision 1c; 256K.10, subdivision 3; 256S.21, subdivision 3; 257.05, subdivision 3;

257.0755, subdivision 3; 259.41, subdivision 1; 259.83, subdivision 1; 260.67, subdivision 2; 260C.001, subdivision 1; 260C.4411, subdivision 1; 260C.4412; 260E.17, subdivision 2; 260E.33, subdivision 6a; 260E.35, subdivision 3; 275.011, subdivisions 1, 2; 290.01, subdivision 19; 290.0132, subdivision 32; 290.095, subdivision 11; 295.50, subdivision 4; 295.81, subdivision 1; 296A.06, subdivision 1; 297A.9915, subdivision 5; 297I.20, subdivisions 1, 3; 298.75, subdivision 2; 309.531, subdivision 2; 321.1109; 325F.071, subdivision 1; 327B.04, subdivision 8; 332.30; 336.7-209; 336.9-317; 352.01, subdivision 2a; 353D.07, subdivision 5; 353G.18, subdivision 2; 353G.19, subdivision 6; 356.47, subdivision 3; 363A.07, subdivision 4; 363A.08, subdivision 4; 424A.05, subdivision 5; 424B.13, subdivisions 5, 6; 424B.22, subdivisions 7, 8; 458D.08; 462A.07, subdivision 20; 469.174, subdivision 10; 473.121, subdivision 5a; 473.164; 473.4057, subdivision 7; 473.755, subdivision 4; 473J.12, subdivision 2; 473J.13, subdivision 3; 491A.03, subdivision 4; 504B.361, subdivision 1; 518.10, subdivision 1; 518.175, subdivision 6; 518A.40, subdivision 1; 518A.41, subdivision 1; 518A.51; 518A.56, subdivision 11; 518C.613; 609.232, subdivision 11; 611A.37, subdivision 1; 611A.372; 624.7192; Minnesota Statutes 2025 Supplement, sections 13.46, subdivisions 2, 4; 65B.05; 120B.117, subdivision 4; 124F.01, subdivision 2; 136A.054; 142G.01, subdivision 3; 148.6404; 148.6408, subdivision 2; 161.14, subdivision 109; 161.45, subdivision 4; 168.012, subdivision 1; 168A.01, subdivisions 18, 19, 20; 171.301, subdivision 1; 216B.1622, subdivision 2; 245A.04, subdivision 1; 245A.191; 245C.08, subdivision 1; 253B.10, subdivision 1; 254B.0507, subdivision 2; 256B.055, subdivision 12; 256B.0615, subdivision 1; 256B.0616, subdivision 1; 256B.0924, subdivision 6; 256B.0943, subdivision 9; 256B.761, subdivision 2; 257.0769, subdivision 1; 260.65; 297I.20, subdivision 7; 299C.061, subdivision 1; 353D.07, subdivision 2; 357.021, subdivision 1a; 423A.022, subdivision 2; 424A.015, subdivision 4; 473.4465, subdivision 2; 580.07, subdivisions 1, 2; Laws 2023, chapter 1, section 22, as amended; repealing Minnesota Statutes 2024, sections 13.461, subdivision 16a; 137.50, subdivision 5; 142E.50, subdivisions 1, 4, 7; 256.9756, subdivision 3; 256B.092, subdivision 4b; 256R.50, subdivision 6; 257E.10, subdivision 11; 272.02, subdivision 31; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 289A.60, subdivision 15; 297I.15, subdivision 2; 383B.1511; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.565; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.596; 473.598; 473.599; 473.5995; 473.76; 473.763; 477A.18; 480.011; 504B.345, subdivision 2; Laws 2024, chapter 79, article 1, section 20; Laws 2025, chapter 21, sections 56; 57.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 3.9215, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** Money appropriated for the ombudsperson for American Indian families from the general fund or the special fund authorized by section 256.01, subdivision 2, paragraph ~~(o)~~ (n), is under the control of the ombudsperson.

Sec. 2. Minnesota Statutes 2024, section 13.3806, subdivision 22, is amended to read:

Subd. 22. **Medical use of cannabis data.** Data collected under the registry program authorized under ~~sections 152.22 to 152.37~~ section 342.52 are governed by ~~sections 152.25, subdivision 1; 152.28, subdivision 2; and 152.37, subdivision 3~~ section 342.59.

Sec. 3. Minnesota Statutes 2025 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent or investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs, and prepare the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section 6. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security or individual taxpayer identification numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the ~~commissioner~~ commissioners of human services and children, youth, and families for the purposes described in this clause are governed by section 270B.14, ~~subdivision~~ subdivisions 1 and 24, respectively. Tax refund or tax credit programs include, but are not limited to, the dependent

care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services; the Department of Employment and Economic Development; the Department of Children, Youth, and Families; Direct Care and Treatment; and, when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security or individual taxpayer identification numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from a SNAP applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food and Nutrition Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security or individual taxpayer identification number, and, if available, photograph of any member of a household receiving SNAP benefits shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 142A.29, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, when the commissioner or community health board has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 518A.81, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services; Children, Youth, and Families; and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services; Department of Children, Youth, and Families; Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c); Department of Health; Department of Employment and Economic Development; and other state agencies as is reasonably necessary to perform these functions;

(29) counties and the Department of Children, Youth, and Families operating child care assistance programs under chapter 142E may disseminate data on program participants, applicants, and providers to the commissioner of education;

(30) child support data on the child, the parents, and relatives of the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as authorized by federal law;

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services;

(32) to the chief administrative officer of a school to coordinate services for a student and family; data that may be disclosed under this clause are limited to name, date of birth, gender, and address;

(33) to county correctional agencies to the extent necessary to coordinate services and diversion programs; data that may be disclosed under this clause are limited to name, client demographics, program, case status, and county worker information; or

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for substance use disorder may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 4. Minnesota Statutes 2025 Supplement, section 13.46, subdivision 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services or the commissioner of children, youth, and families;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, certification holders, and former licensees are public: name, address, telephone number of licensees, email addresses except for family child foster care, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services; the commissioner of children, youth, and families; the local social services agency; or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) Except as provided in item (v), when a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the general nature of the complaint or allegations leading to the temporary immediate suspension; the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence of settlement negotiations; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section ~~142A.15~~ 142B.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity of the applicant, license holder, or controlling individual as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section ~~142A.15~~ 142B.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is disqualified under chapter 245C, the identity of the license

holder, applicant, or controlling individual as the disqualified individual is public data at the time of the issuance of the licensing sanction or denial. If the applicant, license holder, or controlling individual requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are private data.

(v) A correction order or fine issued to a child care provider for a licensing violation is private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

(2) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(3) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the existence of settlement negotiations, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(4) When maltreatment is substantiated under section 626.557 or chapter 260E and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 142B or 245A; the commissioner of human services; commissioner of children, youth, and families; local social services agency; or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(5) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment under section 626.557 and chapter 260E, are confidential data and may be disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 260E.03, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35, subdivision 6, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.557 or chapter 260E may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 142B, 245A, and 245C and data on individuals collected by the commissioner of human services or the commissioner of children, youth, and families according to investigations under section 626.557 and chapters 142B, 245A, 245B, 245C, 245D, and 260E may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board and between the commissioners of human services and children, youth, and families when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may

otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under sections 260E.24, subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the commissioner of human services; commissioner of children, youth, and families; or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 260E.03, and the commissioner of human services; commissioner of children, youth, and families; or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner of human services; commissioner of children, youth, and families; or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

Sec. 5. Minnesota Statutes 2024, section 13.461, subdivision 7a, is amended to read:

Subd. 7a. **Background studies.** (a) Access to and sharing of data for human services background studies under chapter 245C are governed by that chapter.

(b) Disqualifying records that are the subject of an order for expungement are governed by section 245C.22, subdivision 7, paragraph ~~(f)~~ (e).

Sec. 6. Minnesota Statutes 2024, section 13.825, subdivision 2, is amended to read:

Subd. 2. **Data classification; court-authorized disclosure.** (a) Data collected by a portable recording system are private data on individuals or nonpublic data, subject to the following:

(1) data that record, describe, or otherwise document actions and circumstances surrounding either the discharge of a firearm by a peace officer in the course of duty, if a notice is required under section 626.553, subdivision 2, or the use of force by a peace officer that results in substantial bodily harm, as defined in section 609.02, subdivision 7a, are public;

(2) data are public if a subject of the data requests it be made accessible to the public, except that, if practicable, (i) data on a subject who is not a peace officer and who does not consent to the release must be redacted, and (ii) data on a peace officer whose identity is protected under section 13.82, subdivision 17, clause (a), must be redacted;

(3) subject to paragraphs (b) to (d), portable recording system data that are active criminal investigative data are governed by section 13.82, subdivision 7, and portable recording system data that are inactive criminal investigative data are governed by this section;

(4) portable recording system data that are public personnel data under section 13.43, subdivision 2, paragraph (a), clause (5), are public; and

(5) data that are not public data under other provisions of this chapter retain that classification.

(b) Notwithstanding section 13.82, subdivision 7, when an individual dies as a result of a use of force by a peace officer, an involved officer's law enforcement agency must allow the following individuals, upon their request, to inspect all portable recording system data, redacted no more than what is required by law, documenting the incident within five days of the request, subject to paragraphs (c) and (d):

(1) the deceased individual's next of kin;

(2) the legal representative of the deceased individual's next of kin; and

(3) the other parent of the deceased individual's child.

(c) A law enforcement agency may deny a request to inspect portable recording system data under paragraph (b) if the agency determines that there is a compelling reason that inspection would interfere with an active investigation. If the agency denies access under this paragraph, the chief law enforcement officer must provide a prompt, written denial to

the individual in paragraph (b) who requested the data with a short description of the compelling reason access was denied and must provide notice that relief may be sought from the district court pursuant to section 13.82, subdivision 7.

(d) When an individual dies as a result of a use of force by a peace officer, an involved officer's law enforcement agency shall release all portable recording system data, redacted no more than what is required by law, documenting the incident no later than 14 days after the incident, unless the chief law enforcement officer asserts in writing that the public classification would interfere with an ongoing investigation, in which case the data remain classified by section 13.82, subdivision 7.

(e) A law enforcement agency may redact or withhold access to portions of data that are public under this subdivision if those portions of data are clearly offensive to common sensibilities.

(f) Section 13.04, subdivision 2, does not apply to collection of data classified by this subdivision.

(g) Any person may bring an action in the district court located in the county where portable recording system data are being maintained to authorize disclosure of data that are private or nonpublic under this section or to challenge a determination under paragraph (e) to redact or withhold access to portions of data because the data are clearly offensive to common sensibilities. The person bringing the action must give notice of the action to the law enforcement agency and subjects of the data, if known. The law enforcement agency must give notice to other subjects of the data, if known, who did not receive the notice from the person bringing the action. The court may order that all or part of the data be released to the public or to the person bringing the action. In making this determination, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, to the law enforcement agency, or to a subject of the data and, if the action is challenging a determination under paragraph (e), whether the data are clearly offensive to common sensibilities. The data in dispute must be examined by the court in camera. This paragraph does not affect the right of a defendant in a criminal proceeding to obtain access to portable recording system data under the Rules of Criminal Procedure.

Sec. 7. Minnesota Statutes 2024, section 34.02, is amended to read:

**34.02 LICENSES; EXCEPTIONS.**

No person may manufacture, mix, or compound any soft drinks or other nonalcoholic beverage, to be sold in bottles, barrels, kegs, jars, coolers, cans, glasses or tumblers, or other

containers, without first having obtained a license from the commissioner. License fees shall be established in accordance with section ~~28A.05, paragraph (c)~~ 28A.08, subdivision 3. Sections 34.02 to 34.11 do not apply to beverages manufactured, mixed, or compounded in quantities of one quart or less at one time.

Sec. 8. Minnesota Statutes 2024, section 43A.34, subdivision 3, is amended to read:

Subd. 3. **Correctional personnel exempted.** Any employee of the state of Minnesota in a covered classification as defined in section ~~352.91~~ 352.905, who is a member of the special retirement program for correctional personnel established pursuant to sections 352.90 to 352.95, may elect to retire from employment in the covered correctional position upon reaching the age of 55 years.

Sec. 9. Minnesota Statutes 2024, section 52.09, subdivision 2, is amended to read:

Subd. 2. **Particular duties.** The directors shall manage the affairs of the credit union and shall:

(1) act on applications for membership. This power may be delegated to a membership chair who serves at the pleasure of the board of directors and is subject to its rules. An application must contain a certification signed by the membership chair or a member of the board showing the basis of membership;

(2) determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semiannual, or annual basis, and may be paid on all deposits whether or not the deposits have been withdrawn during the interest period. Interest may be computed on a daily basis;

(3) fix the amount of the surety bond required of all officers and employees handling money;

(4) declare dividends and transmit to the members recommended amendments to the bylaws;

(5) fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

(6) limit the number of shares and deposits which may be owned by a member, not to exceed ten percent of the outstanding shares and deposits, or $2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a comaker, guarantor, or endorser to ten percent of outstanding shares and deposits. The ten percent share and deposit limitation is not applicable to the Minnesota

corporate credit union, or to credit unions insured by the National Credit Union Administration;

(7) have charge of investments including loans to members. If a credit committee is established pursuant to section 52.08 or clause (13), then the credit committee shall have charge of loans to members;

(8) fix the salaries of the treasurer and other employees, which must be on a fixed monthly or annual basis, in dollars (not percentage);

(9) designate the depository institution in which the funds of the credit union will be deposited;

(10) authorize the officers of the credit union to borrow money from any source, as provided in section 52.15;

(11) with the permission of the commissioner of commerce, suspend any member of the credit committee or supervisory committee if it deems this action necessary to the proper conduct of the credit union, and call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members;

(12) provide financial assistance to the supervisory committee in carrying out its audit responsibilities;

(13) if the bylaws so provide and no credit committee has been elected pursuant to section 52.08, appoint a credit manager or a credit committee of not less than three members; and

(14) ~~to~~ establish different classes of shares.

Sec. 10. Minnesota Statutes 2024, section 60D.18, subdivision 5, is amended to read:

Subd. 5. **Orders and penalties.** (a) If an acquisition violates the standards of this section, the commissioner may enter an order:

(1) requiring an involved insurer to cease and desist from doing business in this state with respect to the line or lines of insurance involved in the violation; or

(2) denying the application of an acquired or acquiring insurer for a license to do business in this state.

(b) The order must not be entered unless there is a hearing, the notice of the hearing is issued before the end of the waiting period and not less than 15 days before the hearing, and the hearing is concluded and the order is issued no later than 60 days after the end of the waiting period. Every order must be accompanied by a written decision of the commissioner setting forth findings of fact and conclusions of law.

(c) An order entered under this ~~paragraph~~ subdivision shall not become final earlier than 30 days after it is issued, during which time the involved insurer may submit a plan to remedy the anticompetitive impact of the acquisition within a reasonable time. Based upon the plan or other information, the commissioner shall specify the conditions, if any, under the time period during which the aspects of the acquisition causing a violation of the standards of this section would be remedied and the order vacated or modified.

(d) An order pursuant to this subdivision does not apply if the acquisition is not consummated.

(e) Any person who violates a cease and desist order of the commissioner and while the order is in effect, may after notice and hearing and upon order of the commissioner, be subject at the discretion of the commissioner to any one or more of the following:

(1) a monetary penalty of not more than $10,000 for every day of violation;

(2) suspension or revocation of the person's license.

(f) Any insurer or other person who fails to make any filing required by this section and who also fails to demonstrate a good faith effort to comply with the filing requirement, is subject to a fine of not more than $50,000.

Sec. 11. Minnesota Statutes 2024, section 62A.318, subdivision 5, is amended to read:

Subd. 5. **Contents of plan of operation.** A Medicare select issuer shall file a proposed plan of operation with the commissioner, in a format prescribed by the commissioner. The plan of operation shall contain at least the following information:

(1) evidence that all covered services that are subject to restricted network provisions are available and accessible through network providers, including a demonstration that:

(i) the services can be provided by network providers with reasonable promptness with respect to geographic location, hours of operation, and after-hour care. The hours of operation and availability of after-hour care shall reflect usual practice in the local area. Geographic availability shall reflect the usual travel times within the community;

(ii) the number of network providers in the service area is sufficient, with respect to current and expected policyholders, either:

(A) to deliver adequately all services that are subject to a restricted network provision; or

(B) to make appropriate referrals;

(iii) there are written agreements with network providers describing specific responsibilities;

(iv) emergency care is available 24 hours per day and seven days per week; and

(v) in the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network providers prohibiting the providers from billing or otherwise seeking reimbursement from or recourse against an individual insured under a Medicare select policy or certificate. This section does not apply to supplemental charges or coinsurance amounts as stated in the Medicare select policy or certificate;

(2) a statement or map providing a clear description of the service area;

(3) a description of the grievance procedure to be used;

(4) a description of the quality assurance program, including:

(i) the formal organizational structure;

(ii) the written criteria for selection, retention, and removal of network providers; and

(iii) the procedures for evaluating quality of care provided by network providers, and the process to initiate corrective action when warranted;

(5) a list and description, by specialty, of the network providers;

(6) copies of the written information proposed to be used by the issuer to comply with ~~paragraph (i)~~ subdivision 9; and

(7) any other information requested by the commissioner.

Sec. 12. Minnesota Statutes 2024, section 65A.35, subdivision 5, is amended to read:

Subd. 5. **Administration.** (1) The Minnesota FAIR plan is administered by a board of nine directors, five of whom are elected by the members of the plan and four who represent the public. Public directors may include licensed insurance agents. Public directors are appointed by the commissioner. No less than two elected directors must be representatives

of domestic insurers. In the election of directors, each member of the Minnesota FAIR plan is allotted votes bearing the same ratio to the total number of votes to be cast as its degree of participation in the plan bears to the total participation.

(2) Any vacancy among the elected directors must be filled by a vote of the other elected directors.

(3) If at any time the members fail to elect the required number of directors to the board, or a vacancy remains unfilled for more than 15 days, the commissioner may appoint the directors necessary to constitute a full board of directors.

(4) Vacancies among directors appointed by the commissioner must be filled by appointment by the commissioner. A person so appointed serves until the end of the term of the director the person is replacing.

(5) All public directors serve for a period of two years. The terms of all public directors begin on July 1 of the year their appointments begin.

(6) The plan of operation must provide for adequate compensation of public directors. A per diem amount and a procedure for reimbursement of expenses incurred in the discharge of their duties must be included in the plan. Private directors are not eligible for compensation.

(7) At the option of the board, employees may participate in an insurance plan administered by the commissioner of management and budget under chapter 43A, except as otherwise provided in section 43A.27, subdivision 2, clause ~~(6)~~ (5).

Sec. 13. Minnesota Statutes 2025 Supplement, section 65B.05, is amended to read:

**65B.05 POWER OF FACILITY, GOVERNING COMMITTEE.**

(a) The facility is authorized to: (1) issue or cause to be issued insurance policies in the name of the Minnesota automobile insurance plan to applicants for the types of insurance available under the plan, subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to the plan; and (3) retain, hire, or appoint an individual or company to perform a function under clause (1) or (2).

(b) The governing committee shall have the power to direct the operation of the facility in all pursuits consistent with the purposes and terms of sections 65B.01 to 65B.12, including but not limited to:

(1) suing and being sued in the name of the facility and ~~assess~~ assessing each member in accord with its participation ratio to pay any judgment against the facility as an entity,

provided, however, that no judgment against the facility shall create any liabilities in one or more members disproportionate to their participation ratio or an individual representing members on the governing committee;

(2) delegating ministerial duties, hiring a manager, and contracting for goods and services from others;

(3) assessing members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility; and

(4) imposing limitations on cancellation or nonrenewal by members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.1311 to 65B.21.

Sec. 14. Minnesota Statutes 2024, section 65B.133, subdivision 1, is amended to read:

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

(a) "Computed premium" means the rate in effect before the application of a surcharge.

(b) "Chargeable accident" means an accident which is taken into consideration in applying a surcharge.

(c) "Chargeable traffic violation" means a traffic violation which is taken into consideration in applying a surcharge.

(d) "Policy" means a policy providing private passenger vehicle insurance, as defined in section 65B.001, subdivision 2.

(e) "Surcharge" means any increase in premium for a policy, including the removal of an accident-free or claim-free discount, based upon an accident or a traffic violation.

(f) "Surcharge disclosure statement" means a written statement disclosing the surcharge plan of an insurer, the effective date of the surcharge plan, and the name of the insurer, and any other information which the commissioner may require to be disclosed to assist insureds in comparing surcharge plans among insurers.

(g) "Surcharge plan" means the conditions under which an insurer applies a surcharge including but not limited to: (1) the maximum dollar amount which an insurer pays due to an accident without applying a surcharge, (2) accidents which are not chargeable, (3) chargeable traffic violations, (4) the length of time that an accident or a traffic violation is chargeable, and (5) surcharge rates for the first and each successive accident or traffic violation.

(h) "Surcharge rate" means the amount of any surcharge expressed as a percentage of the computed premium rate or as a dollar amount surcharge, if a percentage surcharge is not used.

Sec. 15. Minnesota Statutes 2024, section 65B.15, subdivision 1, is amended to read:

Subdivision 1. **Grounds and notice.** No cancellation or reduction in the limits of liability of coverage during the policy period of any policy shall be effective unless notice thereof is given and unless based on one or more reasons stated in the policy which shall be limited to the following:

1. nonpayment of premium; or

2. the policy was obtained through a material misrepresentation; or

3. any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or

4. the named insured failed to disclose fully motor vehicle accidents and moving traffic violations of the named insured for the preceding 36 months if called for in the written application; or

5. the named insured failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk; or

6. the named insured knowingly failed to give any required written notice of loss or notice of lawsuit commenced against the named insured, or, when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit; or

7. the named insured or any other operator who either resides in the same household, or customarily operates an automobile insured under such policy, unless the other operator is identified as a named insured in another policy as an insured:

(a) has, within the 36 months prior to the notice of cancellation, had that person's driver's license under suspension or revocation because the person committed a moving traffic violation or because the person refused to be tested under section 169A.20, subdivision 1; or

(b) is or becomes subject to epilepsy or heart attacks, and such individual does not produce a written opinion from a physician testifying to that person's medical ability to operate a motor vehicle safely, such opinion to be based upon a reasonable medical probability; or

(c) has an accident record, conviction record (criminal or traffic), physical condition or mental condition, any one or all of which are such that the person's operation of an automobile might endanger the public safety; or

(d) has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an automobile, or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an accident without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of a motor vehicle; or

(e) has been convicted of, or forfeited bail for, one or more violations within the 18 months immediately preceding the notice of cancellation, of any law, ordinance, or rule which justify a revocation of a driver's license; or

8. the insured automobile is:

(a) so mechanically defective that its operation might endanger public safety; or

(b) used in carrying passengers for hire or compensation, provided however that the use of an automobile for a car pool or a private passenger vehicle used by a volunteer driver, as defined under section 65B.472, subdivision 1, paragraph ~~(h)~~ (p), shall not be considered use of an automobile for hire or compensation; or

(c) used in the business of transportation of flammables or explosives; or

(d) an authorized emergency vehicle; or

(e) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(f) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Sec. 16. Minnesota Statutes 2024, section 66A.16, subdivision 2, is amended to read:

Subd. 2. **Mutual casualty companies.** (a) Any mutual insurance company which establishes and maintains, over and above its liabilities and the reserves required by law of a like stock insurance company, a guaranty fund available for the payment of losses and expenses at least equal to the capital stock required of a like stock insurance company may issue policies of insurance without contingent liability, and when the articles of incorporation of any mutual insurance company having this guaranty fund provide, the company may

transact any and all of the kinds of business as set forth in section 60A.06, subdivision 1, clauses (1) to (15), subject to the restrictions and limitations imposed by law on a like stock insurance company, and any domestic mutual company having a guaranty fund equal to the amount of capital stock required of a like stock insurance company may insure the same kinds of property and conduct and carry on its business, subject only to the restrictions and limitations applicable to like domestic stock insurance companies.

(b) Subdivision 1 shall not apply to this guaranty fund except that the guaranty fund of the company shall be invested in the same manner as is provided by law for the investment of its other funds. Every such company shall in its annual statement show as separate items the amount of the guaranty fund and the remaining divisible surplus, and the aggregate of these items shall be shown as surplus to policyholders.

(c) A guaranty fund may be created, in whole or in part, in either or both of the following ways:

(1) where an existing mutual company has a surplus, the members of the company may at any regular or special meeting set aside from and out of its surplus such sum as shall be fixed by resolution to be transferred to and thereafter constitute, in whole or in part, the guaranty fund of the company; or

(2) by the issuance of guaranty fund certificates, as specified in this subdivision, the same to be issued upon the conditions and subject to the rights and obligations specified in this subdivision.

(d) Any such company establishing a guaranty fund, as provided in this subdivision, may, subject to the restrictions and limitations imposed by law as to a like stock insurance company, amend its articles to provide for the doing by it of one or more of the kinds of insurance business specified in section 60A.06, subdivision 1, clauses (1) to (15).

(e) The policy liability of any such mutual company issuing policies without a contingent liability shall, as to these policies, be computed upon the same basis as is applicable to like policies issued by stock insurance companies. Where any such company shall issue five-year term policies, wherein the premiums shall be payable in annual or biennial installments and no premium note is taken by the company as payment of the full term premium, the company then shall be required to maintain a reserve fund on only the portion of premiums actually collected from time to time under these term policies and no company so creating a guaranty fund shall issue policies without a contingent liability after the guaranty fund shall be impaired or reduced below the capital required of a like stock insurance company doing the

same kind or kinds of insurance. Any company having a guaranty fund may insure, without a contingent liability, any kind or class of property which a like stock company may insure.

(f) Any director, officer, or member of any mutual insurance company, or any other person, may advance to the company any sum of money necessary for the purposes of its business or to enable it to comply with any of the requirements of the law, including the creation, in whole or in part, of a guaranty fund to enable it to do one or more of the kinds of business specified in this subdivision, and for the creation by a company issuing policies with a contingent liability of a guaranty fund, in such amount as the board of directors shall determine, for the protection of policyholders of the company, and the moneys, together with the interest thereon as may have been agreed upon, not exceeding ten percent per annum, shall be repaid only out of the surplus remaining after providing for all reserves, if any, and other liability, and which shall not otherwise be a liability or claim against the company or any of its assets. No commission or promotion expenses shall be paid in connection with the advance of any money to the company, and the amount of the advance remaining unpaid shall be reported in each annual statement.

(g) The company shall issue to each person advancing money for the creation of a guaranty fund a certificate or certificates specifying the amount advanced. These certificates may be assigned by the holder and the transfer recorded upon the books of the company. The holders of the guaranty fund certificates shall be entitled to annual interest thereon at the rate agreed upon, if the net profits of the company, after all losses, expenses, liabilities, and legal reserves, if any, have been paid or provided for, are sufficient to pay the same. If the net profits of the company in any year are insufficient to pay the full amount of interest agreed upon, the difference may be paid in any subsequent year from the net profits of the subsequent years, if approval of the commissioner is obtained before accrual for or payment of the interest.

(h) The guaranty fund shall be applied to the payment of losses and expenses when necessary and, if the guaranty fund be impaired, the directors may make good the whole or any part of the impairment from future net profits of the company or by the issue and sale of additional guaranty fund certificates, but no interest shall be paid on the guaranty fund certificates while the guaranty fund is impaired. No certificate shall be issued except for money actually paid to the company, which amount shall be plainly and legibly stated therein. The company shall issue certificates only in sums of $10, or multiples thereof; it shall keep a record of the name and address of the person to whom issued and of all assignments thereof. Upon surrender of a certificate duly assigned in writing, the company shall cancel the same and issue a new certificate to the assignee.

(i) Each certificate holder of record shall be entitled to one vote in person or by proxy at any meeting of the members of the company, for each $10 investment in the guaranty fund certificates.

(j) The guaranty fund may be reduced or retired by vote of the board of directors of the company and the assent of the commissioner, if the net assets of the company, above its legal reserves, if any, and all other claims and obligations are sufficient therefor. The certificate holders shall be entitled to choose and elect from among their own members or from among the policyholders at least one-half of the total number of directors.

(k) In case the members of any company by resolution adopted at any regular meeting or special meeting called for that purpose shall determine to wind up and liquidate the business of any such company, the assets thereof shall be applied (1) to the payment of the expense of the liquidation; (2) to the payment of any accrued liability, including losses, if any; (3) to the payment of any unearned premiums on policies in force at the time of the liquidation; (4) to the payment of guaranty fund certificates, if any, together with accrued interest thereon, if any; and (5) the residue shall be distributed according to the provisions of chapter 60B.

Sec. 17. Minnesota Statutes 2024, section 80E.13, is amended to read:

**80E.13 UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS, FACTORY BRANCHES.**

It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch to engage in any of the following practices directly or through an entity that it controls or is controlled by:

~~(a)~~ (1) delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or accessories in reasonable time and in reasonable quantity relative to the new motor vehicle dealer's facilities and sales potential in the dealer's relevant market area, after having accepted an order from a new motor vehicle dealer having a franchise for the retail sale of any new motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle or new motor vehicle parts or accessories are publicly advertised as being available for delivery or actually being delivered. This clause is not violated, however, if the failure is caused by acts or causes beyond the control of the manufacturer;

~~(b)~~ (2) refuse to disclose to any new motor vehicle dealer handling the same line make, the manner and mode of distribution of that line make within the relevant market area;

~~(c)~~ (3) obtain money, goods, service, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and the other person, other than for compensation for services rendered, unless the benefit is promptly accounted for, and transmitted to, the new motor vehicle dealer;

~~(d)~~ (4) increase prices of new motor vehicles which the new motor vehicle dealer had ordered for private retail consumers prior to the dealer's receiving the written official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer price reductions, the amount of any reduction received by a dealer shall be passed on to the private retail consumer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer;

~~(e)~~ (5) offer any refunds or other types of inducements to any new motor vehicle dealer for the purchase of new motor vehicles of a certain line make without making the same offer to all other new motor vehicle dealers in the same line make within geographic areas reasonably determined by the manufacturer;

~~(f)~~ (6) release to any outside party, except under subpoena or in an administrative or judicial proceeding involving the manufacturer or dealer, any business, financial, or personal information which may be provided by the dealer to the manufacturer, without the express written consent of the dealer or unless pertinent to judicial or governmental administrative proceedings or to arbitration proceedings of any kind;

~~(g)~~ (7) deny any new motor vehicle dealer the right of free association with any other new motor vehicle dealer for any lawful purpose;

~~(h)~~ (8) unfairly discriminate among its new motor vehicle dealers with respect to warranty reimbursement or authority granted its new vehicle dealers to make warranty adjustments with retail customers;

~~(i)~~ (9) compete with a new motor vehicle dealer in the same line make operating under an agreement or franchise from the same manufacturer, distributor, or factory branch. A manufacturer, distributor, or factory branch is considered to be competing when it has an ownership interest, other than a passive interest held for investment purposes, in a dealership of its line make in this state, or in a dealership of a competing line make in this state. A manufacturer, distributor, or factory branch shall not, however, be deemed to be competing when operating a dealership, either temporarily or for a reasonable period, which is for sale to any qualified independent person at a fair and reasonable price, or when involved in a bona fide relationship in which an independent person has made a significant investment

subject to loss in the dealership and can reasonably expect to acquire full ownership and full management and operational control of the dealership within a reasonable time on reasonable terms and conditions;

~~(j)~~ (10) prevent a new motor vehicle dealer from transferring or assigning a new motor vehicle dealership to a qualified transferee. There shall be no transfer, assignment of the franchise, or major change in the executive management of the dealership, except as is otherwise provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall not be withheld without good cause. In determining whether good cause exists for withholding consent to a transfer or assignment, the manufacturer, distributor, factory branch, or importer has the burden of proving that the transferee is a person who is not of good moral character or does not meet the franchisor's existing and reasonable capital standards and, considering the volume of sales and service of the new motor vehicle dealer, reasonable business experience standards in the market area. Denial of the request must be in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the completed application customarily used by the manufacturer, distributor, factory branch, or importer for dealer appointments. If a denial is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed transfer or change. In the event of a proposed sale or transfer of a franchise, the manufacturer, distributor, factory branch, or importer shall be permitted to exercise a right of first refusal to acquire the franchisee's assets or ownership if:

~~(1)~~ (i) the franchise agreement permits the manufacturer, distributor, factory branch, or importer to exercise a right of first refusal to acquire the franchisee's assets or ownership in the event of a proposed sale or transfer;

~~(2)~~ (ii) the proposed transfer of the dealership or its assets is of more than 50 percent of the ownership or assets;

~~(3)~~ (iii) the manufacturer, distributor, factory branch, or importer notifies the dealer in writing within 60 days of its receipt of the complete written proposal for the proposed sale or transfer on forms generally utilized by the manufacturer, distributor, factory branch, or importer for such purposes and containing the information required therein and all documents and agreements relating to the proposed sale or transfer;

~~(4)~~ (iv) the exercise of the right of first refusal will result in the dealer and dealer's owners receiving the same or greater consideration with equivalent terms of sale as is provided in the documents and agreements submitted to the manufacturer, distributor, factory branch, or importer under ~~clause (3)~~ item (iii);

~~(5)~~ (v) the proposed change of 50 percent or more of the ownership or of the dealership assets does not involve the transfer or sale of assets or the transfer or issuance of stock by the dealer or one or more dealer owners to a family member, including a spouse, child, stepchild, grandchild, spouse of a child or grandchild, brother, sister, or parent of the dealer owner; to a manager who has been employed in the dealership for at least four years and is otherwise qualified as a dealer operator; or to a partnership or corporation owned and controlled by one or more of such persons; and

~~(6)~~ (vi) the manufacturer, distributor, factory branch, or importer agrees to pay the reasonable expenses, including reasonable attorney fees, which do not exceed the usual customary and reasonable fees charged for similar work done for other clients incurred by the proposed new owner and transferee before the manufacturer, distributor, factory branch, or importer exercises its right of first refusal, in negotiating and implementing the contract for the proposed change of ownership or transfer of dealership assets. However, payment of such expenses and attorney fees shall not be required if the dealer has not submitted or caused to be submitted an accounting of those expenses within 20 days after the dealer's receipt of the manufacturer, distributor, factory branch, or importer's written request for such an accounting. The manufacturer, distributor, factory branch, or importer may request such an accounting before exercising its right of first refusal. The obligation created under this ~~clause~~ item is enforceable by the transferee;

~~(k)~~ (11) threaten to modify or replace or modify or replace a franchise with a succeeding franchise that would adversely alter the rights or obligations of a new motor vehicle dealer under an existing franchise or that substantially impairs the sales or service obligations or investments of the motor vehicle dealer;

~~(l)~~ (12) unreasonably deny the right to acquire factory program vehicles to any dealer holding a valid franchise from the manufacturer to sell the same line make of vehicles, provided that the manufacturer may impose reasonable restrictions and limitations on the purchase or resale of program vehicles to be applied equitably to all of its franchised dealers. For the purposes of this ~~paragraph~~ clause, "factory program vehicle" has the meaning given the term in section 80E.06, subdivision 2;

~~(m)~~ (13) except as provided in ~~paragraph (n)~~ clause (14), fail or refuse to offer to its same line make franchised dealers all models manufactured for that line make, including alternative fuel vehicles as defined in section 216C.01, subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other cause over which the manufacturer, distributor, or factory branch has no control;

~~(n)~~ (14) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's existing facilities, or purchase unreasonable advertising displays, training, tools, or other materials, or to require the dealer to establish exclusive facilities or dedicated personnel as a prerequisite to receiving a model or a series of vehicles. A manufacturer, distributor, or factory branch may require a dealer to comply with reasonable requirements for the sale and service of an alternative fuel vehicle or to serve an alternative fuel vehicle customer;

~~(o)~~ (15) require a dealer by program, incentive provision, or otherwise to adhere to performance standards that are not applied uniformly to other similarly situated dealers.

A performance standard, sales objective, or program for measuring dealership performance that may have a material effect on a dealer, including the dealer's right to payment under any incentive or reimbursement program, and the application of the standard or program by a manufacturer, distributor, or factory branch must be fair, reasonable, equitable, and based on accurate information. Upon written request by any of its franchised dealers located within Minnesota, a manufacturer, distributor, or factory branch must provide the method or formula used by the manufacturer in establishing the sales volumes for receiving a rebate or incentive and the specific calculations for determining the required sales volumes of the inquiring dealer and any of the manufacturer's other Minnesota-franchised new motor vehicle dealers of the same line-make located within 75 miles of the inquiring dealer. Nothing contained in this section requires a manufacturer, distributor, or factory branch to disclose confidential business information of any of its franchised dealers or the required numerical sales volumes that any of its franchised dealers must attain to receive a rebate or incentive. An inquiring dealer may file a civil action as provided in section 80E.17 without a showing of injury if a manufacturer, distributor, or factory branch fails to make the disclosure required by this section.

A manufacturer, distributor, or factory branch has the burden of proving that the performance standard, sales objective, or program for measuring dealership performance is fair, reasonable, and uniformly applied under this section;

~~(p)~~ (16) assign or change a dealer's area of sales effectiveness arbitrarily or without due regard to the present pattern of motor vehicle sales and registrations within the dealer's market. The manufacturer, distributor, or factory branch must provide at least 90 days' notice of the proposed change. The change may not take effect if the dealer commences a civil action within the 90 days' notice period to determine whether the manufacturer, distributor, or factory branch met its obligations under this section. The burden of proof in such an action shall be on the manufacturer or distributor. In determining at the evidentiary hearing whether a manufacturer, distributor, or factory branch has assigned or changed the dealer's

area of sales effectiveness or is proposing to assign or change the dealer's area of sales effectiveness arbitrarily or without due regard to the present pattern of motor vehicle sales and registrations within the dealer's market, the court may take into consideration the relevant circumstances, including, but not limited to:

~~(1)~~ (i) the traffic patterns between consumers and the same line-make franchised dealers of the affected manufacturer, distributor, or factory branch who are located within the market;

~~(2)~~ (ii) the pattern of new vehicle sales and registrations of the affected manufacturer, distributor, or factory branch within various portions of the area of sales effectiveness and within the market as a whole;

~~(3)~~ (iii) the growth or decline in population, density of population, and new car registrations in the market;

~~(4)~~ (iv) the presence or absence of natural geographical obstacles or boundaries, such as rivers;

~~(5)~~ (v) the proximity of census tracts or other geographic units used by the affected manufacturer, factory branch, distributor, or distributor branch in determining the same line-make dealers' respective areas of sales effectiveness; and

~~(6)~~ (vi) the reasonableness of the change or proposed change to the dealer's area of sales effectiveness, considering the benefits and harm to the petitioning dealer, other same line-make dealers, and the manufacturer, distributor, or factory branch;

~~(q)~~ (17) to charge back, withhold payment, deny vehicle allocation, or take any other adverse action against a dealer when a new vehicle sold by the dealer has been exported to a foreign country, unless the manufacturer, distributor, or factory branch can show that at the time of sale, the customer's information was listed on a known or suspected exporter list made available to the dealer, or the dealer knew or reasonably should have known of the purchaser's intention to export or resell the motor vehicle in violation of the manufacturer's export policy. There is a rebuttable presumption that the dealer did not know or should not have reasonably known that the vehicle would be exported or resold in violation of the manufacturer's export policy if the vehicle is titled and registered in any state of the United States; or

~~(r) to implement a charge back or withhold payment to a dealer that is solely due to an unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice~~

~~of the state's delay in writing. Within 30 days of any notice of a charge back, withholding of payments, or denial of a claim, the dealer must transmit to the manufacturer: (1) documentation to demonstrate the vehicle sale and delivery as reported; and (2) a written attestation signed by the dealer operator or general manager stating that the delay is attributable to the state. This clause expires on June 30, 2022; or~~

~~(s)~~ (18) to require a dealer or prospective dealer by program, incentive provision, or otherwise to construct improvements to its or a predecessor's facilities or to install new signs or other franchisor image elements that replace or substantially alter improvements, signs, or franchisor image elements completed within the preceding ten years that were required and approved by the manufacturer, distributor, or factory branch, including any such improvements, signs, or franchisor image elements that were required as a condition of the dealer or predecessor dealer receiving an incentive or other compensation from the manufacturer, distributor, or factory branch.

This ~~paragraph shall~~ clause does not apply to a program or agreement that provides lump sum payments to assist dealers in making facility improvements or to pay for signs or franchisor image elements when such payments are not dependent on the dealer selling or purchasing specific numbers of new vehicles and shall not apply to a program that is in effect with more than one Minnesota dealer on August 1, 2018, nor to any renewal of such program, nor to a modification that is not a substantial modification of a material term or condition of such program.

Sec. 18. Minnesota Statutes 2024, section 115.48, subdivision 2, is amended to read:

Subd. 2. **Powers vested.** Upon the assumption of powers as provided in subdivision 1, all the powers of the municipality and its governing or managing body and officers with respect to the subject matter of the order shall thereby be forthwith transferred to and vested in the agency and the commissioner, and they shall thereafter exercise the same in the name of the municipality or its governing or managing body or officers, as the case may require, until terminated as hereinafter provided. Such powers shall include, without limitation, the power to levy taxes, to certify such taxes for collection, to levy assessments on benefited property, to prescribe service or use charges, to borrow money, to issue bonds, to employ necessary assistance, to acquire necessary real or personal property, to let contracts or otherwise provide for the doing of work or the construction, installation, maintenance, or operation of facilities, and to do and perform for the municipality or its governing or managing body or officers all other acts and things required to effectuate, carry out, and accomplish the purposes of the order and which might have been done or performed by the

municipality or its governing or managing body or officers. The exercise of any and all such powers by the agency and the commissioner shall have like force and effect as if the same had been exercised by the municipality or by its governing or managing body or officers. All such acts or things done or performed by the agency or the commissioner shall be prima facie lawful and valid, and it shall be presumed that all requirements of law or charter relating thereto have been complied with. Any bond pursuant to this section in the hands of a holder in good faith and for value reciting that such bond is issued for the purposes of a disposal system, or part thereof, pursuant to the order of the agency under this section shall be conclusively deemed to have been issued for such purpose and in compliance with all requirements of law relating thereto and shall be a valid and binding instrument enforceable against the municipality in accordance with its terms. The impact on a municipality of taxes or special assessments which are likely to result from compliance with an order made under section ~~115.43, subdivision 3, clause (1)~~ 115.03, subdivision 1, paragraph (a), clause (5), item (ii), weighed against the urgency of the need for compliance in the light of public health and the policy and purposes of sections 115.41 to 115.53 shall be a relevant consideration in any judicial inquiry into the reasonableness of the order.

Sec. 19. Minnesota Statutes 2024, section 115A.28, subdivision 2, is amended to read:

Subd. 2. **Decision paramount.** The agency's decision shall be final and shall supersede and preempt requirements of state agencies and political subdivisions and the requirements of sections 473H.02 to 473H.17; except that a facility established pursuant to the decision shall be subject to terms, conditions, and requirements in permits of state or federal permitting agencies, the terms of lease determined by the agency under Minnesota Statutes 1994, section 115A.06, subdivision 4, and any requirements imposed pursuant to subdivision 3. Except as otherwise provided in this section, no charter provision, ordinance, rule, permit, or other requirement of any state agency or political subdivision shall prevent or restrict the establishment, operation, expansion, continuance, or closure of a facility in accordance with the final decision and leases of the agency and permits issued by state or federal permitting agencies.

Sec. 20. Minnesota Statutes 2024, section 118A.09, subdivision 3, is amended to read:

Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2 according to the limitations in this subdivision. A qualifying government under subdivision 1, paragraph (a), clause (1) or (2), may only invest its funds that are held for long-term capital plans authorized by the city council or county board, or long-term obligations of the qualifying government. Long-term obligations of the qualifying government include

long-term capital plan reserves, funds held to offset long-term environmental exposure, other postemployment benefit liabilities, compensated absences, and other long-term obligations established by applicable accounting standards.

(b) Qualifying governments under subdivision 1, paragraph (a), clause (1) or (2), may invest up to 15 percent of the sum of:

(1) unassigned cash;

(2) cash equivalents;

(3) deposits; and

(4) investments.

(c) The calculation in paragraph (b) must be based on the qualifying government's most recent audited statement of net position, which must be compliant and audited pursuant to governmental accounting and auditing standards. Once the amount invested reaches 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments, no further funds may be invested under this section; however, a qualifying government may continue to manage the funds previously invested under this section even if the total amount subsequently exceeds 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments.

Sec. 21. Minnesota Statutes 2025 Supplement, section 120B.117, subdivision 4, is amended to read:

Subd. 4. **Reporting.** The Department of Education must collaborate with the Professional Educator Licensing and Standards Board and the Office of Higher Education to publish a summary report of each of the programs they administer and any other programs receiving state appropriations that have or include an explicit purpose of increasing the racial and ethnic diversity of the state's teacher workforce to more closely reflect the diversity of students. The report must include programs under sections 122A.59, 122A.63, 122A.635, 122A.70, 122A.73, 124D.09, 124D.861, 136A.1274, and 136A.1276, ~~and 136A.1791,~~ along with any other programs or initiatives that receive state appropriations to address the shortage of teachers of color and American Indian teachers. The commissioner must, in coordination with the Professional Educator Licensing and Standards Board and the Office of Higher Education, provide policy and funding recommendations related to state-funded programs to increase the recruitment, preparation, licensing, hiring, and retention of racially and ethnically diverse teachers and the state's progress toward meeting or exceeding the goals of this section. The report must include recommendations for state policy and funding needed

to achieve the goals of this section, plans for sharing the report and activities of grant recipients, and opportunities among grant recipients of various programs to share effective practices with each other. The initial report must also include a recommendation of whether a state advisory council should be established to address the shortage of racially and ethnically diverse teachers and what the composition and charge of such an advisory council would be if established. The commissioner must consult with the Indian Affairs Council and other ethnic councils along with other community partners, including students of color and American Indian students, in developing the report. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over education and higher education policy and finance by November 3, 2025, for the initial report, and by November 3 each even-numbered year thereafter. The report must be available to the public on the commissioner's website.

Sec. 22. Minnesota Statutes 2024, section 120B.234, subdivision 2, is amended to read:

Subd. 2. **Curriculum.** School districts may consult with other federal, state, or local agencies and community-based organizations, including the Child Welfare Information Gateway website maintained by the United States Department of Health and Human Services, to identify research-based tools, curricula, and programs to prevent child sexual abuse for use under section 120B.021, subdivision 1, paragraph ~~(d)~~ (c).

Sec. 23. Minnesota Statutes 2024, section 120B.303, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

(1) achievement and career and college readiness in mathematics, reading, and writing, consistent with ~~paragraph (k)~~ section 120B.307, subdivision 4, paragraph (d), and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and, based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and

(2) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally

relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program may satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

Sec. 24. Minnesota Statutes 2024, section 121A.15, subdivision 3b, is amended to read:

Subd. 3b. **Child care programs.** A child care center licensed under chapter ~~245A~~ 142B and Minnesota Rules, chapter 9503, and a family child care provider licensed under chapter ~~245A~~ 142B and Minnesota Rules, chapter 9502, may adopt a policy prohibiting a child over two months of age from enrolling or remaining enrolled in the child care center or family child care program if the child:

(1) has not been immunized in accordance with subdivision 1 or 2 and in accordance with Minnesota Rules, chapter 4604; and

(2) is not exempt from immunizations under subdivision 3, paragraph (a), (c), (e), or (f).

Sec. 25. Minnesota Statutes 2024, section 121A.15, subdivision 11, is amended to read:

Subd. 11. **Commissioner of children, youth, and families; continued responsibilities.** Nothing in this section relieves the commissioner of children, youth, and families of the responsibility, under chapter ~~245A~~ 142B, to inspect and assure that statements required by this section are on file at child care programs subject to licensure.

Sec. 26. Minnesota Statutes 2024, section 121A.425, subdivision 1, is amended to read:

Subdivision 1. **Disciplinary dismissals prohibited.** (a) A pupil enrolled in the following is not subject to dismissals under this chapter:

(1) a preschool or prekindergarten program, including an early childhood family education, school readiness, ~~school readiness plus,~~ voluntary prekindergarten, Head Start, or other school-based preschool or prekindergarten program; or

(2) kindergarten through grade 3.

(b) This provision does not apply to a dismissal from school for less than one school day, except as provided under chapter 125A and federal law for a student receiving special education services.

(c) Notwithstanding this subdivision, expulsions and exclusions may be used only after resources outlined in subdivision 2 have been exhausted, and only in circumstances where there is an ongoing serious safety threat to the child or others.

Sec. 27. Minnesota Statutes 2024, section 124D.03, subdivision 3, is amended to read:

Subd. 3. **Pupil application procedures.** (a) In order that a pupil may attend a school or program in a nonresident district, the pupil's parent or guardian must submit an application to the nonresident district. The pupil's application must identify a reason for enrolling in the nonresident district. The parent or guardian of a pupil must submit a signed application by January 15 for initial enrollment beginning the following school year. The application must be on a form provided by the Department of Education. A particular school or program may be requested by the parent. Once enrolled in a nonresident district, the pupil may remain enrolled and is not required to submit annual or periodic applications. If the student moves to a new resident district, the student retains the seat in the nonresident district, but must submit a new enrollment options form to update the student's information. To return to the resident district or to transfer to a different nonresident district, the parent or guardian of the pupil must provide notice to the resident district or apply to a different nonresident district by January 15 for enrollment beginning the following school year.

(b) A school district may require a nonresident student enrolled in a program under section 125A.13, or in a preschool program, except for a program under section ~~142D.07 or~~ 142D.08, to follow the application procedures under this subdivision to enroll in kindergarten. A district must allow a nonresident student enrolled in a program under section ~~142D.07 or~~ 142D.08 to remain enrolled in the district when the student enters kindergarten without submitting annual or periodic applications, unless the district terminates the student's enrollment under subdivision 12.

Sec. 28. Minnesota Statutes 2024, section 124D.094, subdivision 2, is amended to read:

Subd. 2. **Digital instruction.** (a) An enrolling district may provide digital instruction, including blended instruction and online instruction, to the district's own enrolled students. Enrolling districts may establish agreements to provide digital instruction, including blended instruction and online instruction, to students enrolled in the cooperating schools.

(b) When online instruction is provided, an online teacher as defined under subdivision 1, paragraph (h), shall perform all duties of teacher of record under Minnesota Rules, part 8710.0310. Unless the commissioner grants a waiver, a teacher providing online instruction shall not instruct more than 40 students in any one online learning course or section.

(c) Students receiving online instruction full time shall be reported as enrolled in an online instructional site under subdivision 1, paragraph (g).

(d) Curriculum used for digital instruction shall be aligned with Minnesota's current academic standards and benchmarks.

(e) Digital instruction shall be accessible to students under sections 504 and 508 of the federal Rehabilitation Act and Title II of the federal Americans with Disabilities Act.

(f) An enrolling district providing digital instruction and a supplemental online course provider shall assist an enrolled student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software so they may participate in digital instruction. Funds provided to a family to support digital instruction or supplemental online courses may only be used for qualifying expenses as determined by the provider. Nonconsumable materials purchased with public education funds remain the property of the provider. Records for any funds provided must be available for review by the public or the department.

(g) An enrolling district providing digital instruction shall establish and document procedures for determining attendance for membership and keep accurate records of daily attendance under section ~~120A.21~~ 120A.22.

Sec. 29. Minnesota Statutes 2024, section 124D.096, is amended to read:

**124D.096 ONLINE LEARNING AID.**

(a) The online learning aid for an online learning provider equals the product of the adjusted online learning average daily membership for students under section ~~124D.095, subdivision 8, paragraph (d)~~ 124D.094, subdivision 7, paragraph (b), times the student grade level weighting under section 126C.05, subdivision 1, times the formula allowance.

(b) Notwithstanding section 127A.45, the department must pay each online learning provider the current year aid payment percentage multiplied by the amount in paragraph (a) within 45 days of receiving final enrollment and course completion information each quarter or semester. The final adjustment payment must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement. This payment must be made on September 30 of the next fiscal year.

Sec. 30. Minnesota Statutes 2024, section 124D.59, subdivision 2, is amended to read:

Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten through grade 12; an early childhood special education student under Part B, section 619, of the

Individuals with Disabilities Education Act, United States Code, title 20, section 1419; or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 142D.08 ~~or a school readiness plus program~~ who meets the requirements under subdivision 2a or the following requirements:

(1) the pupil, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by a valid assessment measuring the pupil's English language proficiency and by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in academic classes taught in English.

(b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in the previous school year took a commissioner-provided assessment measuring the pupil's emerging academic English, shall be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall generate state English learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on the assessment measuring the pupil's emerging academic English, or, in the judgment of the pupil's classroom teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic language proficiency in English, including oral academic language, sufficient to successfully and fully participate in the general core curriculum in the regular classroom.

(c) Notwithstanding paragraphs (a) and (b), a pupil in early childhood special education or prekindergarten under section 142D.08, through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners under sections 124D.58 to 124D.64; or

(2) the pupil has generated seven or more years of average daily membership in Minnesota public schools since July 1, 1996.

Sec. 31. Minnesota Statutes 2025 Supplement, section 124F.01, subdivision 2, is amended to read:

Subd. 2. **Exemptions from laws and rules.** (a) Notwithstanding any other law to the contrary, an innovation zone partner with an approved plan is exempt from each of the following state education laws and rules specifically identified in its plan:

(1) any law or rule from which a district-created, site-governed school under section 123B.045 is exempt;

(2) any statute or rule from which the commissioner has exempted another district or charter school, as identified in the list published on the Department of Education's website under subdivision 4, paragraph (b);

(3) online learning program approval under section ~~124D.095, subdivision 7,~~ 124D.094 if the school district or charter school offers a course or program online combined with direct access to a teacher for a portion of that course or program;

(4) restrictions on extended time revenue under section 126C.10, subdivision 2a, for a student who meets the criteria of section 124D.68, subdivision 2; and

(5) any required hours of instruction in any class or subject area for a student who is meeting all competencies consistent with the graduation standards described in the innovation zone plan.

(b) The exemptions under this subdivision must not be construed as exempting an innovation zone partner from the Minnesota Comprehensive Assessments.

Sec. 32. Minnesota Statutes 2024, section 125A.76, subdivision 2f, is amended to read:

Subd. 2f. **Special education homeless pupil aid.** (a) For fiscal year 2024 and later, special education homeless pupil aid must be paid to a school district that is funded for that year based on the district's fiscal year 2016 expenditures calculated under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the minimum aid adjustment factor.

(b) Special education homeless pupil aid equals the greater of zero, or a district's prior year transportation costs under section 123B.92, subdivision 1, paragraph (b), clause (4), items ~~(ii)~~ (i) and ~~(vii)~~ (vi), and the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a homeless student in another district

to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; minus the fiscal year 2016 costs associated with transportation costs under section 123B.92, subdivision 1, paragraph (b), clause (4), items ~~(ii)~~ (i) and ~~(vii)~~ (vi), and the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin, but only through the end of the academic year; adjusted by the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the minimum aid adjustment factor.

Sec. 33. Minnesota Statutes 2024, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under sections 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 142D.08 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

(d) A kindergarten pupil is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

(e) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

(f) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(g) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

~~(h) A prekindergarten pupil who:~~

~~(1) is not included in paragraph (a), (b), or (c);~~

~~(2) is enrolled in a school readiness plus program under section 142D.07; and~~

~~(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program,~~

~~is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same manner as a voluntary prekindergarten student for all general education and other school funding formulas.~~

Sec. 34. Minnesota Statutes 2024, section 126C.17, subdivision 9, is amended to read:

Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the board. The referendum must be conducted one or two calendar years before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the first Monday in November. The ballot must state the maximum amount of the increased revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board, of increased revenue per adjusted pupil unit that differs from year to year over the number of years for which the increased revenue is authorized or may state that the amount shall increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot must designate the specific number of years, not to exceed ten, for which the referendum authorization applies. The ballot, including a ballot on the question to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate the term "per adjusted pupil unit" as "per

pupil." The notice required under section 275.60 may be modified to read, in cases of renewing existing levies at the same amount per pupil as in the previous year:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED TO EXPIRE."

The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by ~~(petition to)~~ the board of ....., School District No. .., be approved?"

If approved, an amount equal to the approved revenue per adjusted pupil unit times the adjusted pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must deliver by mail at least 15 days but no more than 45 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum extends an existing operating referendum at the same amount per pupil as in the previous year."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the board. A referendum to revoke or reduce the revenue amount must state the amount per adjusted pupil unit by which the authority is to be reduced. Revenue authority approved by the voters of the district pursuant to paragraph (a) must be available to the school district at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(e) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

Sec. 35. Minnesota Statutes 2024, section 126C.40, subdivision 5, is amended to read:

Subd. 5. **Energy conservation.** For energy loans approved after March 1, 1998, under sections 216C.37 and 298.292 to ~~298.298~~ 298.297, school districts must annually transfer from the general fund to the debt redemption fund the amount sufficient to pay interest and principal on the loans.

Sec. 36. Minnesota Statutes 2024, section 135A.15, subdivision 1, is amended to read:

Subdivision 1. **Applicability; policy required.** (a) This section applies to the following postsecondary institutions:

(1) institutions governed by the Board of Trustees of the Minnesota State Colleges and Universities; and

(2) private postsecondary institutions that offer in-person courses on a campus located in Minnesota and which are eligible institutions as defined in section 136A.103, subdivision 1, paragraph (a), that are participating in the federal program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(b) A postsecondary institution must adopt a clear, understandable written policy on sexual misconduct that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the Crime Victims Reimbursement Board and the commissioner of public safety. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents against a student or employee of a postsecondary institution occurring on property owned or leased by the postsecondary system or institution or at any activity, program, organization, or event sponsored by the system or institution, or by a fraternity or sorority, or any activity, program, organization, or event sponsored by the system or institution, or by a fraternity or sorority, regardless of whether the activity, program, organization, or event occurs on or off property owned or leased by the postsecondary system or institution. It must include procedures for reporting incidents of sexual misconduct and for disciplinary actions against violators. During student registration, a postsecondary institution shall provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times.

Sec. 37. Minnesota Statutes 2024, section 136A.031, subdivision 3, is amended to read:

Subd. 3. **Student Advisory Council.** (a) A Student Advisory Council (SAC) to the office is established. The members of SAC shall include: the chair of the University of Minnesota student senate; the state chair of the Minnesota State University Student Association; the president of the Minnesota State College Student Association and an officer of the Minnesota State College Student Association, one in a community college course of study and one in a technical college course of study; a student who is enrolled in a private nonprofit postsecondary institution, to be elected by students enrolled in Minnesota Private College Council institutions; a student who is enrolled in a private career school, to be elected by students enrolled in Minnesota private career schools; and a student who is enrolled in a Minnesota tribal college to be elected by students enrolled in Minnesota tribal colleges. If students from the private career schools or tribal colleges do not elect a representative, the commissioner must appoint a student representative. If students from the Minnesota Private College Council institutions do not elect a representative, the Minnesota Private College Council must appoint the private nonprofit representative. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

(b) The office shall inform the SAC of all matters related to student issues under consideration. The SAC shall report to the office quarterly and at other times that the SAC

considers desirable. The SAC shall determine its meeting times, but it shall also meet with the office within 30 days after the commissioner's request for a meeting.

(c) The SAC shall:

(1) bring to the attention of the office any matter that the SAC believes needs the attention of the office;

~~(2) fulfill the requirements under section 135A.137, subdivision 2;~~

~~(3)~~ (2) make recommendations to the office as it finds appropriate; and

~~(4)~~ (3) approve student appointments by the office for each advisory group as provided in subdivision 4.

Sec. 38. Minnesota Statutes 2025 Supplement, section 136A.054, is amended to read:

**136A.054 CONSOLIDATED COMPETITIVE GRANT AND STUDENT LOAN REPAYMENT PROGRAM REPORTING.**

(a) The commissioner of the Office of Higher Education shall report annually by February 15 to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the details of programs administered under sections ~~136A.1789, 136A.1791,~~ 136A.1794, 136A.1795, 136A.861, and 136A.915 including the following, where applicable:

(1) organizations receiving grant awards;

(2) grant award amounts and utilization rates;

(3) grant program activities, goals, and outcomes;

(4) grant matching sources and funding levels;

(5) number and amount of loan repayment awards disbursed; and

(6) demographic data of loan repayment program participants.

(b) The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections ~~136A.1789, 136A.1791,~~ 136A.1794, 136A.1795, 136A.861, and 136A.915 as evidenced by activities funded under each program.

Sec. 39. Minnesota Statutes 2024, section 136A.1241, subdivision 2, is amended to read:

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

(b) "Adoption" means adoption of an individual who has been in the care and custody of a responsible social services agency or Tribal social services agency and in foster care.

(c) "Eligible institution" means an eligible public institution or an eligible private institution.

(d) "Eligible private institution" or "private institution" means an institution eligible for state student aid under section 136A.103, subdivision 1, paragraph (a), clause (2).

(e) "Eligible public institution" or "public institution" means an institution operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

(f) "Foster care" has the meaning given in section 260C.007, subdivision 18.

(g) "Foster grant" means a grant under this section.

(h) "Office" means the Office of Higher Education.

(i) "Recognized cost of attendance" means the amount calculated under subdivision 4.

(j) "Responsible social services agency" has the meaning given in section 260C.007, subdivision 27a.

(k) "Tribal social services agency" has the meaning given in section 260.755, subdivision 21.

Sec. 40. Minnesota Statutes 2024, section 136A.829, subdivision 3, is amended to read:

Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

(a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of Laws 1973, chapter 714;

(b) To grant conditional private career school license for periods of less than one year if in the judgment of the office correctable deficiencies exist at the time of application and when refusal to issue private career school license would adversely affect currently enrolled students;

(c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to hold a license or permit. However, before proceeding

to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected and the private career school is in compliance with the provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation, or suspension shall be taken.

(d) To grant a private career school a probationary license for periods of less than three years if, in the judgment of the office, correctable deficiencies exist at the time of application that need more than one year to correct and when the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Probationary licenses may include requirements and restrictions for:

(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;

(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;

(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;

(4) a prohibition from accepting tuition and fee payments prior to the add/drop period of the current period of instruction or before the funds have been earned by the school according to the refund requirements of section 136A.827;

(5) a prohibition from enrolling new students;

(6) enrollment caps;

(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;

(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), ~~clause (1),~~ that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or

(9) submission of closure information under section 136A.8225.

Sec. 41. Minnesota Statutes 2024, section 136A.84, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** The commissioner shall administer the direct admissions program in consultation with stakeholders, including Minnesota State Colleges and Universities, the University of Minnesota, the Student Advisory Council under section

136A.031, the Minnesota Department of Education, the Minnesota Association of Secondary School Principals, and the Minnesota School Board Association, to automatically offer conditional admission into an eligible public or nonprofit institution as defined under section 136A.103, subdivision 1, paragraph (a), located in Minnesota, to Minnesota high school seniors based on a student's high school grade point average, high school and college transcript information, standardized tests, statewide assessments, and other measures as determined by stakeholders.

Sec. 42. Minnesota Statutes 2024, section 142A.03, subdivision 32, is amended to read:

Subd. 32. **Duties of commissioner of children, youth, and families.** It shall be the duty of the commissioner of children, youth, and families to promote the enforcement of all laws for the protection of children with developmental disabilities and dependent, neglected, and delinquent children, to cooperate to this end with juvenile courts and all reputable child-helping and child-placing agencies of a public or private character, and to take the initiative in all matters involving the interests of such children where adequate provision therefor has not already been made. The commissioner may appoint a chief executive officer and such assistants as shall be necessary to carry out the purposes of this section ~~and section 257.33~~.

Sec. 43. Minnesota Statutes 2024, section 142A.05, is amended to read:

**142A.05 RULEMAKING.**

(a) The commissioner may use the procedure in section 14.386, paragraph (a), to adopt rules necessary to implement the responsibilities transferred under this article or through section 16B.37. Section 14.386, paragraph (b), does not apply to these rules.

(b) The commissioner must amend Minnesota Rules to make conforming changes related to the transfer of responsibilities under Laws 2023, chapter 70, article 12, or through section 16B.37. The commissioner must obtain the approval of the commissioners of human services, education, health, and public safety for any amendments to or repeal of rules in existence on July 1, 2024, and administered under the authority of those agencies.

(c) The time limit in section 14.125 is extended to 36 months for rulemaking under paragraphs (a) and (b). The commissioner must publish a notice of intent to adopt rules or a notice of hearing within 36 months of the effective date reported under section ~~142A.05~~ Laws 2023, chapter 70, article 12, section 30, subdivision 1, paragraph (c).

(d) The commissioner may adopt rules for the administration of activities related to the department. Rules adopted under this paragraph are subject to the rulemaking requirements of chapter 14.

Sec. 44. Minnesota Statutes 2024, section 142A.604, subdivision 2, is amended to read:

Subd. 2. **Placement in foster care.** To be eligible for foster care benefits under this section, the child must be in placement away from the child's legal parent, guardian, or Indian custodian as defined in section 260.755, subdivision 10, and must meet one of the criteria in clause (1) and either clause (2) or (3):

(1) the legally responsible agency must have placement authority to place the child with: (i) a voluntary placement agreement or a court order, consistent with sections 260B.198, 260C.001, and 260D.01, or consistent with section 260C.451 for a child 18 years old or older and under age 21 who maintains eligibility for foster care; or (ii) a voluntary placement agreement or court order by a Minnesota tribe that is consistent with United States Code, title 42, section 672(a)(2); and

(2) the child is placed with a licensed child foster parent who resides with the child; or

(3) the child is placed in one of the following unlicensed child foster care settings:

(i) an emergency relative placement under tribal licensing regulations or section 142B.06, with the legally responsible agency ensuring the relative completes the required child foster care application process;

(ii) a licensed adult foster home with an approved age variance under section 245A.16 for no more than six months where the license holder resides with the child;

(iii) for a child 18 years old or older and under age 21 who is eligible for extended foster care under section 260C.451, an unlicensed supervised independent living setting approved by the agency responsible for the child's care; or

(iv) a preadoptive placement in a home specified in section ~~245A.03~~ 142B.05, subdivision 2, paragraph (a), clause ~~(9)~~ (5), with an approved adoption home study and signed adoption placement agreement.

Sec. 45. Minnesota Statutes 2024, section 142B.01, subdivision 8, is amended to read:

Subd. 8. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 142B.10, subdivision 1, paragraph (b);

~~(3) the individual designated as the compliance officer under section 256B.04, subdivision 21, paragraph (g);~~

~~(4)~~ (3) each managerial official whose responsibilities include the direction of the management or policies of a program;

~~(5)~~ (4) the individual designated as the primary provider of care for a special family child care program under section 142B.41, subdivision 4, paragraph (d); and

~~(6)~~ (5) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program; receives remuneration from the program; or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 46. Minnesota Statutes 2024, section 142B.03, subdivision 1, is amended to read:

Subdivision 1. **Record retention; license holder requirements.** (a) A license holder must maintain and store records in a manner that will allow for review by the commissioner as identified in section 142B.10, subdivision ~~5~~ 12. The following records must be maintained as specified and in accordance with applicable state or federal law, regulation, or rule:

(1) service recipient records, including verification of service delivery, must be maintained for a minimum of five years following discharge or termination of service;

(2) personnel records must be maintained for a minimum of five years following termination of employment; and

(3) program administration and financial records must be maintained for a minimum of five years from the date the program closes.

(b) A license holder who ceases to provide services must maintain all records related to the licensed program for five years from the date the program closes. The license holder must notify the commissioner of the location where the licensing records will be stored and the name of the person responsible for maintaining the stored records.

(c) If the ownership of a licensed program or service changes, the transferor, unless otherwise provided by law or written agreement with the transferee, is responsible for maintaining, preserving, and making available to the commissioner on demand the license records generated before the date of the transfer.

(d) In the event of a contested case, the license holder must retain records as required in paragraph (a) or until the final agency decision is issued and the conclusion of any related appeal, whichever period is longer.

Sec. 47. Minnesota Statutes 2024, section 142B.03, subdivision 2, is amended to read:

Subd. 2. **Electronic records; license holder use.** A license holder's use of electronic record keeping or electronic signatures must meet the following requirements:

(1) use of electronic record keeping or electronic signatures does not alter the license holder's obligations under state or federal law, regulation, or rule;

(2) the license holder must ensure that the use of electronic record keeping does not limit the commissioner's access to records as specified under section 142B.10, subdivision ~~5~~ 12;

(3) upon request, the license holder must assist the commissioner in accessing and copying all records, including encrypted records and electronic signatures; and

(4) the license holder must establish a mechanism or procedure to ensure that:

(i) the act of creating the electronic record or signature is attributable to the license holder, according to section 325L.09;

(ii) the electronic records and signatures are maintained in a form capable of being retained and accurately reproduced;

(iii) the commissioner has access to information that establishes the date and time that data and signatures were entered into the electronic record; and

(iv) the license holder's use of electronic record keeping or electronic signatures does not compromise the security of the records.

Sec. 48. Minnesota Statutes 2024, section 142B.05, subdivision 7, is amended to read:

Subd. 7. **Excluded school-age programs; right to seek or continue licensure.** Nothing in this section shall prohibit a school-age program that is excluded from licensure under subdivision 2, paragraph (a), clause ~~(27)~~ (17), from seeking a license or continuing to be licensed under this chapter.

Sec. 49. Minnesota Statutes 2024, section 142B.05, subdivision 8, is amended to read:

Subd. 8. **Excluded providers seeking licensure.** Nothing in this section shall prohibit a program that is excluded from licensure under subdivision 2, paragraph (a), clause ~~(26)~~ (16), from seeking licensure. The commissioner shall ensure that any application received from such an excluded provider is processed in the same manner as all other applications for child care center licensure.

Sec. 50. Minnesota Statutes 2024, section 142B.10, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 142B.05 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner.

The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section ~~142B.11~~ 142B.15.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 142B.11.

(b) An application for licensure must identify all controlling individuals as defined in section 142B.01, subdivision 8, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent

under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 142B.01, subdivision 8, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 142B.16, or sanctions under section 142B.18;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Sec. 51. Minnesota Statutes 2024, section 142B.12, subdivision 4, is amended to read:

Subd. 4. **License fee for certain programs.** (a) Child care centers shall pay an annual nonrefundable license fee based on the following schedule:

| Licensed Capacity | Child Care Center License Fee |
|---|---|
| 1 to 24 persons | $200 |
| 25 to 49 persons | $300 |
| 50 to 74 persons | $400 |
| 75 to 99 persons | $500 |
| 100 to 124 persons | $600 |
| 125 to 149 persons | $700 |
| 150 to 174 persons | $800 |
| 175 to 199 persons | $900 |
| 200 to 224 persons | $1,000 |
| 225 or more persons | $1,100 |

(b) A private agency licensed to provide foster care and adoption services under Minnesota Rules, parts 9545.0755 to ~~9545.0845~~ 9545.0835, shall pay an annual nonrefundable license fee of $875.

Sec. 52. Minnesota Statutes 2024, section 142B.41, subdivision 3, is amended to read:

Subd. 3. **Conditional license.** Until such time as the commissioner adopts appropriate rules for conditional licenses, no license holder or applicant for a family or group family

day care license is required to spend more than $100 to meet fire safety rules in excess of those required to meet Group "R" occupancies under the Uniform Building Code, chapter 12, as incorporated by reference in Minnesota Rules, part ~~1305.0100~~ 1305.0011.

When the commissioner determines that an applicant or license holder of a family or group family day care license would be required to spend over $100 for physical changes to ensure fire safety, the commissioner may issue a conditional license when all of the following conditions have been met:

(a) The commissioner shall notify the license holder or applicant in writing of the fire safety deficiencies.

(b) The commissioner shall notify the license holder or applicant in writing of alternative compliance standards that would correct deficiencies, if available.

(c) The license holder or applicant agrees in writing to notify each parent, on a form prescribed by the commissioner that requires the signature of the parent, of the fire safety deficiencies, and the existence of the conditional license.

Sec. 53. Minnesota Statutes 2024, section 142D.08, subdivision 5, is amended to read:

Subd. 5. **Application process; priority for high poverty schools.** (a) To qualify for program approval for fiscal year 2026, a district or charter school must submit an application to the commissioner by January 30, 2025. Thereafter, the commissioner must accept applications and approve programs every four years. To qualify for program approval after fiscal year 2026, a school district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:

(1) a description of the proposed program, including the number of hours per week the program will be offered at each school site or mixed-delivery location;

(2) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location; and

(3) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.

(b) The commissioner must review all applications by March 1 of the fiscal year in which the applications are received and determine whether each application meets the requirements of paragraph (a).

(c) The commissioner must divide all applications for new or expanded voluntary prekindergarten programs under this section meeting the requirements of paragraph (a) ~~and school readiness plus programs~~ into five groups as follows: the Minneapolis school district; the St. Paul school district; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price meals by school site on October 1 of the previous school year. A school site may contract to partner with a community-based provider or Head Start under subdivision 3 or establish an early childhood center and use the concentration of kindergarten students eligible for free or reduced-price meals from a specific school site as long as those eligible children are prioritized and guaranteed services at the mixed-delivery site or early education center. For school district programs to be operated at locations that do not have free and reduced-price meals concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of kindergarten students eligible for free or reduced-price meals must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price meals that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price meals that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

(3) whether the district has implemented a mixed delivery system.

Sec. 54. Minnesota Statutes 2024, section 142D.08, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (c), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (d).

(b) In reviewing applications under subdivision 5 and allocating seats under subdivision 5a, the commissioner must limit the total number of participants in the voluntary prekindergarten ~~and school readiness plus programs under section 142D.07,~~ program to not more than ~~7,160 participants for fiscal year 2024 and~~ 12,360 participants ~~for fiscal year 2025 and later~~.

Sec. 55. Minnesota Statutes 2024, section 142D.20, subdivision 2, is amended to read:

Subd. 2. **Grants.** (a) The commissioner shall distribute money provided by this section through grants to one or more nonprofit corporations to plan, develop, and finance early childhood education and child care sites. A nonprofit corporation must have demonstrated the ability to analyze financing projects, have knowledge of other sources of public and private financing for child care and early childhood education sites, and have a relationship with regional resource and referral programs. The board of directors of a nonprofit corporation must include members who are knowledgeable about early childhood education, child care, development and improvement, and financing.

(b) The commissioners of the Departments of ~~Human Services,~~ Children, Youth, and Families; Employment and Economic Development~~,~~; and the Housing Finance Agency shall advise the boards of any nonprofit corporations that use the grant money provided under this section for loan programs as described in subdivision 3, paragraph (a), clauses (1) to (4). All loans made by a nonprofit corporation under this section must comply with section 363A.16.

Sec. 56. Minnesota Statutes 2024, section 142D.32, subdivision 2, is amended to read:

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

(b) "Apprentice" means an employee participating in an early childhood registered apprenticeship program.

(c) "Early childhood registered apprenticeship program" means an organization holding the TEACH license with the Department of Children, Youth, and Families that is registered with the Department of Labor and Industry under chapter 178.

(d) "Early childhood signatory employer" means an employer that participates in an early childhood registered apprenticeship program and employs an apprentice and that is:

(1) a licensed child care center under Minnesota Rules, chapter 9503;

(2) a licensed family and group family child care provider under Minnesota Rules, chapter 9502;

(3) an early childhood family education program under section 142D.10; a school readiness program under section 142D.05; a voluntary prekindergarten program under section 142D.08; or a special education program under chapter 125A; ~~or a school readiness plus program under section 142D.07;~~

(4) a Head Start program under United States Code, title 42, section 9801, et seq.;

(5) a certified license-exempt child care center under chapter 142C; or

(6) a Tribally licensed child care program.

(e) "Mentor" means an early childhood registered apprenticeship program journeyworker under section 178.011, subdivision 9, who has a career lattice step of nine or higher.

Sec. 57. Minnesota Statutes 2024, section 142E.16, subdivision 2, is amended to read:

Subd. 2. **Background study required.** (a) This subdivision only applies to legal, nonlicensed family child care providers.

(b) Prior to authorization, the commissioner of ~~children, youth, and families~~ human services shall perform a background study on individuals identified under section 245C.02, subdivision 6a.

(c) After authorization, a background study must also be performed when an individual identified under section 245C.02, subdivision 6a, joins the household. The provider must report all family changes that would require a new background study.

(d) At each reauthorization, the commissioner of children, youth, and families must ensure that a background study through NETStudy 2.0 has been performed on all individuals in the provider's household for whom a background study is required under paragraphs (b) and (c).

(e) Prior to a background study through NETStudy 2.0 expiring, another background study must be completed on all individuals for whom the background study is expiring.

(f) The commissioner of ~~children, youth, and families~~ human services shall forward the background study determination to the commissioner of children, youth, and families, who shall grant or deny authorization as a legal nonlicensed family child care provider based on the commissioner of human service's determination.

Sec. 58. Minnesota Statutes 2025 Supplement, section 142G.01, subdivision 3, is amended to read:

Subd. 3. **Relationship to other statutes and rules.** MFIP replaces eligibility for families with children and pregnant women under the general assistance program, governed by sections 256D.01 to ~~256D.21~~ 256D.17 and Minnesota Rules, parts 9500.1200 to 9500.1261.

Sec. 59. Minnesota Statutes 2024, section 142G.22, subdivision 1, is amended to read:

Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP eligibility prospectively based on assessing income and the county agency's best estimate of the circumstances that will exist in the payment month.

(b) A county agency must calculate the amount of the assistance payment using prospective budgeting. To determine MFIP eligibility and the assistance payment amount, a county agency must apply countable income, described in sections 142G.31, subdivisions 5 to 12, and 256P.06, received by members of an assistance unit or by other persons whose income is counted for the assistance unit, described under sections 142G.31, subdivisions 1 to 4, and 256P.06, subdivision 1.

(c) This income must be applied to the MFIP standard of need or family wage level subject to this section and sections ~~142G.30,~~ 142G.32~~,~~ and 142G.33. Countable income as described in section 256P.06, subdivision 3, received must be applied to the needs of an assistance unit.

(d) An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit.

Sec. 60. Minnesota Statutes 2024, section 142G.25, is amended to read:

**142G.25 REPORTING REQUIREMENTS.**

The commissioner of children, youth, and families, in cooperation with the commissioner of employment and economic development, shall develop reporting requirements for county agencies and employment and training service providers according to section 256.01, subdivision 2, paragraph ~~(p)~~ (o). Reporting requirements must, to the extent possible, use existing client tracking systems and must be within the limits of funds available. The requirements must include summary information necessary for state agencies and the legislature to evaluate the effectiveness of the services.

Sec. 61. Minnesota Statutes 2024, section 142G.40, subdivision 1, is amended to read:

Subdivision 1. **Time limit.** (a) Except as otherwise provided for in this section, an assistance unit in which any adult caregiver has received 60 months of cash assistance funded in whole or in part by the TANF block grant in this or any other state or United States territory, or from a tribal TANF program, MFIP, the AFDC program formerly codified in sections 256.72 to 256.87, or the family general assistance program formerly codified in sections 256D.01 to ~~256D.23~~ 256D.17, funded in whole or in part by state appropriations, is ineligible to receive MFIP. Any cash assistance funded with TANF dollars in this or any other state or United States territory, or from a tribal TANF program, or MFIP assistance funded in whole or in part by state appropriations, that was received by the unit on or after the date TANF was implemented, including any assistance received in states or United States territories of prior residence, counts toward the 60-month limitation. Months during which any cash assistance is received by an assistance unit with a mandatory member who is disqualified for wrongfully obtaining public assistance under section 256.98, subdivision 8, counts toward the time limit for the disqualified member. The 60-month limit applies to a minor caregiver except under subdivision 4. The 60-month time period does not need to be consecutive months for this provision to apply.

(b) The months before July 1998 in which individuals received assistance as part of the field trials as an MFIP, MFIP-R, or MFIP or MFIP-R comparison group family are not included in the 60-month time limit.

Sec. 62. Minnesota Statutes 2024, section 142G.57, subdivision 2, is amended to read:

Subd. 2. **Responsibility for assessment and employment plan.** For caregivers who are under age 18 without a high school diploma or its equivalent, the assessment under subdivision 1 and the employment plan under subdivision 3 must be completed by the social services agency under section ~~257.33~~ 142A.03, subdivision 34. For caregivers who are age 18 or 19 without a high school diploma or its equivalent who choose to have an employment plan with an education option under subdivision 3, the assessment under subdivision 1 and the employment plan under subdivision 3 must be completed by the job counselor or, at county option, by the social services agency under section ~~257.33~~ 142A.03, subdivision 34. Upon reaching age 18 or 19 a caregiver who received social services under section ~~257.33~~ 142A.03, subdivision 34, and is without a high school diploma or its equivalent has the option to choose whether to continue receiving services under the caregiver's plan from the social services agency or to utilize an MFIP employment and training service provider. The

social services agency or the job counselor shall consult with the participant's school in developing the educational plan.

Sec. 63. Minnesota Statutes 2024, section 142G.57, subdivision 4, is amended to read:

Subd. 4. **No appropriate educational option.** If the job counselor determines that there is no appropriate educational option for a caregiver who is age 18 or 19 without a high school diploma or its equivalent, the job counselor must develop an employment plan, as defined in section 142G.50, subdivision 4, for the caregiver. If the county social services agency determines that school attendance is not appropriate for a caregiver under age 18 without a high school diploma or its equivalent, the county agency shall refer the caregiver to social services for services as provided in section ~~257.33~~ 142A.03, subdivision 34.

Sec. 64. Minnesota Statutes 2024, section 144E.28, subdivision 8, is amended to read:

Subd. 8. **Reinstatement.** (a) Within four years of a certification expiration date, a person whose certification has expired under subdivision 7, paragraph (d), may have the certification reinstated upon submission of:

(1) evidence to the director of training equivalent to the continuing education requirements of subdivision 7 or, for community paramedics, evidence to the director of training equivalent to the continuing education requirements of subdivision 9, paragraph (c); and

(2) a director-approved application form.

(b) If more than four years have passed since a certificate expiration date, an applicant must complete the initial certification process required under subdivision 1.

~~(c) Beginning July 1, 2024, through December 31, 2025, and notwithstanding paragraph (b), a person whose certification as an EMT, AEMT, paramedic, or community paramedic expired more than four years ago but less than ten years ago may have the certification reinstated upon submission of:~~

~~(1) evidence to the director of the training required under paragraph (a), clause (1). This training must have been completed within the 24 months prior to the date of the application for reinstatement;~~

~~(2) a director-approved application form; and~~

~~(3) a recommendation from an ambulance service medical director.~~

~~This paragraph expires December 31, 2025.~~

Sec. 65. Minnesota Statutes 2024, section 145.882, subdivision 5a, is amended to read:

Subd. 5a. **Nonparticipating community health boards.** If a community health board decides not to participate in maternal and child health block grant activities under subdivision 3 or the commissioner determines under section ~~145A.131~~ 145A.03, subdivision 7, not to fund the community health board, the commissioner is responsible for directing maternal and child health block grant activities in that community health board's geographic area. The commissioner may elect to directly provide public health activities to meet the statewide outcomes or to contract with other governmental units or nonprofit organizations.

Sec. 66. Minnesota Statutes 2024, section 145.8821, is amended to read:

**145.8821 ACCOUNTABILITY.**

(a) Coordinating with accountability measures outlined in section 145A.131, subdivision ~~7~~ 3, each community health board that receives money under section 145.882, subdivision 3, shall select by February 1, 2005, and every five years thereafter, up to two statewide maternal and child health outcomes.

(b) For the period January 1, 2004, to December 31, 2005, each community health board must work toward the Healthy People 2010 goal to reduce the state's percentage of low birth weight infants.

(c) The commissioner shall monitor and evaluate whether each community health board has made sufficient progress toward the selected outcomes established in paragraph (b).

(d) Community health boards shall provide the commissioner with annual information necessary to evaluate progress toward selected statewide outcomes and to meet federal reporting requirements.

Sec. 67. Minnesota Statutes 2025 Supplement, section 148.6404, is amended to read:

**148.6404 SCOPE OF PRACTICE.**

(a) The practice of occupational therapy means the therapeutic use of everyday life occupations with individuals, groups, or populations for the purpose of enhancing or enabling participation in those occupations. The practice of occupational therapy promotes health and well-being through the use of occupational therapy services that includes screening, evaluation, intervention, and consultation to develop, recover, and maintain a client's:

(1) sensory integrative, neuromuscular, motor, emotional, motivational, cognitive, or psychosocial components of performance;

(2) daily living skills;

(3) feeding and swallowing skills;

(4) play and leisure skills;

(5) educational participation skills;

(6) functional performance and work participation skills;

(7) community mobility; and

(8) health and wellness.

(b) Occupational therapy services include but are not limited to:

(1) designing, fabricating, or applying rehabilitative technology, such as selected orthotic and prosthetic devices, and providing training in the functional use of these devices;

(2) designing, fabricating, or adapting assistive technology and providing training in the functional use of assistive devices;

(3) adapting environments using assistive technology such as environmental controls, wheelchair modifications, and positioning;

(4) applying physical agent, manual, and mechanical modalities in preparation for or as an adjunct to purposeful activity to meet established functional occupational therapy goals; and

(5) educating and training individuals, ~~including~~ families, caregivers, groups, and populations.

(c) Occupational therapy services must be based on nationally established standards of practice.

Sec. 68. Minnesota Statutes 2025 Supplement, section 148.6408, subdivision 2, is amended to read:

Subd. 2. **Qualifying examination score required.** (a) An applicant must achieve a qualifying score on the certification examination for occupational ~~therapist~~ therapists.

(b) The board shall determine the qualifying score for the certification examination for occupational ~~therapist~~ therapists as recommended by the National Board for Certification in Occupational Therapy, or other national certification organization approved by the board.

(c) Applicants for licensure must:

(1) make arrangements to take the certification examination for an occupational ~~therapist~~ therapists;

(2) bear all expenses associated with taking the examination; and

(3) submit an application and other materials as required by the board under section 148.6420.

Sec. 69. Minnesota Statutes 2024, section 148B.59, is amended to read:

**148B.59 DISCIPLINARY ACTION; RESTORATION OF LICENSE.**

(a) The board may impose disciplinary action as described in paragraph (b) against an applicant or licensee whom the board, by a preponderance of the evidence, determines:

(1) has violated a statute, rule, or order that the board issued or is empowered to enforce;

(2) has engaged in fraudulent, deceptive, or dishonest conduct, whether or not the conduct relates to the practice of licensed professional counseling, that adversely affects the person's ability or fitness to practice professional counseling;

(3) has engaged in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(4) has been convicted of or has pled guilty or nolo contendere to a felony or other crime, an element of which is dishonesty or fraud, or has been shown to have engaged in acts or practices tending to show that the applicant or licensee is incompetent or has engaged in conduct reflecting adversely on the applicant's or licensee's ability or fitness to engage in the practice of professional counseling;

(5) has employed fraud or deception in obtaining or renewing a license, or in passing an examination;

(6) has had any counseling license, certificate, registration, privilege to take an examination, or other similar authority denied, revoked, suspended, canceled, limited, or not renewed for cause in any jurisdiction or has surrendered or voluntarily terminated a license or certificate during a board investigation of a complaint, as part of a disciplinary order, or while under a disciplinary order;

(7) has failed to meet any requirement for the issuance or renewal of the person's license. The burden of proof is on the applicant or licensee to demonstrate the qualifications or

satisfy the requirements for a license under ~~the Licensed Professional Counseling Act~~ sections 148B.50 to 148B.75;

(8) has failed to cooperate with an investigation of the board;

(9) has demonstrated an inability to practice professional counseling with reasonable skill and safety to clients due to any mental or physical illness or condition;

(10) has engaged in fee splitting. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the licensee or under a licensee's administrative authority. Fee splitting includes, but is not limited to:

(i) dividing fees with another person or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional;

(ii) referring a client to any health care provider as defined in sections 144.291 to 144.298 in which the referring licensee has a significant financial interest, unless the licensee has disclosed in advance to the client the licensee's own financial interest; and

(iii) paying, offering to pay, receiving, or agreeing to receive a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of clients;

(11) has engaged in conduct with a client that is sexual or may reasonably be interpreted by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning to a client;

(12) has been subject to a corrective action or similar action in another jurisdiction or by another regulatory authority; or

(13) has been adjudicated as mentally incompetent, mentally ill, or developmentally disabled or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality by a court of competent jurisdiction within this state or an equivalent adjudication from another state. Adjudication automatically suspends a license for the duration thereof unless the board orders otherwise.

(b) If grounds for disciplinary action exist under paragraph (a), the board may take one or more of the following actions:

(1) refuse to grant or renew a license;

(2) revoke a license;

(3) suspend a license;

(4) impose limitations or conditions on a licensee's practice of professional counseling, including, but not limited to, limiting the scope of practice to designated competencies, imposing retraining or rehabilitation requirements, requiring the licensee to practice under supervision, or conditioning continued practice on the demonstration of knowledge or skill by appropriate examination or other review of skill and competence;

(5) censure or reprimand the licensee;

(6) refuse to permit an applicant to take the licensure examination or refuse to release an applicant's examination grade if the board finds that it is in the public interest; or

(7) impose a civil penalty not exceeding $10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the applicant or licensee of any economic advantage gained by reason of the violation charged, to discourage similar violations or to reimburse the board for the cost of the investigation and proceeding, including, but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members.

(c) In lieu of or in addition to paragraph (b), the board may require, as a condition of continued licensure, termination of suspension, reinstatement of license, examination, or release of examination grades, that the applicant or licensee:

(1) submit to a quality review, as specified by the board, of the applicant's or licensee's ability, skills, or quality of work; and

(2) complete to the satisfaction of the board educational courses specified by the board.

The board may also refer a licensee, if appropriate, to the health professionals services program described in sections 214.31 to 214.37.

(d) Service of the order is effective if the order is served on the applicant, licensee, or counsel of record personally or by mail to the most recent address provided to the board for the licensee, applicant, or counsel of record. The order shall state the reasons for the entry of the order.

Sec. 70. Minnesota Statutes 2024, section 148F.165, subdivision 2, is amended to read:

Subd. 2. **Client bill of rights.** The client bill of rights required by section 144.652 shall be prominently displayed on the premises of the professional practice or provided as a

handout to each client. The document must state that consumers of alcohol and drug counseling services have the right to:

(1) expect that the provider meets the minimum qualifications of training and experience required by state law;

(2) examine public records maintained by the Board of Behavioral Health and Therapy that contain the credentials of the provider;

(3) report complaints to the Board of Behavioral Health and Therapy;

(4) be informed of the cost of professional services before receiving the services;

(5) privacy as defined and limited by law and rule;

(6) be free from being the object of unlawful discrimination while receiving counseling services;

(7) have access to their records as provided in sections ~~144.92~~ 144.292 and 148F.135, subdivision 1, except as otherwise provided by law;

(8) be free from exploitation for the benefit or advantage of the provider;

(9) terminate services at any time, except as otherwise provided by law or court order;

(10) know the intended recipients of assessment results;

(11) withdraw consent to release assessment results, unless the right is prohibited by law or court order or was waived by prior written agreement;

(12) a nontechnical description of assessment procedures; and

(13) a nontechnical explanation and interpretation of assessment results, unless this right is prohibited by law or court order or was waived by prior written agreement.

Sec. 71. Minnesota Statutes 2024, section 148F.205, subdivision 5, is amended to read:

Subd. 5. **Insurers.** Each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to alcohol and drug counselors or the ~~Medical~~ Joint Underwriting Association under chapter ~~62F~~ 62I, shall submit to the board quarterly reports concerning the alcohol and drug counselors against whom malpractice settlements and awards have been made. The report must contain at least the following information:

(1) the total number of malpractice settlements or awards made;

(2) the date the malpractice settlements or awards were made;

(3) the allegations contained in the claim or complaint leading to the settlements or awards made;

(4) the dollar amount of each settlement or award;

(5) the address of the practice of the alcohol and drug counselor against whom an award was made or with whom a settlement was made; and

(6) the name of the alcohol and drug counselor against whom an award was made or with whom a settlement was made.

The insurance company shall, in addition to the information in clauses (1) to (6), submit to the board any information, records, and files, including clients' charts and records, it possesses that tend to substantiate a charge that a licensed alcohol and drug counselor may have engaged in conduct violating this chapter.

Sec. 72. Minnesota Statutes 2024, section 148F.2051, is amended to read:

**148F.2051 FAILURE TO REPORT.**

~~On or after August 1, 2012,~~ Any person, institution, insurer, or organization that fails to report as required under ~~Minnesota Statutes 2010, section 148C.095, subdivisions 2 to 5,~~ section 148F.205 shall be subject to civil penalties for failing to report as required by law.

Sec. 73. Minnesota Statutes 2024, section 151.72, subdivision 2, is amended to read:

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 ~~to 152.37~~ and 152.29.

(c) The office must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

Sec. 74. Minnesota Statutes 2024, section 152.29, subdivision 5, is amended to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, a valid driver's license, or a valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section ~~152.22, subdivision 6~~ 342.01, subdivision 52.

Sec. 75. Minnesota Statutes 2024, section 157.22, is amended to read:

**157.22 EXEMPTIONS.**

This chapter does not apply to:

(1) interstate carriers under the supervision of the United States Department of Health and Human Services;

(2) weddings, fellowship meals, or funerals conducted by a faith-based organization using any building constructed and primarily used for religious worship or education;

(3) any building owned, operated, and used by a college or university in accordance with health regulations promulgated by the college or university under chapter 14;

(4) any person, firm, or corporation whose principal mode of business is licensed under sections 28A.04 and 28A.05, is exempt at that premises from licensure as a food or beverage establishment; provided that the holding of any license pursuant to sections 28A.04 and 28A.05 shall not exempt any person, firm, or corporation from the applicable provisions of this chapter or the rules of the state commissioner of health relating to food and beverage service establishments;

(5) family day care homes and group family day care homes governed by sections 142B.01 to 142B.79;

(6) nonprofit senior citizen centers for the sale of home-baked goods;

(7) fraternal, sportsman, or patriotic organizations that are tax exempt under section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7), 501(c)(10), or 501(c)(19) of the Internal Revenue Code of 1986, or organizations related to, affiliated with, or supported by such fraternal,

sportsman, or patriotic organizations for events held in the building or on the grounds of the organization and at which home-prepared food is donated by organization members for sale at the events, provided:

(i) the event is not a circus, carnival, or fair;

(ii) the organization controls the admission of persons to the event, the event agenda, or both; and

(iii) the organization's licensed kitchen is not used in any manner for the event;

(8) food not prepared at an establishment and brought in by individuals attending a potluck event for consumption at the potluck event. An organization sponsoring a potluck event under this clause may advertise the potluck event to the public through any means. Individuals who are not members of an organization sponsoring a potluck event under this clause may attend the potluck event and consume the food at the event. Licensed food establishments other than schools cannot be sponsors of potluck events. A school may sponsor and hold potluck events in areas of the school other than the school's kitchen, provided that the school's kitchen is not used in any manner for the potluck event. For purposes of this clause, "school" means a public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or a nonpublic school, church, or religious organization at which a child is provided with instruction in compliance with sections 120A.22 and 120A.24. Potluck event food shall not be brought into a licensed food establishment kitchen;

(9) a home school in which a child is provided instruction at home;

(10) school concession stands serving commercially prepared, nonpotentially hazardous foods, as defined in Minnesota Rules, chapter 4626;

(11) group residential facilities of ten or fewer beds licensed by the commissioner of human services under Minnesota Rules, chapter 2960, provided the facility employs or contracts with a certified food protection manager under Minnesota Rules, part ~~4626.2015~~ 4626.0033;

(12) food served at fundraisers, community events or fellowship meals conducted in the building or on the grounds of a faith-based organization, provided that a certified food manager or volunteer trained in a food safety course, trains the food preparation workers in safe food handling practices. Food prepared during these events is allowed to be made available for curbside pickup or delivered to members of the faith-based organization or the community in which the faith-based organization serves. This exemption does not apply

to faith-based organizations at the state agricultural society or county fairs or to faith-based organizations that choose to apply for a license;

(13) food service events conducted following a disaster for purposes of feeding disaster relief staff and volunteers serving commercially prepared, nonpotentially hazardous foods, as defined in Minnesota Rules, chapter 4626;

(14) chili or soup served at a chili or soup cook-off fundraiser conducted by a community-based nonprofit organization, provided:

(i) the municipality where the event is located approves the event;

(ii) the sponsoring organization must develop food safety rules and ensure that participants follow these rules; and

(iii) if the food is not prepared in a kitchen that is licensed or inspected, a visible sign or placard must be posted that states: "These products are homemade and not subject to state inspection."

Foods exempt under this clause must be labeled to accurately reflect the name and address of the person preparing the foods; and

(15) a special event food stand or a seasonal temporary food stand provided:

(i) the stand is located on private property with the permission of the property owner;

(ii) the stand has gross receipts or contributions of $1,000 or less in a calendar year; and

(iii) the operator of the stand posts a sign or placard at the site that states "The products sold at this stand are not subject to state inspection or regulation." if the stand offers for sale potentially hazardous food as defined in Minnesota Rules, part 4626.0020, subpart 62.

Sec. 76. Minnesota Statutes 2025 Supplement, section 161.14, subdivision 109, is amended to read:

Subd. 109. **Elmstrand * Finseth * Ruge Heroes Memorial Bridge.** The bridge on Burnsville Parkway over marked Interstate Highway 35W in the city of Burnsville is designated as "Elmstrand * Finseth * Ruge Heroes Memorial Bridge." Subject to section 161.139, the commissioner must adopt a suitable design to mark this ~~highway~~ bridge and erect appropriate signs.

Sec. 77. Minnesota Statutes 2025 Supplement, section 161.45, subdivision 4, is amended to read:

Subd. 4. **High voltage transmission; placement in right-of-way.** (a) For purposes of this subdivision and subdivisions 5 to 7, "high voltage transmission line" has the meaning given in section 216I.02, subdivision 8.

(b) Notwithstanding subdivision 1, paragraph (a), high voltage transmission lines under the laws of this state or the ordinance of any city or county may be constructed, placed, or maintained across or along any trunk highway, including an interstate highway and a trunk highway that is an expressway or a freeway, except as deemed necessary by the commissioner of transportation to protect public safety or ensure the proper function of the trunk highway system.

(c) If the commissioner denies a high voltage ~~electric~~ transmission line colocation request, the reasons for the denial must be submitted for review within 90 days of the commissioner's denial to the chairs and ranking minority members of the legislative committees with jurisdiction over energy and transportation, the Public Utilities Commission executive secretary, and the commissioner of commerce.

Sec. 78. Minnesota Statutes 2025 Supplement, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) vehicles owned by nonprofit charities and used exclusively for disaster response and related activities;

(6) vehicles owned by ambulance services licensed under section 144E.10 that are equipped and specifically intended for emergency response or providing ambulance services; and

(7) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Provided the general appearance of the vehicle is unmistakable, the following vehicles are not required to register or display number plates:

(1) vehicles owned by the federal government;

(2) fire apparatuses, including fire-suppression support vehicles, owned or leased by the state or a political subdivision;

(3) police patrols owned or leased by the state or a political subdivision; and

(4) ambulances owned or leased by the state or a political subdivision.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections or by conservation officers of the Division of Enforcement and Field Service of the Department of Natural Resources, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections or by conservation officers must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the

commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the ~~Division of Disease Prevention and Control of the~~ Department of Health Infectious Disease Epidemiology, Prevention and Control Division must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by the Office of Inspector General's staff, including, but not limited to, county fraud prevention investigators, must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Office of Special Investigations' staff and the Office of the Inspector General's staff, including, but not limited to, contract and county fraud prevention investigators.

(h) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by the Direct Care and Treatment Office of Special Investigations' staff and unmarked vehicles used by the Minnesota Sex Offender Program's executive director and the executive director's staff must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the Direct Care and Treatment executive board. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Minnesota Sex Offender Program's executive director and the

executive director's staff, including but not limited to contract and county fraud prevention investigators.

(i) Each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle. The vehicle must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the hospital administrator. The certification must be on a form prescribed by the Direct Care and Treatment executive board and state that the vehicles will be used exclusively for the official duties of the state hospital or institution.

(j) Each county social service agency may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. The vehicles must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

(k) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by tobacco inspector staff of the Department of Human Services' Alcohol and Drug Abuse Division for the purposes of tobacco inspections, investigations, and reviews must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively by tobacco inspector staff for the duties specified in this paragraph.

(l) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle. This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be

kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 79. Minnesota Statutes 2025 Supplement, section 168A.01, subdivision 18, is amended to read:

Subd. 18. **Secured party.** "Secured party" means a secured party as defined in section ~~336.9-102, paragraph (a), clause (73),~~ 336.9-102(a)(73) having a security interest in a vehicle.

Sec. 80. Minnesota Statutes 2025 Supplement, section 168A.01, subdivision 19, is amended to read:

Subd. 19. **Security agreement.** "Security agreement" means a security agreement as defined in section ~~336.9-102, paragraph (a), clause (74)~~ 336.9-102(a)(74).

Sec. 81. Minnesota Statutes 2025 Supplement, section 168A.01, subdivision 20, is amended to read:

Subd. 20. **Security interest.** "Security interest" means a security interest as defined in section ~~336.1-201, paragraph (b), clause (35)~~ 336.1-201(b)(35). A security interest is "perfected" when it is valid against third parties generally, subject only to specific statutory exception.

Sec. 82. Minnesota Statutes 2024, section 169.223, subdivision 4, is amended to read:

Subd. 4. **Headlight requirement.** The provisions of section 169.974, subdivision 5, paragraph ~~(k)~~ (l), apply to motorized bicycles that are equipped with headlights. A new motorized bicycle sold or offered for sale in Minnesota must be equipped with a headlight.

Sec. 83. Minnesota Statutes 2024, section 169.99, subdivision 1, is amended to read:

Subdivision 1. **Form.** (a) Except as provided in subdivision 3; section 169.147, subdivision ~~8~~ 10; and section 169.999, subdivision 3, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in the form and have the effect of a summons and complaint. Except as provided in paragraph (b), the uniform ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four

parts, on paper sensitized so that copies may be made without the use of carbon paper, as follows:

(1) the complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on white paper;

(2) the abstract of court record for the Department of Public Safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) the police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper; and

(4) the summons, with, on the reverse side, such information as the court may wish to give concerning the Traffic Violations Bureau, and a plea of guilty and waiver, printed on off-white tag stock.

(b) If the offense is a petty misdemeanor, the uniform ticket must state that a failure to appear will be considered a plea of guilty and waiver of the right to trial, unless the failure to appear is due to circumstances beyond the person's control.

Sec. 84. Minnesota Statutes 2025 Supplement, section 171.301, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a reintegration driver's license to any person:

(1) who is 18 years of age or older;

(2) who has been released from a period of at least 180 consecutive days of confinement or incarceration in:

(i) an adult correctional facility under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021;

(ii) a federal correctional facility for adults; or

(iii) an adult correctional facility operated under the control or supervision of any other state; and

(3) whose license has been suspended or revoked under the circumstances listed in section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred before the individual was incarcerated for the period described in clause (2).

(b) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner.

(c) If the person's driver's license or permit to drive has been suspended under section 171.186, the commissioner may only issue a reintegration driver's license to the person after the commissioner receives notice of a court order provided pursuant to section 518A.65, paragraph (h), showing that the person's driver's license or operating privileges should no longer be suspended.

(d) If the person's driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) or (2), the commissioner may only issue a reintegration driver's license to the person after the person has completed the applicable revocation period.

(e) The commissioner must not issue a reintegration driver's license:

(1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or (11);

(2) to any person described in section ~~169A.55, subdivision 5~~ 171.178, subdivision 6;

(3) if the person has committed a violation after the person was released from custody that results in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1; or

(4) if the issuance would conflict with the requirements of the nonresident violator compact.

(f) The commissioner must not issue a class A, class B, or class C reintegration driver's license.

Sec. 85. Minnesota Statutes 2024, section 181.211, subdivision 10, is amended to read:

Subd. 10. **Worker organization.** "Worker organization" means an organization that is exempt from federal income taxation under section 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code, that is not dominated or interfered with by any nursing home employer within the meaning of United States Code, title 29, section ~~158a(2)~~ 158(a)(2), and that has at least five years of demonstrated experience engaging with and advocating for nursing home workers.

Sec. 86. Minnesota Statutes 2024, section 204B.06, subdivision 9, is amended to read:

Subd. 9. **Multiple affidavits of candidacy.** Notwithstanding subdivision 1, paragraph (a), clause (2):

(1) a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County may also have on file an affidavit of candidacy for:

(i) mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district; or

(ii) town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district; and

(2) a candidate for school board member may also have on file an affidavit of candidacy for town board supervisor, unless that town board is exercising the powers of a statutory city under section 368.01 or an applicable special law.

Sec. 87. Minnesota Statutes 2024, section 211B.04, subdivision 3, is amended to read:

Subd. 3. **Material that does not need a disclaimer.** (a) This section does not apply to fundraising tickets, business cards, personal letters, or similar items that are clearly being distributed by the candidate.

(b) This section does not apply to an individual or association that is not required to register or report under chapter 10A or 211A.

(c) This section does not apply to the following:

(1) bumper stickers, pins, buttons, pens, or similar small items on which the disclaimer cannot be conveniently printed;

(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable; and

(3) online banner ads and similar electronic communications that link directly to an online page that includes the disclaimer.

~~(d) This section does not modify or repeal section 211B.06.~~

Sec. 88. Minnesota Statutes 2024, section 214.06, subdivision 1a, is amended to read:

Subd. 1a. **Health occupations licensing account.** (a) Fees received by the commissioner of health or health-related licensing boards must be credited to the health occupations licensing account in the state government special revenue fund. The commissioner of management and budget shall ensure that the revenues and expenditures of each health-related licensing board are tracked separately in the health occupations licensing account.

(b) The fees collected must be used only by the boards identified in section 214.01, subdivision 2, and only for the purposes of the programs they administer. The legislature must not transfer money generated by these fees from the state government special revenue fund to the general fund. ~~Surcharges collected by a health-related licensing board under section 16E.22 are not subject to this subdivision.~~

Sec. 89. Minnesota Statutes 2024, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. **Energy conservation improvement.** (a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility, as defined in section ~~216B.241, subdivision 1, paragraph (h)~~ 216B.2402, subdivision 11, incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

(b) The commission shall not include investments and expenses for energy conservation improvements in determining (i) just and reasonable electric rates for retail electric service provided to large customer facilities whose electric utilities have been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to those large customer facilities; or (ii) just and reasonable gas rates for large energy facilities, large customer facilities whose natural gas utilities have been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b), or commercial gas customer facilities whose natural gas utilities have been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (c).

(c) The commission may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements. These rate schedules may be applicable to less than all the customers in a class of retail customers if necessary to reflect the requirements of section 216B.241. The commission shall allow a public utility, without requiring a general rate filing under this section, to reduce the electric rates applicable to large customer facilities that have been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b), and to reduce the gas rate applicable to a large

energy facility, a large customer facility or commercial customer facility that has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b) or (c), or by the commission under section 216B.241, subdivision 2, by an amount that reflects the elimination of energy conservation improvement investments or expenditures for those facilities. In the event that the commission has set electric or gas rates based on the use of an accounting methodology that results in the cost of conservation improvements being recovered from utility customers over a period of years, the rate reduction may occur in a series of steps to coincide with the recovery of balances due to the utility for conservation improvements made by the utility on or before December 31, 2007.

(d) Investments and expenses of a public utility shall not include electric utility infrastructure costs as defined in section 216B.1636, subdivision 1, paragraph (b).

Sec. 90. Minnesota Statutes 2024, section 216B.16, subdivision 6c, is amended to read:

Subd. 6c. **Incentive plan for energy conservation and efficient fuel-switching improvement.** (a) The commission may order public utilities to develop and submit for commission approval incentive plans that describe the method of recovery and accounting for utility conservation and efficient fuel-switching expenditures and savings. For public utilities that provide electric service, the commission must develop and implement incentive plans designed to promote energy conservation separately from the plans designed to promote efficient fuel-switching. In developing the incentive plans the commission shall ensure the effective involvement of interested parties.

(b) In approving incentive plans, the commission shall consider:

(1) whether the plan is likely to increase utility investment in cost-effective energy conservation or efficient fuel switching;

(2) whether the plan is compatible with the interest of utility ratepayers and other interested parties;

(3) whether the plan links the incentive to the utility's performance in achieving cost-effective conservation or efficient fuel switching;

~~(4) whether the plan is in conflict with other provisions of this chapter;~~

~~(5)~~ (4) whether the plan conflicts with other provisions of this chapter; and

~~(6)~~ (5) the likely financial impacts of the conservation and efficient fuel-switching programs on the utility.

(c) The commission may set rates to encourage the vigorous and effective implementation of utility conservation and efficient fuel-switching programs. The commission may:

(1) increase or decrease any otherwise allowed rate of return on net investment based upon the utility's skill, efforts, and success in improving the efficient use of energy through energy conservation or efficient fuel switching;

(2) share between ratepayers and utilities the net savings resulting from energy conservation and efficient fuel-switching programs to the extent justified by the utility's skill, efforts, and success in improving the efficient use of energy; and

(3) adopt any mechanism that satisfies the criteria of this subdivision, such that implementation of cost-effective conservation or efficient fuel switching is a preferred resource choice for the public utility considering the impact of conservation or efficient fuel switching on earnings of the public utility.

(d) Any incentives offered to electric utilities under this subdivision for efficient-fuel switching projects expire December 31, 2032.

Sec. 91. Minnesota Statutes 2025 Supplement, section 216B.1622, subdivision 2, is amended to read:

Subd. 2. **Tariff or energy supply agreement.** The commission may approve, modify, or reject a tariff or electric service agreement proposed between a public utility and a very large customer establishing the terms and conditions under which the utility will provide electric service to the customer. As it evaluates a tariff or agreement under this section, the commission must consider how best to achieve the following required outcomes:

(1) all costs attributable to the utility's very large customers not exempt under subdivision 3 are assigned to the very large customer class or subclass determined by the commission under ~~paragraph (a)~~ subdivision 1;

(2) the electricity to be provided by the utility to a very large customer achieves each quantitative benchmark of the state's electricity standards under section 216B.1691, as demonstrated by a plan submitted by the utility to serve the additional load without recourse to requesting a delay or modification of these standards;

(3) the tariff or agreement contains protections necessary to ensure that other customers of the public utility are not placed at risk for paying stranded costs associated with the utility serving the very large customer; and

(4) any other outcome deemed important by the commission to ensure the tariff or agreement is in the public interest.

Sec. 92. Minnesota Statutes 2024, section 216B.2411, subdivision 1, is amended to read:

Subdivision 1. **Generation projects.** (a) Any municipality or rural electric association providing electric service and subject to section 216B.241 may, and each public utility may, use five percent of the total amount to be spent on energy conservation improvements under section 216B.241, on:

(1) projects in Minnesota to construct an electric generating facility that utilizes eligible renewable energy sources as defined in subdivision 2, such as methane or other combustible gases derived from the processing of plant or animal wastes, biomass fuels such as short-rotation woody or fibrous agricultural crops, or other renewable fuel, as its primary fuel source;

(2) projects in Minnesota to install a distributed generation facility of ten megawatts or less of interconnected capacity that is fueled by natural gas, renewable fuels, or another similarly clean fuel; or

(3) projects in Minnesota to install a qualifying solar energy project as defined in subdivision 2.

(b) A municipality, rural electric association, or public utility that offers a program to customers to promote installing qualifying solar energy projects may request authority from the commissioner to exceed the five percent limit in paragraph (a), but not to exceed ten percent, to meet customer demand for installation of qualifying solar energy projects. In considering this request, the commissioner shall consider customer interest in qualifying solar energy and the impact on other customers. A municipality, rural electric association, or public utility may not participate in a qualifying solar energy project on a property unless it is provided evidence that all reasonable cost-effective conservation investments have previously been made to the property.

(c) For a municipality, rural electric association, or public utility, projects under this section must be considered energy conservation improvements, as defined in section ~~216B.241~~ 216B.2402, subdivision 6.

Sec. 93. Minnesota Statutes 2024, section 216B.2411, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision and section ~~216B.241, subdivision 1~~ 216B.2402, have the meanings given them.

(b) "Eligible renewable energy sources" means fuels and technologies to generate electricity through the use of any of the resources listed in section 216B.1691, subdivision 1, paragraph (c), except that the incineration of wastewater sludge is not an eligible renewable energy source, "biomass" has the meaning provided under paragraph (c), and "solar" must be from a qualified solar energy project as defined in paragraph (d).

(c) "Biomass" includes:

(1) methane or other combustible gases derived from the processing of plant or animal material;

(2) alternative fuels derived from soybean and other agricultural plant oils or animal fats;

(3) combustion of barley hulls, corn, soy-based products, or other agricultural products;

(4) wood residue from the wood products industry in Minnesota or other wood products such as short-rotation woody or fibrous agricultural crops;

(5) landfill gas;

(6) the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works; and

(7) mixed municipal solid waste, and refuse-derived fuel from mixed municipal solid waste.

(d) "Qualifying solar energy project" means a qualifying solar thermal project or qualifying solar electric project.

(e) "Qualifying solar thermal project" means a flat plate or evacuated tube that meets the requirements of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water, but does not include equipment used to heat water at a residential property (1) for domestic use if less than one-half of the energy used for that purpose is derived from the sun or (2) for use in a hot tub or swimming pool.

(f) "Qualifying solar electric project" means:

(1) solar electric equipment that: (i) meets the requirements of section 216C.25; (ii) has a peak generating capacity of 100 kilowatts or less; and (iii) is used to generate electricity for use in a residential, commercial, or publicly owned property or facility; and

(2) if applicable, equipment that is used to store the electricity generated by a qualified solar electric project under clause (1) and that is located proximate to the property or facility using the electricity.

(g) "Residential property" means the principal residence of a homeowner at the time the solar equipment is placed in service.

Sec. 94. Minnesota Statutes 2024, section 216B.2425, subdivision 7, is amended to read:

Subd. 7. **Transmission needed to support renewable resources.** ~~(a)~~ Each entity subject to this section shall determine necessary transmission upgrades to support development of renewable energy resources required to meet objectives under section 216B.1691 and shall include those upgrades in its report under subdivision 2.

~~(b) MS 2008 [Expired]~~

Sec. 95. Minnesota Statutes 2024, section 216B.2427, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428, the following terms have the meanings given.

(b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of biomass, or other effective conversion processes.

(c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise be released into the atmosphere.

(d) "Carbon-free resource" means an electricity generation facility whose operation does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(e) "Disadvantaged community" means a community in Minnesota that is:

(1) defined as disadvantaged by the federal agency disbursing federal funds, when the federal agency is providing funds for an innovative resource; or

(2) an environmental justice area, as defined under section 216B.1691, subdivision 1.

(f) "District energy" means a heating or cooling system that is solar thermal powered or that uses the constant temperature of the earth or underground aquifers as a thermal exchange medium to heat or cool multiple buildings connected through a piping network.

(g) "Energy efficiency" has the meaning given in section ~~216B.241, subdivision 1, paragraph (f)~~ 216B.2402, subdivision 7, but does not include energy conservation investments

that the commissioner determines could reasonably be included in a utility's conservation improvement program.

(h) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by anthropogenic sources within Minnesota and from the generation of electricity imported from outside the state and consumed in Minnesota, excluding carbon dioxide that is injected into geological formations to prevent its release to the atmosphere in compliance with applicable laws.

(i) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture, strategic electrification, district energy, and energy efficiency.

(j) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas emissions resulting from the production, processing, transmission, and consumption of an energy resource.

(k) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas emissions per unit of energy delivered to an end user.

(l) "Nonexempt customer" means a utility customer that has not been included in a utility's innovation plan under subdivision 3, paragraph (f).

(m) "Power-to-ammonia" means the production of ammonia from hydrogen produced via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity than does natural gas produced from conventional geologic sources.

(n) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to produce hydrogen.

(o) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1.

(p) "Renewable natural gas" means biogas that has been processed to be interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural gas produced from conventional geologic sources.

(q) "Solar thermal" has the meaning given to qualifying solar thermal project in section 216B.2411, subdivision 2, paragraph (d).

(r) "Strategic electrification" means the installation of electric end-use equipment in an existing building in which natural gas is a primary or back-up fuel source, or in a newly

constructed building in which a customer receives natural gas service for one or more end-uses, provided that the electric end-use equipment:

(1) results in a net reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient commercially available natural gas alternative; and

(2) is installed and operated in a manner that improves the load factor of the customer's electric utility.

Strategic electrification does not include investments that the commissioner determines could reasonably be included in the natural gas utility's conservation improvement program under section 216B.241.

(s) "Thermal energy network" means a project that provides heating and cooling to multiple buildings connected via underground piping containing fluids that, in concert with heat pumps, exchange thermal energy from the earth, underground or surface waters, wastewater, or other heat sources.

(t) "Total incremental cost" means the calculation of the following components of a utility's innovation plan approved by the commission under subdivision 2:

(1) the sum of:

(i) return of and on capital investments for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(ii) incremental operating costs associated with capital investments in infrastructure for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(iii) incremental costs to procure innovative resources from third parties;

(iv) incremental costs to develop and administer programs; and

(v) incremental costs for research and development related to innovative resources;

(2) less the sum of:

(i) value received by the utility upon the resale of innovative resources or innovative resource by-products, including any environmental credits included with the resale of renewable gaseous fuels or value received by the utility when innovative resources are used as vehicle fuel;

(ii) cost savings achieved through avoidance of purchases of natural gas produced from conventional geologic sources, including but not limited to avoided commodity purchases and avoided pipeline costs; and

(iii) other revenues received by the utility that are directly attributable to the utility's implementation of an innovation plan.

(u) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas sales or natural gas transportation services to customers in Minnesota.

Sec. 96. Minnesota Statutes 2024, section 216B.2427, subdivision 2, is amended to read:

Subd. 2. **Innovation plans.** (a) A natural gas utility may file an innovation plan with the commission. The utility's plan must include, as applicable, the following components:

(1) the innovative resource or resources the utility plans to implement to contribute to meeting the state's greenhouse gas and renewable energy goals, including those established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, within the requirements and limitations set forth in this section;

(2) research and development investments related to innovative resources the utility plans to undertake;

(3) total lifecycle greenhouse gas emissions that the utility projects are reduced or avoided through implementing the plan;

(4) a comparison of the estimate in clause (3) to total emissions from natural gas use by utility customers in 2020;

(5) a description of each pilot program included in the plan that is related to the development or provision of innovative resources, and an estimate of the total incremental costs to implement each pilot program;

(6) the cost-effectiveness of innovative resources calculated from the perspective of the utility, society, the utility's nonparticipating customers, and the utility's participating customers compared to other innovative resources that could be deployed to reduce or avoid the same greenhouse gas emissions targeted for reduction by the utility's proposed innovative resource;

(7) for any pilot program not previously approved as part of the utility's most recent innovation plan, a third-party analysis of:

(i) the lifecycle greenhouse gas emissions intensity of the proposed innovative resources; and

(ii) the forecasted lifecycle greenhouse gas emissions reduced or avoided if the proposed pilot program is implemented;

(8) an explanation of the methodology used by the utility to calculate the lifecycle greenhouse gas emissions avoided or reduced by each pilot program included in the plan, including descriptions of how the utility's method deviated, if at all, from the carbon accounting frameworks established by the commission under section 216B.2428;

(9) a discussion of whether the plan supports the development and use of alternative agricultural products, waste reduction, reuse, or anaerobic digestion of organic waste, and the recovery of energy from wastewater, and, if it does, a description of the geographic areas of the state in which the benefits are realized;

(10) a description of third-party systems and processes the utility plans to use to:

(i) track the innovative resources included in the plan so that environmental benefits produced by the plan are not claimed for any other program; and

(ii) verify the environmental attributes and greenhouse gas emissions intensity of innovative resources included in the plan;

(11) projected local job impacts resulting from implementation of the plan and a description of steps the utility and the utility's energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers;

(12) a description of how the utility proposes to recover annual total incremental costs of the plan;

(13) steps the utility has taken or proposes to take to reduce the expected cost of the plan on low- and moderate-income residential customers and to ensure that low- and moderate-income residential customers benefit from innovative resources included in the plan;

(14) a report on the utility's progress toward implementing the utility's previously approved innovation plan, if applicable;

(15) a report of the utility's progress toward achieving the cost-effectiveness objectives established by the commission with respect to the utility's previously approved innovation plan, if applicable; and

(16) collections of pilot programs that the utility estimates would, if implemented, provide approximately 50 percent, 150 percent, and 200 percent of the greenhouse gas reduction or avoidance benefits of the utility's proposed plan.

(b) The commission must approve, modify, or reject a plan. The commission must not approve an innovation plan unless the commission finds:

(1) the size, scope, and scale of the plan produces net benefits under the cost-benefit framework established by the commission in section 216B.2428;

(2) the plan promotes the use of renewable energy resources and reduces or avoids greenhouse gas emissions at a cost level consistent with subdivision 3;

(3) the plan promotes local economic development;

(4) the innovative resources included in the plan have a lower lifecycle greenhouse gas intensity than natural gas produced from conventional geologic sources;

(5) the systems used to track and verify the environmental attributes of the innovative resources included in the plan are reasonable, considering available third-party tracking and verification systems;

(6) the costs and revenues projected under the plan are reasonable in comparison to other innovative resources the utility could deploy to reduce greenhouse gas emissions, considering other benefits of the innovative resources included in the plan;

(7) the total amount of estimated greenhouse gas emissions reduction or avoidance to be achieved under the plan is reasonable considering the state's greenhouse gas and renewable energy goals, including those established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1; customer cost; and the total amount of greenhouse gas emissions reduction or avoidance achieved under the utility's previously approved plans, if applicable; and

(8) any renewable natural gas purchased by a utility under the plan that is produced from the anaerobic digestion of manure is certified as being produced at an agricultural livestock production facility that has not and does not increase the number of animal units at the facility solely or primarily to produce renewable natural gas for the plan.

(c) In seeking to recover costs under a plan approved by the commission under this section, the utility must demonstrate to the satisfaction of the commission that the actual total incremental costs incurred to implement the approved innovation plan are reasonable. Prudently incurred costs under an approved plan, including prudently incurred costs to obtain the third-party analysis required in paragraph (a), clauses (6) and (7), are recoverable either:

(1) under section 216B.16, subdivision 7, clause (2), via the utility's purchased gas adjustment;

(2) in the utility's next general rate case; or

(3) via annual adjustments, provided that after notice and comment the commission determines that the costs included for recovery through rates are prudently incurred. Annual adjustments must include a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and incremental operation and maintenance expenses. The rate of return must be at the level approved by the commission in the utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.

(d) The commission may not approve a utility's initial plan filed under this section unless:

(1) 50 percent or more of the utility's costs approved by the commission for recovery under the plan are for the procurement and distribution of renewable natural gas, biogas, hydrogen produced via power-to-hydrogen, and ammonia produced via power-to-ammonia; and

(2) the utility's costs approved by the commission for recovery for any pilot program to facilitate the development, expansion, or modification of district energy systems, as required under subdivision 9, represent no more than 20 percent of the total costs approved by the commission for recovery under the plan.

(e) Upon approval of a utility's plan, the commission shall establish cost-effectiveness objectives for the plan based on the cost-benefit test for innovative resources developed under section 216B.2428. The cost-effectiveness objective for each plan must demonstrate incremental progress from the previously approved plan's cost-effectiveness objective.

(f) A utility operating under an approved plan must file annual reports to the commission on work completed under the plan, including:

(1) costs incurred;

(2) lifecycle greenhouse gas emissions reductions or avoidance achieved;

(3) a description of the processes used to track and verify the innovative resources and to retire the associated environmental attributes;

(4) an assessment of the degree to which the lifecycle greenhouse gas accounting methodology is consistent with current science;

(5) the economic impact of the plan, including job creation;

(6) the utility's progress toward achieving the cost-effectiveness objectives established by the commission; and

(7) modifications to elements of the plan proposed by the utility.

(g) When evaluating a utility's annual report, the commission may:

(1) approve the continuation of a pilot program included in the plan, with or without modifications;

(2) require the utility to file a new or modified pilot program or plan; or

(3) disapprove the continuation of a pilot program or plan.

(h) An innovation plan has a term of five years. A subsequent innovation plan must be filed no later than four years after the previous plan was approved by the commission so that, if approved, the new plan takes effect immediately upon expiration of the previous plan.

(i) For purposes of this section and the commission's lifecycle carbon accounting framework and cost-benefit test for innovative resources under section 216B.2428, any required analysis of lifecycle greenhouse gas emissions reductions or avoidance, or lifecycle greenhouse gas intensity:

(1) must include but is not limited to estimates of:

(i) avoided or reduced greenhouse gas emissions attributable to utility operations;

(ii) avoided or reduced greenhouse gas emissions from the production, processing, and transmission of fuels prior to receipt by the utility; and

(iii) avoided or reduced greenhouse gas emissions at the point of end use;

(2) must not count any unit of greenhouse gas emissions avoidance or reduction more than once; and

(3) may, where direct measurement is not technically or economically feasible, rely on emissions factors, default values, or engineering estimates from a publicly accessible source accepted by a federal or state government agency, provided that the emissions factors, default values, or engineering estimates can be demonstrated to the satisfaction of the commission to produce a reasonable estimate of greenhouse gas emissions reductions, avoidance, or intensity.

(j) ~~Strategic electrification implemented in a plan approved by the commission under this section is not eligible for a financial incentive under section 216B.241, subdivision 2c.~~ Electric end-use equipment installed under a plan approved by the commission under this section is the exclusive property of the building owner.

Sec. 97. Minnesota Statutes 2024, section 216C.437, subdivision 19, is amended to read:

Subd. 19. **Right to rescind a residential PACE loan contract.** (a) A homeowner shall have the right to rescind, without penalty or obligation, a residential PACE loan contract until midnight on the third calendar day following execution of the contract by the homeowner. For the purposes of this subdivision, the rescission period begins at 12:01 a.m. of the day following the day the contract was executed by the homeowner.

(b) The homeowner shall notify the offering party of the rescission by:

(1) mail or other written communications delivered to the offeror's physical address; or

(2) ~~by~~ electronic means if the residential PACE administrator or residential PACE contractor has previously communicated with the homeowner via electronic means. Service by mail is effective upon deposit in the United States mail.

(c) Any payments made by the homeowner in connection with the residential PACE loan or a home improvement contract for cost-effective energy improvements financed with a residential PACE loan must be returned to the homeowner within 20 business days after receipt by the administrator or the contractor by any means of notification of rescission.

(d) When more than one homeowner in a transaction has the right to rescind, the exercise of the right by one consumer shall be effective as to all homeowners.

Sec. 98. Minnesota Statutes 2024, section 216I.06, subdivision 2, is amended to read:

Subd. 2. **Public hearing.** (a) No sooner than 15 days after the date the draft environmental impact statement is published, the commission must hold a public hearing on an application for a large energy infrastructure facility site or route permit. A hearing held to designate a site or route must be conducted by an administrative law judge from the Office of Administrative Hearings.

(b) The commission may designate a portion of the hearing to be conducted as a contested case proceeding under chapter 14.

(c) The commission must provide notice of the hearing at least ten days before but no earlier than 45 days before the date the hearing commences. The commission must provide notice by (1) publishing in a legal newspaper of general circulation in the county in which the public hearing is to be held, (2) mailing to chief executives of the regional development commissions, counties, organized towns, townships, and incorporated municipalities in which a site or route is proposed, and (3) <u>mailing to</u> Tribal governments, as defined by section 10.65, subdivision 2.

(d) Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses.

(e) The administrative law judge must hold a portion of the hearing in the area where the large energy infrastructure facility's location is proposed.

(f) The commission and administrative law judge must accept written comments for at least 20 days after the public hearing's date.

Sec. 99. Minnesota Statutes 2024, section 245A.03, subdivision 6, is amended to read:

Subd. 6. **Right to seek certification.** Nothing in this section shall prohibit a residential program licensed by the commissioner of corrections to serve children~~,~~ that is excluded from licensure under subdivision 2, paragraph (a), clause ~~(10)~~ (9), from seeking certification from the commissioner of human services under this chapter for program services for which certification standards have been adopted.

Sec. 100. Minnesota Statutes 2024, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, which does not include child foster residence settings with residential program certifications for compliance with the Family First Prevention Services Act under section 245A.25, subdivision 1, paragraph (a), or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a child foster residence setting that was previously exempt from the licensing moratorium under this paragraph has its Family First Prevention Services Act certification rescinded under section 245A.25, subdivision 9, or if a family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24; or

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care~~;~~ ~~or~~.

~~(5) new community residential setting licenses determined necessary by the commissioner for people affected by the closure of homes with a capacity of five or six beds currently licensed as supervised living facilities licensed under Minnesota Rules, chapter 4665, but not designated as intermediate care facilities. This exception is available until June 30, 2025.~~

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) must be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information must be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days

after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

Sec. 101. Minnesota Statutes 2025 Supplement, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner

shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section ~~245A.043~~ 245A.05.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy before the employee, subcontractor, or volunteer has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant,

except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Sec. 102. Minnesota Statutes 2024, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of

a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or the actions of other individuals or conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations. For suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that, since the license was revoked, the license holder committed additional violations of law or rule which may adversely affect the health or safety of persons served by the program.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. When an appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days after an immediate suspension has been issued and the license holder has not submitted a timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall determine:

(1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a), clauses (1) to ~~(6)~~ (5). The license holder shall continue to be prohibited from operation of the program during this 90-day period; or

(2) whether the outcome of related, ongoing investigations or judicial proceedings are necessary to determine if a final licensing sanction under subdivision 3, paragraph (a), clauses (1) to ~~(6)~~ (5), will be issued and whether persons served by the program remain at an imminent risk of harm during the investigation period or proceedings. If so, the commissioner shall issue a suspension order under subdivision 3, paragraph (a), clause ~~(7)~~ (6).

(c) When the final order under paragraph (b) affirms an immediate suspension, or the license holder does not submit a timely appeal of the immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction.

(d) The license holder shall continue to be prohibited from operation of the program while a suspension order issued under paragraph (b), clause (2), remains in effect.

(e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that a criminal complaint and warrant or summons was issued for the license holder that was not dismissed, and that the criminal charge is an offense that involves fraud or theft against a program administered by the commissioner.

Sec. 103. Minnesota Statutes 2025 Supplement, section 245A.191, is amended to read:

**245A.191 PROVIDER ELIGIBILITY FOR PAYMENTS FROM THE BEHAVIORAL HEALTH FUND.**

(a) When a substance use disorder treatment provider licensed under this chapter, and governed by the standards of chapter 245G or Minnesota Rules, parts 2960.0430 to 2960.0490, agrees to meet the applicable requirements under sections ~~245B.0505~~ 254B.0505 and 254B.0507 to be eligible for enhanced funding from the behavioral health fund, the applicable requirements under sections 254B.0501 to 254B.0507 are also licensing requirements that may be monitored for compliance through licensing investigations and licensing inspections.

(b) Noncompliance with the requirements identified under paragraph (a) may result in:

(1) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(2) nonpayment of claims submitted by the license holder for public program reimbursement;

(3) recovery of payments made for the service;

(4) disenrollment in the public payment program; or

(5) other administrative, civil, or criminal penalties as provided by law.

Sec. 104. Minnesota Statutes 2025 Supplement, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required for studies under this chapter when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and

physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 142E, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) information received from a national criminal history record check, if authorized for the study; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 142E, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry;

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 142E, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website; and

(8) for a background study required for treatment programs for sexual psychopathic personalities or sexually dangerous persons, the background study shall only include a review of the information required under ~~paragraph (a),~~ clauses (1) to (4).

(b) Except as otherwise provided in this paragraph, notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless:

(1) the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner; or

(2) the commissioner received notice of the expungement order issued pursuant to section 609A.017, 609A.025, or 609A.035, and the order for expungement is directed specifically to the commissioner.

The commissioner may not consider information obtained under paragraph (a), clauses (3) and (4), or from any other source that identifies a violation of chapter 152 without determining if the offense involved the possession of marijuana or tetrahydrocannabinol

and, if so, whether the person received a grant of expungement or order of expungement, or the person was resentenced to a lesser offense. If the person received a grant of expungement or order of expungement, the commissioner may not consider information related to that violation but may consider any other relevant information arising out of the same incident.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

Sec. 105. Minnesota Statutes 2024, section 245D.03, subdivision 2, is amended to read:

Subd. 2. **Relationship to other standards governing home and community-based services.** (a) A license holder governed by this chapter is also subject to the licensure requirements under chapter 245A.

(b) This chapter does not apply to corporate or family child foster care homes that do not provide services licensed under this chapter.

(c) A family adult foster care site controlled by a license holder providing services governed by this chapter is exempt from compliance with Minnesota Rules, parts 9555.6185; 9555.6225, subpart 8; 9555.6245; ~~9555.6255;~~ and 9555.6265. These exemptions apply to family adult foster care homes where at least one resident is receiving residential supports and services licensed according to this chapter. This chapter does not apply to family adult foster care homes that do not provide services licensed under this chapter.

(d) A license holder providing services licensed according to this chapter in a supervised living facility is exempt from compliance with section 245D.04.

(e) A license holder providing residential services to persons in an ICF/DD is exempt from compliance with sections 245D.04; 245D.05, subdivision 1b; 245D.06, subdivision

2, clauses (4) and (5); 245D.071, subdivisions 4 and 5; 245D.081, subdivision 2; 245D.09, subdivision 7; 245D.095, subdivision 2; and 245D.11, subdivision 3.

(f) A license holder providing homemaker services licensed according to this chapter and registered according to chapter 144A is exempt from compliance with section 245D.04.

(g) Nothing in this chapter prohibits a license holder from concurrently serving persons without disabilities or people who are or are not age 65 and older, provided this chapter's standards are met as well as other relevant standards.

(h) The documentation required under sections 245D.07 and 245D.071 must meet the individual program plan requirements identified in section 256B.092 or successor provisions.

Sec. 106. Minnesota Statutes 2024, section 245F.03, is amended to read:

**245F.03 APPLICATION.**

(a) This chapter establishes minimum standards for withdrawal management programs licensed by the commissioner that serve one or more unrelated persons.

(b) This chapter does not apply to a withdrawal management program licensed as a hospital under sections 144.50 to 144.581. A withdrawal management program located in a hospital licensed under sections 144.50 to 144.581 that chooses to be licensed under this chapter is deemed to be in compliance with section 245F.13.

~~(c) Minnesota Rules, parts 9530.6600 to 9530.6655, do not apply to withdrawal management programs licensed under this chapter.~~

Sec. 107. Minnesota Statutes 2024, section 245G.11, subdivision 1, is amended to read:

Subdivision 1. **General qualifications.** ~~(a)~~ All staff members who have direct contact must be 18 years of age or older.

Sec. 108. Minnesota Statutes 2024, section 245G.22, subdivision 6, is amended to read:

Subd. 6. **Criteria for unsupervised use.** (a) To limit the potential for diversion of medication used for the treatment of opioid use disorder to the illicit market, medication dispensed to a client for unsupervised use shall be subject to the requirements of this subdivision. Any client in an opioid treatment program may receive their individualized take-home doses as ordered for days that the clinic is closed for business, on one weekend day (e.g., Sunday) and state and federal holidays, no matter their length of time in treatment, as allowed under Code of Federal Regulations, title 42, ~~part~~ section 8.12 (i)(1).

(b) For take-home doses beyond those allowed by paragraph (a), a practitioner must review and document the criteria in the Code of Federal Regulations, title 42, ~~part~~ section 8.12 (i)(2), when determining whether dispensing medication for a client's unsupervised use is safe and it is appropriate to implement, increase, or extend the amount of time between visits to the program.

(c) The determination, including the basis of the determination must be documented by a practitioner in the client's medical record.

Sec. 109. Minnesota Statutes 2024, section 253B.02, subdivision 4c, is amended to read:

Subd. 4c. **County of financial responsibility.** (a) "County of financial responsibility" has the meaning specified in chapter 256G. This definition does not require that the person qualifies for or receives any other form of financial, medical, or social service assistance in addition to the services under this chapter. Disputes about the county of financial responsibility shall be submitted for determination to the executive board through the commissioner of human services in the manner prescribed in section 256G.09.

(b) For purposes of proper venue for filing a petition pursuant to section ~~253B.064, subdivision 1, paragraph (a);~~ 253B.07, subdivision 1, paragraph (a)~~;~~, or 253D.07, where the designated agency of a county has determined that it is the county of financial responsibility, then that county is the county of financial responsibility until a different determination is made by the appropriate county agencies or the commissioner pursuant to chapter 256G.

Sec. 110. Minnesota Statutes 2025 Supplement, section 253B.10, subdivision 1, is amended to read:

Subdivision 1. **Administrative requirements.** (a) When a person is committed, the court shall issue a warrant or an order committing the patient to the custody of the head of the treatment facility, state-operated treatment program, or community-based treatment program. The warrant or order shall state that the patient meets the statutory criteria for civil commitment.

(b) The executive board shall prioritize civilly committed patients being admitted from jail or a correctional institution or who are referred to a state-operated treatment facility for competency attainment or a competency examination under sections 611.40 to 611.59 for admission to a medically appropriate state-operated direct care and treatment bed based on the decisions of physicians in the executive medical director's office, using a priority

admissions framework. The framework must account for a range of factors for priority admission, including but not limited to:

(1) the length of time the person has been on a waiting list for admission to a state-operated direct care and treatment program since the date of the order under paragraph (a), or the date of an order issued under sections 611.40 to 611.59;

(2) the intensity of the treatment the person needs, based on medical acuity;

(3) the person's revoked provisional discharge status;

(4) the person's safety and safety of others in the person's current environment;

(5) whether the person has access to necessary or court-ordered treatment;

(6) distinct and articulable negative impacts of an admission delay on the facility referring the individual for treatment; and

(7) any relevant federal prioritization requirements.

Patients described in this paragraph must be admitted to a state-operated treatment program within the timelines specified in section 253B.1005. The commitment must be ordered by the court as provided in section 253B.09, subdivision 1, paragraph (d). Patients committed to a secure treatment facility or less restrictive setting as ordered by the court under section 253B.18, subdivisions 1 and 2, must be prioritized for admission to a state-operated treatment program using the priority admissions framework in this paragraph.

(c) Upon the arrival of a patient at the designated treatment facility, state-operated treatment program, or community-based treatment program, the head of the facility or program shall retain the duplicate of the warrant and endorse receipt upon the original warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must be filed in the court of commitment. After arrival, the patient shall be under the control and custody of the head of the facility or program.

(d) Copies of the petition for commitment, the court's findings of fact and conclusions of law, the court order committing the patient, the report of the court examiners, and the prepetition report, and any medical and behavioral information available shall be provided at the time of admission of a patient to the designated treatment facility or program to which the patient is committed. Upon a patient's referral to the executive board for admission pursuant to ~~subdivision 1,~~ paragraph (b), any inpatient hospital, treatment facility, jail, or correctional facility that has provided care or supervision to the patient in the previous two years shall, when requested by the treatment facility or executive board, provide copies of the patient's medical and behavioral records to the executive board for purposes of

preadmission planning. This information shall be provided by the head of the treatment facility to treatment facility staff in a consistent and timely manner and pursuant to all applicable laws.

(e) Within four business days of determining which state-operated direct care and treatment program or programs are appropriate for an individual, the executive medical director or a designee must notify the source of the referral and the responsible county human services agency, the individual being ordered to direct care and treatment, and the district court that issued the order of the determination. The initial notice shall include the individual's relative priority status by quartile and contact information for the Direct Care and Treatment central preadmissions office. Detailed information on factors impacting the individual's priority status is available from the central preadmissions office upon request, consistent with section 13.04. Any interested person or the individual being ordered to direct care and treatment may provide additional information to or request updated priority status about the individual from the executive medical director or a designee while the individual is awaiting admission. Priority status information for an individual will only be disclosed to interested persons who are legally authorized to receive private information about the individual, including the designated agency and the facility to which the individual is awaiting admission. Specific updated priority status information may be withheld from the individual being ordered to direct care and treatment if, in the judgment of the physicians in the executive medical director's office, the information will jeopardize the individual's health or well-being.

(f) For any individual not admitted to a state-operated direct care and treatment program within 60 business days after the initial notice under paragraph (e), the executive medical director or a designee must provide additional notice to the responsible county human services agency, the individual being ordered to direct care and treatment, and the district court that issued the order of the determination. The additional notice must include updates to the same information provided in the previous notice.

(g) When an available bed has been identified, the executive medical director or a designee must notify the designated agency and the facility where the individual is awaiting admission that the individual has been accepted for admission to a particular state-operated direct care and treatment program and the earliest possible date the admission can occur. The designated agency or facility where the individual is awaiting admission must transport the individual to the admitting direct care and treatment program no more than 48 hours after the offered admission date.

Sec. 111. Minnesota Statutes 2025 Supplement, section 254B.0507, subdivision 2, is amended to read:

Subd. 2. **Child care.** (a) Programs that serve parents with their children are eligible for an enhanced payment rate if the program:

(1) provides on-site child care during the hours of treatment activity that:

(i) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(ii) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(2) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter ~~245A~~ 142B as:

(i) a child care center under Minnesota Rules, chapter 9503; or

(ii) a family child care home under Minnesota Rules, chapter 9502.

(b) In order to be eligible for a higher rate under this subdivision, a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

Sec. 112. Minnesota Statutes 2024, section 256.017, subdivision 2, is amended to read:

Subd. 2. **Definitions.** The following terms have the meanings given for purposes of this section.

(a) "Administrative penalty" means an adjustment against the county agency's state and federal benefit and federal administrative reimbursement when the commissioner determines that the county agency is not in compliance with the policies and procedures established by the commissioner.

(b) "Commissioner" means the commissioner of human services for programs listed in subdivision 1, paragraph ~~(b)~~ (a), and the commissioner of children, youth, and families for programs listed in subdivision 1, paragraph ~~(c)~~ (b).

(c) "Quality control case penalty" means an adjustment against the county agency's federal administrative reimbursement and state and federal benefit reimbursement when the commissioner determines through a quality control review that the county agency has made incorrect payments, terminations, or denials of benefits as determined by state quality control procedures for the aid to families with dependent children program formerly codified

in sections 256.72 to 256.87, Minnesota family investment program, SNAP, or medical assistance programs, or any other programs for which the commissioner has developed a quality control system. Quality control case penalties apply only to agency errors as defined by state quality control procedures.

(d) "Quality control/quality assurance" means a review system of a statewide random sample of cases, designed to provide data on program outcomes and the accuracy with which state and federal policies are being applied in issuing benefits and as a fiscal audit to ensure the accuracy of expenditures. The quality control/quality assurance system is administered by the department. For the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, SNAP, and medical assistance, the quality control system is that required by federal regulation, or those developed by the commissioner.

Sec. 113. Minnesota Statutes 2024, section 256.043, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) The opiate epidemic response fund is established in the state treasury. The commissioner of management and budget shall establish within the opiate epidemic response fund two accounts: (1) a registration and license fee account; and (2) a settlement account. Beginning in fiscal year 2021, for each fiscal year, the fund shall be administered according to this section.

(b) The commissioner of management and budget shall deposit into the registration and license fee account the registration fee assessed by the Board of Pharmacy under section 151.066 and the license fees identified in section 151.065, subdivision 7, ~~paragraphs~~ paragraph (b) ~~and (c)~~.

(c) The commissioner of management and budget shall deposit into the settlement account any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, pursuant to section 16A.151, subdivision 2, paragraph (f).

Sec. 114. Minnesota Statutes 2024, section 256.9657, subdivision 1a, is amended to read:

Subd. 1a. **Waiver request.** The commissioner shall request a waiver from the secretary of health and human services to: (1) exclude from the surcharge under subdivision 1 a nursing home that provides all services free of charge; (2) make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge; and

(3) limit the hospital surcharge to acute care hospitals only. If a waiver is approved under this subdivision, the commissioner shall adjust the nursing home surcharge accordingly. ~~Any waivers granted by the federal government shall be effective on or after October 1, 1992.~~

Sec. 115. Minnesota Statutes 2024, section 256.9657, subdivision 3, is amended to read:

Subd. 3. **Surcharge on HMOs and community integrated service networks.** (a) ~~Effective October 1, 1992,~~ Each health maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D and each community integrated service network licensed by the commissioner under chapter 62N shall pay to the commissioner of human services a surcharge equal to six-tenths of one percent of the total premium revenues of the health maintenance organization or community integrated service network as reported to the commissioner of health according to the schedule in subdivision 4.

(b) For purposes of this subdivision, total premium revenue means:

(1) premium revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time which is normally one month, excluding premiums paid to a health maintenance organization or community integrated service network from the Federal Employees Health Benefit Program;

(2) premiums from Medicare wraparound subscribers for health benefits which supplement Medicare coverage;

(3) Medicare revenue, as a result of an arrangement between a health maintenance organization or a community integrated service network and the Centers for Medicare and Medicaid Services of the federal Department of Health and Human Services, for services to a Medicare beneficiary, excluding Medicare revenue that states are prohibited from taxing under sections 1854, 1860D-12, and 1876 of title XVIII of the federal Social Security Act, codified as United States Code, title 42, sections 1395mm, 1395w-112, and 1395w-24, respectively, as they may be amended from time to time; and

(4) medical assistance revenue, as a result of an arrangement between a health maintenance organization or community integrated service network and a Medicaid state agency, for services to a medical assistance beneficiary.

If advance payments are made under clause (1) or (2) to the health maintenance organization or community integrated service network for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

(c) When a health maintenance organization or community integrated service network merges or consolidates with or is acquired by another health maintenance organization or community integrated service network, the surviving corporation or the new corporation shall be responsible for the annual surcharge originally imposed on each of the entities or corporations subject to the merger, consolidation, or acquisition, regardless of whether one of the entities or corporations does not retain a certificate of authority under chapter 62D or a license under chapter 62N.

(d) Effective June 15 of each year, the surviving corporation's or the new corporation's surcharge shall be based on the revenues earned in the previous calendar year by all of the entities or corporations subject to the merger, consolidation, or acquisition regardless of whether one of the entities or corporations does not retain a certificate of authority under chapter 62D or a license under chapter 62N until the total premium revenues of the surviving corporation include the total premium revenues of all the merged entities as reported to the commissioner of health.

(e) When a health maintenance organization or community integrated service network, which is subject to liability for the surcharge under this chapter, transfers, assigns, sells, leases, or disposes of all or substantially all of its property or assets, liability for the surcharge imposed by this chapter is imposed on the transferee, assignee, or buyer of the health maintenance organization or community integrated service network.

(f) In the event a health maintenance organization or community integrated service network converts its licensure to a different type of entity subject to liability for the surcharge under this chapter, but survives in the same or substantially similar form, the surviving entity remains liable for the surcharge regardless of whether one of the entities or corporations does not retain a certificate of authority under chapter 62D or a license under chapter 62N.

(g) The surcharge assessed to a health maintenance organization or community integrated service network ends when the entity ceases providing services for premiums and the cessation is not connected with a merger, consolidation, acquisition, or conversion.

Sec. 116. Minnesota Statutes 2024, section 256.975, subdivision 7d, is amended to read:

Subd. 7d. **Payment for preadmission screening.** (a) The Department of Human Services shall provide funding for preadmission screening to the Minnesota Board on Aging to cover screener salaries and expenses to provide the services described in subdivisions 7a to 7c. The Minnesota Board on Aging shall:

(1) employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide preadmission screening and level of care determination services; and

(2) seek to maximize federal funding for the service as provided under section 256.01, subdivision 2, paragraph ~~(aa)~~ (z).

(b) The Department of Human Services shall provide funding for preadmission screening follow-up to the Disability Hub for the under-60 population to cover options counseling salaries and expenses to provide the services described in subdivisions 7a to 7c. The Disability Hub shall:

(1) employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide preadmission screening follow-up services; and

(2) seek to maximize federal funding for the service as provided under section 256.01, subdivision 2, paragraph ~~(aa)~~ (z).

Sec. 117. Minnesota Statutes 2024, section 256.975, subdivision 9, is amended to read:

Subd. 9. **Prescription drug assistance.** The Minnesota Board on Aging shall establish and administer a prescription drug assistance program to assist individuals in accessing programs offered by pharmaceutical manufacturers that provide free or discounted prescription drugs or provide coverage for prescription drugs. The board shall use computer software programs to:

(1) list eligibility requirements for pharmaceutical assistance programs offered by manufacturers;

(2) list drugs that are included in a supplemental rebate contract between the commissioner and a pharmaceutical manufacturer under section 256.01, subdivision 2, paragraph ~~(u)~~ (t); and

(3) link individuals with the pharmaceutical assistance programs most appropriate for the individual. The board shall make information on the prescription drug assistance program available to interested individuals and health care providers and shall coordinate the program with the statewide information and assistance service provided through the Senior LinkAge Line under subdivision 7.

Sec. 118. Minnesota Statutes 2024, section 256B.04, subdivision 15, is amended to read:

Subd. 15. **Utilization review.** (a) The commissioner must establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in prepaid health plans, long-term care facilities, or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both prepayment and postpayment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group or health care consultant appointed by the commissioner.

(b) Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16C.

(c) A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. Unless otherwise provided by law, a vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

(d) The commissioner may select providers to provide case management services to recipients who use health care services inappropriately or to recipients who are eligible for other managed care projects. The providers shall be selected based upon criteria that may include a comparison with a peer group of providers related to the quality, quantity, or cost of health care services delivered or a review of sanctions previously imposed by health care services programs or the provider's professional licensing board.

Sec. 119. Minnesota Statutes 2024, section 256B.051, subdivision 7, is amended to read:

Subd. 7. **Housing support supplemental service rates.** Supplemental service rates for individuals in settings according to sections ~~144D.025,~~ 256I.04, subdivision 3, paragraph (a), clause (3), and 256I.05, subdivision 1g, shall be reduced by one-half over a two-year

period. This reduction only applies to supplemental service rates for individuals eligible for housing stabilization services under this section.

Sec. 120. Minnesota Statutes 2025 Supplement, section 256B.055, subdivision 12, is amended to read:

Subd. 12. **Children with disabilities.** (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and the child requires a level of care provided in a hospital, nursing facility, or intermediate care facility for persons with developmental disabilities, for whom home care is appropriate, provided that the cost to medical assistance under this section is not more than the amount that medical assistance would pay for if the child resides in an institution. After the child is determined to be eligible under this section, the commissioner shall review the child's disability under United States Code, title 42, section 1382c(a) and level of care defined under this section no more often than annually and may elect, based on the recommendation of health care professionals under contract with the state medical review team, to extend the review of disability and level of care up to a maximum of four years. The commissioner's decision on the frequency of continuing review of disability and level of care is not subject to administrative appeal under section 256.045. The county agency shall send a notice of disability review to the enrollee six months prior to the date the recertification of disability is due. Nothing in this subdivision shall be construed as affecting other redeterminations of medical assistance eligibility under this chapter and annual cost-effective reviews under this section.

(b) For purposes of this subdivision, "hospital" means an institution as defined in section 144.696, subdivision 3, or 144.55, subdivision 3, ~~or Minnesota Rules, part 4640.3600,~~ and licensed pursuant to sections 144.50 to 144.58. For purposes of this subdivision, a child requires a level of care provided in a hospital if the child is determined by the commissioner to need an extensive array of health services, including mental health services, for an undetermined period of time, whose health condition requires frequent monitoring and treatment by a health care professional or by a person supervised by a health care professional, who would reside in a hospital or require frequent hospitalization if these services were not provided, and the daily care needs are more complex than a nursing facility level of care.

A child with serious mental illness requires a level of care provided in a hospital if the commissioner determines that the individual requires 24-hour supervision because the person

exhibits recurrent or frequent suicidal or homicidal ideation or behavior, recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become life threatening, recurrent or frequent severe socially unacceptable behavior associated with psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic developmental problems requiring continuous skilled observation, or severe disabling symptoms for which office-centered outpatient treatment is not adequate, and which overall severely impact the individual's ability to function.

(c) For purposes of this subdivision, "nursing facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable episodes of active disease processes requiring immediate judgment by a licensed nurse. For purposes of this subdivision, a child requires the level of care provided in a nursing facility if the child is determined by the commissioner to meet the requirements of the preadmission screening assessment document under section 256B.0911, adjusted to address age-appropriate standards for children age 18 and under.

(d) For purposes of this subdivision, "intermediate care facility for persons with developmental disabilities" or "ICF/DD" means a program licensed to provide services to persons with developmental disabilities under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota Department of Health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with developmental disabilities who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child requires a level of care provided in an ICF/DD if the commissioner finds that the child has a developmental disability in accordance with section 256B.092, is in need of a 24-hour plan of care and active treatment similar to persons with developmental disabilities, and there is a reasonable indication that the child will need ICF/DD services.

(e) For purposes of this subdivision, a person requires the level of care provided in a nursing facility if the person requires 24-hour monitoring or supervision and a plan of mental health treatment because of specific symptoms or functional impairments associated with a serious mental illness or disorder diagnosis, which meet severity criteria for mental health established by the commissioner and published in March 1997 as the Minnesota Mental Health Level of Care for Children and Adolescents with Severe Emotional Disorders.

(f) The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by (1) the parent or guardian, (2) the child's physician or physicians, advanced practice registered nurse or advanced practice registered nurses, or physician assistant or physician assistants, and (3) other professionals as requested by the commissioner. The commissioner shall establish a screening team to conduct the level of care determinations according to this subdivision.

(g) If a child meets the conditions in paragraph (b), (c), (d), or (e), the commissioner must assess the case to determine whether:

(1) the child qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance if residing in a medical institution; and

(2) the cost of medical assistance services for the child, if eligible under this subdivision, would not be more than the cost to medical assistance if the child resides in a medical institution to be determined as follows:

(i) for a child who requires a level of care provided in an ICF/DD, the cost of care for the child in an institution shall be determined using the average payment rate established for the regional treatment centers that are certified as ICF's/DD;

(ii) for a child who requires a level of care provided in an inpatient hospital setting according to paragraph (b), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3520, items F and G; and

(iii) for a child who requires a level of care provided in a nursing facility according to paragraph (c) or (e), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates which would be paid for children under age 16. The commissioner may authorize an amount up to the amount medical assistance would pay for a child referred to the commissioner by the preadmission screening team under section 256B.0911.

Sec. 121. Minnesota Statutes 2025 Supplement, section 256B.0615, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified peer specialist services~~, as established in subdivision 2,~~ if provided to recipients who are eligible for services under sections 256B.0622, 256B.0623, 256B.0624, and 256B.0632 and are provided by a mental health certified peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 10.

Sec. 122. Minnesota Statutes 2025 Supplement, section 256B.0616, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified family peer specialists services, ~~as established in subdivision 2,~~ subject to federal approval, if provided to recipients who have a mental illness or serious mental illness under chapter 245, and are provided by a mental health certified family peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 12. A family peer specialist cannot provide services to the peer specialist's family.

Sec. 123. Minnesota Statutes 2024, section 256B.0624, subdivision 4, is amended to read:

Subd. 4. **Provider entity standards.** (a) A mobile crisis provider must be:

(1) a county board operated entity;

(2) an Indian health services facility or facility owned and operated by a tribe or Tribal organization operating under United States Code, title 325, section 450f; or

(3) a provider entity that is under contract with the county board in the county where the potential crisis or emergency is occurring. To provide services under this section, the provider entity must directly provide the services; or if services are subcontracted, the provider entity must maintain responsibility for services and billing.

(b) A mobile crisis provider must meet the following standards:

(1) ensure that crisis screenings, crisis assessments, and crisis intervention services are available to a recipient 24 hours a day, seven days a week;

(2) be able to respond to a call for services in a designated service area or according to a written agreement with the local mental health authority for an adjacent area;

(3) have at least one mental health professional on staff at all times and at least one additional staff member capable of leading a crisis response in the community; and

(4) provide the commissioner with information about the number of requests for service, the number of people that the provider serves face-to-face, outcomes, and the protocols that the provider uses when deciding when to respond in the community.

(c) A provider entity that provides crisis stabilization services in a residential setting under subdivision 7 is not required to meet the requirements of paragraphs (a) and (b), but must meet all other requirements of this subdivision.

(d) A crisis services provider must have the capacity to meet and carry out the standards in section 245I.011, subdivision 5, and the following standards:

(1) ensures that staff persons provide support for a recipient's family and natural supports, by enabling the recipient's family and natural supports to observe and participate in the recipient's treatment, assessments, and planning services;

(2) has adequate administrative ability to ensure availability of services;

(3) is able to ensure that staff providing these services are skilled in the delivery of mental health crisis response services to recipients;

(4) is able to ensure that staff are implementing culturally specific treatment identified in the crisis treatment plan that is meaningful and appropriate as determined by the recipient's culture, beliefs, values, and language;

(5) is able to ensure enough flexibility to respond to the changing intervention and care needs of a recipient as identified by the recipient or family member during the service partnership between the recipient and providers;

(6) is able to ensure that staff have the communication tools and procedures to communicate and consult promptly about crisis assessment and interventions as services occur;

(7) is able to coordinate these services with county emergency services, community hospitals, ambulance, transportation services, social services, law enforcement, engagement services, and mental health crisis services through regularly scheduled interagency meetings;

(8) is able to ensure that services are coordinated with other behavioral health service providers, county mental health authorities, or federally recognized American Indian authorities and others as necessary, with the consent of the recipient or parent or guardian. Services must also be coordinated with the recipient's case manager if the recipient is receiving case management services;

(9) is able to ensure that crisis intervention services are provided in a manner consistent with sections 245.461 to 245.486 and 245.487 to 245.4879;

(10) is able to coordinate detoxification services for the recipient according to Minnesota Rules, parts ~~9530.6605 to 9530.6655~~ 9530.6510 to 9530.6590, or withdrawal management according to chapter 245F;

(11) is able to establish and maintain a quality assurance and evaluation plan to evaluate the outcomes of services and recipient satisfaction; and

(12) is an enrolled medical assistance provider.

Sec. 124. Minnesota Statutes 2024, section 256B.0658, is amended to read:

**256B.0658 HOUSING ACCESS GRANTS.**

The commissioner of human services shall award through a competitive process contracts for grants to public and private agencies to support and assist individuals with a disability as defined in section 256B.051, subdivision 2, paragraph ~~(e)~~ (g), to access housing. Grants may be awarded to agencies that may include, but are not limited to, the following supports: assessment to ensure suitability of housing, accompanying an individual to look at housing, filling out applications and rental agreements, meeting with landlords, helping with Section 8 or other program applications, helping to develop a budget, obtaining furniture and household goods, if necessary, and assisting with any problems that may arise with housing.

Sec. 125. Minnesota Statutes 2024, section 256B.0911, subdivision 29, is amended to read:

Subd. 29. **Support planning.** (a) The certified assessor and the individual responsible for developing the support plan must complete the assessment summary and the support plan no more than 60 calendar days after the assessment visit.

(b) The person or the person's legal representative must be provided with a written assessment summary within the timelines established by the commissioner, regardless of whether the person is eligible for Minnesota health care programs.

(c) For a person being assessed for elderly waiver services under chapter 256S, a provider who submitted information under subdivision 19, paragraph (c), must receive the final written support plan when available.

(d) The written support plan must include:

(1) a summary of assessed needs as defined in subdivision 17, paragraphs ~~(d)~~ (e) and ~~(e)~~ (f);

(2) the individual's options and choices to meet identified needs, including all available options for:

(i) case management services and providers;

(ii) employment services, settings, and providers;

(iii) living arrangements;

(iv) self-directed services and supports, including self-directed budget options; and

(v) service provided in a non-disability-specific setting;

(3) identification of health and safety risks and how those risks will be addressed, including personal risk management strategies;

(4) referral information; and

(5) informal caregiver supports, if applicable.

(e) For a person determined eligible for state plan home care under subdivision 11, clause (7), the person or person's legal representative must also receive a copy of the home care service plan developed by the certified assessor.

Sec. 126. Minnesota Statutes 2025 Supplement, section 256B.0924, subdivision 6, is amended to read:

Subd. 6. **Payment for targeted case management.** (a) Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment for an eligible adult, the provider must document at least one contact per month and not more than two consecutive months without a face-to-face contact either in person or by interactive video that meets the requirements in section 256B.0625, subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver, or other relevant persons identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Except as provided under paragraph (m), payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20~~, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001~~. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors

shall be returned to the county, except to reimburse the county for advance funding provided by the county to the vendor.

(d) If the service is provided by a team that includes contracted vendors and county staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, the county must document, in the recipient's file, the need for team targeted case management and a description of the different roles of the team members.

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Payments to counties for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county payments for the cost of case management services provided by county staff shall not be made to the commissioner of management and budget. For the purposes of targeted case management services provided by county staff under this section, the centralized disbursement of payments to counties under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties.

(m) The commissioner may make payments for Tribes according to section 256B.0625, subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable adult and developmental disability targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

Sec. 127. Minnesota Statutes 2025 Supplement, section 256B.0943, subdivision 9, is amended to read:

Subd. 9. **Service delivery criteria.** (a) In delivering services under this section, a certified provider entity must ensure that:

(1) the provider's caseload size should reasonably enable the provider to play an active role in service planning, monitoring, and delivering services to meet the client's and client's family's needs, as specified in each client's individual treatment plan;

(2) site-based programs, including day treatment programs, provide staffing and facilities to ensure the client's health, safety, and protection of rights, and that the programs are able to implement each client's individual treatment plan; and

(3) a day treatment program is provided to a group of clients by a team under the treatment supervision of a mental health professional. The day treatment program must be provided in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community mental health center under section 245.62; or (iii) an entity that is certified under subdivision 4 to operate a program that meets the requirements of section 245.4884, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize the client's mental health status while developing and improving the client's independent living and socialization skills. The goal of the day treatment program must be to reduce or relieve the effects of mental illness and provide training to enable the client to live in the community. The remainder of the structured treatment program may include patient and/or family or group psychotherapy, and individual or group skills training, if included in the client's individual treatment plan. Day treatment programs are not part of inpatient or residential treatment services. When a day treatment group that meets the minimum group size requirement temporarily falls below the minimum group size because of a member's

temporary absence, medical assistance covers a group session conducted for the group members in attendance. A day treatment program may provide fewer than the minimally required hours for a particular child during a billing period in which the child is transitioning into, or out of, the program.

(b) To be eligible for medical assistance payment, a provider entity must deliver the service components of children's therapeutic services and supports in compliance with the following requirements:

(1) psychotherapy to address the child's underlying mental health disorder must be documented as part of the child's ongoing treatment. A provider must deliver or arrange for medically necessary psychotherapy unless the child's parent or caregiver chooses not to receive it or the provider determines that psychotherapy is no longer medically necessary. When a provider determines that psychotherapy is no longer medically necessary, the provider must update required documentation, including but not limited to the individual treatment plan, the child's medical record, or other authorizations, to include the determination. When a provider determines that a child needs psychotherapy but psychotherapy cannot be delivered due to a shortage of licensed mental health professionals in the child's community, the provider must document the lack of access in the child's medical record;

(2) individual, family, or group skills training is subject to the following requirements:

(i) a mental health professional, clinical trainee, or mental health practitioner shall provide skills training;

(ii) skills training delivered to a child or the child's family must be targeted to the specific deficits or maladaptations of the child's mental health disorder and must be prescribed in the child's individual treatment plan;

(iii) group skills training may be provided to multiple recipients who, because of the nature of their emotional, behavioral, or social dysfunction, can derive mutual benefit from interaction in a group setting, which must be staffed as follows:

(A) one mental health professional, clinical trainee, or mental health practitioner must work with a group of three to eight clients; or

(B) any combination of two mental health professionals, clinical trainees, or mental health practitioners must work with a group of nine to 12 clients;

(iv) a mental health professional, clinical trainee, or mental health practitioner must have taught the psychosocial skill before a mental health behavioral aide may practice that skill with the client; and

(v) for group skills training, when a skills group that meets the minimum group size requirement temporarily falls below the minimum group size because of a group member's temporary absence, the provider may conduct the session for the group members in attendance;

(3) crisis planning to a child and family must include development of a written plan that anticipates the particular factors specific to the child that may precipitate a psychiatric crisis for the child in the near future. The written plan must document actions that the family should be prepared to take to resolve or stabilize a crisis, such as advance arrangements for direct intervention and support services to the child and the child's family. Crisis planning must include preparing resources designed to address abrupt or substantial changes in the functioning of the child or the child's family when sudden change in behavior or a loss of usual coping mechanisms is observed, or the child begins to present a danger to self or others;

(4) mental health behavioral aide services must be medically necessary treatment services, identified in the child's individual treatment plan. To be eligible for medical assistance payment, mental health behavioral aide services must be delivered to a child who has been diagnosed with a mental illness, as provided in subdivision 1, paragraph ~~(a)~~ (b). The mental health behavioral aide must document the delivery of services in written progress notes. Progress notes must reflect implementation of the treatment strategies, as performed by the mental health behavioral aide and the child's responses to the treatment strategies; and

(5) mental health service plan development must be performed in consultation with the child's family and, when appropriate, with other key participants in the child's life by the child's treating mental health professional or clinical trainee or by a mental health practitioner and approved by the treating mental health professional. Treatment plan drafting consists of development, review, and revision by face-to-face or electronic communication. The provider must document events, including the time spent with the family and other key participants in the child's life to approve the individual treatment plan. Medical assistance covers service plan development before completion of the child's individual treatment plan. Service plan development is covered only if a treatment plan is completed for the child. If upon review it is determined that a treatment plan was not completed for the child, the commissioner shall recover the payment for the service plan development.

Sec. 128. Minnesota Statutes 2024, section 256B.15, subdivision 1h, is amended to read:

Subd. 1h. **Estates of specific persons receiving medical assistance.** (a) For purposes of this section, paragraphs (b) to (j) apply if a person received medical assistance for which a claim may be filed under this section and died single, or the surviving spouse of the couple and was not survived by any of the persons described in subdivisions 3 and 4.

(b) Notwithstanding any law or rule to the contrary, the person's life estate or joint tenancy interest in real property not subject to a medical assistance lien under sections 514.980 to 514.985 on the date of the person's death shall not end upon the person's death and shall continue as provided in this subdivision. The life estate in the person's estate shall be that portion of the interest in the real property subject to the life estate that is equal to the life estate percentage factor for the life estate as listed in the Life Estate Mortality Table of the health care program's manual for a person who was the age of the medical assistance recipient on the date of the person's death. The joint tenancy interest in real property in the estate shall be equal to the fractional interest the person would have owned in the jointly held interest in the property had they and the other owners held title to the property as tenants in common on the date the person died.

(c) The court upon its own motion, or upon motion by the personal representative or any interested party, may enter an order directing the remainderpersons or surviving joint tenants and their spouses, if any, to sign all documents, take all actions, and otherwise fully cooperate with the personal representative and the court to liquidate the decedent's life estate or joint tenancy interests in the estate and deliver the cash or the proceeds of those interests to the personal representative and provide for any legal and equitable sanctions as the court deems appropriate to enforce and carry out the order, including an award of reasonable attorney fees.

(d) The personal representative may make, execute, and deliver any conveyances or other documents necessary to convey the decedent's life estate or joint tenancy interest in the estate that are necessary to liquidate and reduce to cash the decedent's interest or for any other purposes.

(e) Subject to administration, all costs, including reasonable attorney fees, directly and immediately related to liquidating the decedent's life estate or joint tenancy interest in the decedent's estate, shall be paid from the gross proceeds of the liquidation allocable to the decedent's interest and the net proceeds shall be turned over to the personal representative and applied to payment of the claim presented under this section.

(f) The personal representative shall bring a motion in the district court in which the estate is being probated to compel the remainderpersons or surviving joint tenants to account for and deliver to the personal representative all or any part of the proceeds of any sale, mortgage, transfer, conveyance, or any disposition of real property allocable to the decedent's life estate or joint tenancy interest in the decedent's estate, and do everything necessary to liquidate and reduce to cash the decedent's interest and turn the proceeds of the sale or other disposition over to the personal representative. The court may grant any legal or equitable relief including, but not limited to, ordering a partition of real estate under chapter ~~558~~ 558A necessary to make the value of the decedent's life estate or joint tenancy interest available to the estate for payment of a claim under this section.

(g) Subject to administration, the personal representative shall use all of the cash or proceeds of interests to pay an allowable claim under this section. The remainderpersons or surviving joint tenants and their spouses, if any, may enter into a written agreement with the personal representative or the claimant to settle and satisfy obligations imposed at any time before or after a claim is filed.

(h) The personal representative may, at their discretion, provide any or all of the other owners, remainderpersons, or surviving joint tenants with an affidavit terminating the decedent's estate's interest in real property the decedent owned as a life tenant or as a joint tenant with others, if the personal representative determines in good faith that neither the decedent nor any of the decedent's predeceased spouses received any medical assistance for which a claim could be filed under this section, or if the personal representative has filed an affidavit with the court that the estate has other assets sufficient to pay a claim, as presented, or if there is a written agreement under paragraph (g), or if the claim, as allowed, has been paid in full or to the full extent of the assets the estate has available to pay it. The affidavit may be recorded in the office of the county recorder or filed in the Office of the Registrar of Titles for the county in which the real property is located. Except as provided in section 514.981, subdivision 6, when recorded or filed, the affidavit shall terminate the decedent's interest in real estate the decedent owned as a life tenant or a joint tenant with others. The affidavit shall:

(1) be signed by the personal representative;

(2) identify the decedent and the interest being terminated;

(3) give recording information sufficient to identify the instrument that created the interest in real property being terminated;

(4) legally describe the affected real property;

(5) state that the personal representative has determined that neither the decedent nor any of the decedent's predeceased spouses received any medical assistance for which a claim could be filed under this section;

(6) state that the decedent's estate has other assets sufficient to pay the claim, as presented, or that there is a written agreement between the personal representative and the claimant and the other owners or remainderpersons or other joint tenants to satisfy the obligations imposed under this subdivision; and

(7) state that the affidavit is being given to terminate the estate's interest under this subdivision, and any other contents as may be appropriate.

The recorder or registrar of titles shall accept the affidavit for recording or filing. The affidavit shall be effective as provided in this section and shall constitute notice even if it does not include recording information sufficient to identify the instrument creating the interest it terminates. The affidavit shall be conclusive evidence of the stated facts.

(i) The holder of a lien arising under subdivision 1c shall release the lien at the holder's expense against an interest terminated under paragraph (g) to the extent of the termination.

(j) If a lien arising under subdivision 1c is not released under paragraph (i), prior to closing the estate, the personal representative shall deed the interest subject to the lien to the remainderpersons or surviving joint tenants as their interests may appear. Upon recording or filing, the deed shall work a merger of the recipient's life estate or joint tenancy interest, subject to the lien, into the remainder interest or interest the decedent and others owned jointly. The lien shall attach to and run with the property to the extent of the decedent's interest at the time of the decedent's death.

Sec. 129. Minnesota Statutes 2024, section 256B.196, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision 3, the commissioner shall determine the fee-for-service outpatient hospital services upper payment limit for nonstate government hospitals. The commissioner shall then determine the amount of a supplemental payment to Hennepin County Medical Center and Regions Hospital for these services that would increase medical assistance spending in this category to the aggregate upper payment limit for all nonstate government hospitals in Minnesota. In making this determination, the commissioner shall allot the available increases between Hennepin County Medical Center and Regions Hospital based on the ratio of medical assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner shall adjust this allotment as necessary based on federal approvals, the amount of

intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors, in order to maximize the additional total payments. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match federal Medicaid payments available under this subdivision in order to make supplementary medical assistance payments to Hennepin County Medical Center and Regions Hospital equal to an amount that when combined with existing medical assistance payments to nonstate governmental hospitals would increase total payments to hospitals in this category for outpatient services to the aggregate upper payment limit for all hospitals in this category in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center and Regions Hospital.

(b) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians and other billing professionals affiliated with Hennepin County Medical Center and with Regions Hospital. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center and to make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group equal to the difference between the established medical assistance payment for physician and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center and shall make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group.

~~(c) Beginning January 1, 2010, Ramsey County may make monthly voluntary intergovernmental transfers to the commissioner in amounts not to exceed $6,000,000 per year. The commissioner shall increase the medical assistance capitation payments to any licensed health plan under contract with the medical assistance program that agrees to make enhanced payments to Regions Hospital. The increase shall be in an amount equal to the annual value of the monthly transfers plus federal financial participation, with each health plan receiving its pro rata share of the increase based on the pro rata share of medical assistance admissions to Regions Hospital by those plans. For the purposes of this paragraph, "the base amount" means the total annual value of increased medical assistance capitation~~

~~payments, including the voluntary intergovernmental transfers, under this paragraph in calendar year 2017. For managed care contracts beginning on or after January 1, 2018, the commissioner shall reduce the total annual value of increased medical assistance capitation payments under this paragraph by an amount equal to ten percent of the base amount, and by an additional ten percent of the base amount for each subsequent contract year until December 31, 2025. Upon the request of the commissioner, health plans shall submit individual-level cost data for verification purposes. The commissioner may ratably reduce these payments on a pro rata basis in order to satisfy federal requirements for actuarial soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed health plan that receives increased medical assistance capitation payments under the intergovernmental transfer described in this paragraph shall increase its medical assistance payments to Regions Hospital by the same amount as the increased payments received in the capitation payment described in this paragraph. This paragraph expires January 1, 2026.~~

~~(d)~~ (c) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for ambulance services affiliated with Hennepin County Medical Center and the city of St. Paul, and ambulance services owned and operated by another governmental entity that chooses to participate by requesting the commissioner to determine an upper payment limit. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County, the city of St. Paul, and other participating governmental entities of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities equal to the difference between the established medical assistance payment for ambulance services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities. A tribal government that owns and operates an ambulance service is not eligible to participate under this subdivision.

~~(e)~~ (d) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians, dentists, and other billing professionals affiliated with the University of Minnesota and University of Minnesota Physicians. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform the University of Minnesota Medical School and University of

Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians equal to the difference between the established medical assistance payment for physician, dentist, and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians.

~~(f)~~ (e) The commissioner shall inform the transferring governmental entities on an ongoing basis of any changes needed in the intergovernmental transfers in order to continue the payments under paragraphs (a) to ~~(e)~~ (d), at their maximum level, including increases in upper payment limits, changes in the federal Medicaid match, and other factors.

~~(g)~~ (f) The payments in paragraphs (a) to ~~(e)~~ (d) shall be implemented independently of each other, subject to federal approval and to the receipt of transfers under subdivision 3.

~~(h)~~ (g) All of the data and funding transactions related to the payments in paragraphs (a) to ~~(e)~~ (d) shall be between the commissioner and the governmental entities.

~~(i)~~ (h) For purposes of this subdivision, billing professionals are limited to physicians, nurse practitioners, nurse midwives, clinical nurse specialists, physician assistants, anesthesiologists, certified registered nurse anesthetists, dentists, dental hygienists, and dental therapists.

Sec. 130. Minnesota Statutes 2024, section 256B.1973, subdivision 1, is amended to read:

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

(b) "Billing professionals" means physicians, nurse practitioners, nurse midwives, clinical nurse specialists, physician assistants, anesthesiologists, and certified registered nurse anesthetists, and may include dentists, individually enrolled dental hygienists, and dental therapists.

(c) "Health plan" means a managed care or county-based purchasing plan that is under contract with the commissioner to deliver services to medical assistance enrollees under section 256B.69.

(d) "High medical assistance utilization" means a medical assistance utilization rate equal to the standard established in section 256.969, subdivision 9, paragraph (d), clause (6).

Sec. 131. Minnesota Statutes 2024, section 256B.431, subdivision 17d, is amended to read:

Subd. 17d. **Determination of rental per diem for total replacement projects.** (a) For purposes of this subdivision, a total replacement means the complete replacement of the nursing facility's physical plant through the construction of a new physical plant, the transfer of the nursing facility's license from one physical plant location to another, or a new building addition to relocate beds from three- and four-bed wards. For total replacement projects completed on or after July 1, 1992, the commissioner shall compute the incremental change in the nursing facility's rental per diem, for rate years beginning on or after July 1, 1995, by replacing its appraised value, including the historical capital asset costs, and the capital debt and interest costs with the new nursing facility's allowable capital asset costs and the related allowable capital debt and interest costs. If the new nursing facility has decreased its licensed capacity, the aggregate investment per bed limit in subdivision 3a, paragraph (c), shall apply.

(b) If the new nursing facility has retained a portion of the original physical plant for nursing facility usage, then a portion of the appraised value prior to the replacement must be retained and included in the calculation of the incremental change in the nursing facility's rental per diem. For purposes of this subdivision, the original nursing facility means the nursing facility prior to the total replacement project. The portion of the appraised value to be retained shall be calculated according to clauses (1) to (3):

(1) The numerator of the allocation ratio shall be the square footage of the area in the original physical plant which is being retained for nursing facility usage.

(2) The denominator of the allocation ratio shall be the total square footage of the original nursing facility physical plant.

(3) Each component of the nursing facility's allowable appraised value prior to the total replacement project shall be multiplied by the allocation ratio developed by dividing clause (1) by clause (2).

(c) In the case of either type of total replacement as authorized under section 144A.071 or 144A.073, the provisions of subdivisions 17 to 17f shall also apply.

~~(d) For purposes of the moratorium exception authorized under section 144A.071, subdivision 4a, paragraph (s), if the total replacement involves the renovation and use of an existing health care facility physical plant, the new allowable capital asset costs and related debt and interest costs shall include first the allowable capital asset costs and related debt and interest costs of the renovation, to which shall be added the allowable capital asset costs of the existing physical plant prior to the renovation, and if reported by the facility, the related allowable capital debt and interest costs.~~

Sec. 132. Minnesota Statutes 2024, section 256B.69, subdivision 16, is amended to read:

Subd. 16. **Project extension.** Minnesota Rules, parts 9500.1450; 9500.1451; 9500.1452; 9500.1453; 9500.1454; 9500.1455; 9500.1457; 9500.1458; 9500.1459; 9500.1460; ~~9500.1461;~~ 9500.1462; 9500.1463; and 9500.1464, are extended.

Sec. 133. Minnesota Statutes 2025 Supplement, section 256B.761, subdivision 2, is amended to read:

Subd. 2. **Capitation payments.** Managed care and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this section. The commissioner must monitor the effect of this rate adjustment on enrollee access to behavioral health services. If for any contract year federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this ~~provision~~ subdivision. Contracts between managed care plans and county-based purchasing plans and providers to whom this subdivision applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this subdivision. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision.

Sec. 134. Minnesota Statutes 2024, section 256B.77, subdivision 4, is amended to read:

Subd. 4. **Federal waivers.** The commissioner, in consultation with county authorities, shall request any authority from the United States Department of Health and Human Services that is necessary to implement the demonstration project under the medical assistance program; and authority to combine Medicaid and Medicare funding for service delivery to eligible individuals who are also eligible for Medicare, only if this authority does not preclude county authority participation under the waiver. Implementation of these programs may begin without authority to include Medicare funding. ~~The commissioner may authorize~~

~~county authorities to begin enrollment of eligible individuals upon federal approval but no earlier than July 1, 1998.~~

Sec. 135. Minnesota Statutes 2024, section 256B.77, subdivision 5, is amended to read:

Subd. 5. **Demonstration sites.** The commissioner shall designate up to two demonstration sites with the approval of the county authority. Demonstration sites may include one county or a multicounty group. At least one of the sites shall implement a model specifically addressing the needs of eligible individuals with physical disabilities. ~~By February 1, 1998, the commissioner and the county authorities shall submit to the chairs of the senate Committee on Health and Family Security and the house of representatives Committee on Health and Human Services a phased enrollment plan to ensure an orderly transition which protects the health and safety of enrollees and ensures continuity of services.~~

Sec. 136. Minnesota Statutes 2024, section 256B.85, subdivision 7b, is amended to read:

Subd. 7b. **Services provided by parents and spouses.** (a) This subdivision applies to services and supports described in subdivision 7, clause ~~(8)~~ (9).

(b) If multiple parents are support workers providing CFSS services to their minor child or children, each parent may provide up to 40 hours of medical assistance home and community-based services in any seven-day period regardless of the number of children served. The total number of hours of medical assistance home and community-based services provided by all of the parents must not exceed 80 hours in a seven-day period regardless of the number of children served.

(c) If only one parent is a support worker providing CFSS services to the parent's minor child or children, the parent may provide up to 60 hours of medical assistance home and community-based services in a seven-day period regardless of the number of children served.

(d) If a participant's spouse is a support worker providing CFSS services, the spouse may provide up to 60 hours of medical assistance home and community-based services in a seven-day period.

(e) Paragraphs (b) to (d) must not be construed to permit an increase in either the total authorized service budget for an individual or the total number of authorized service units.

(f) A parent or participant's spouse must not receive a wage that exceeds the current rate for a CFSS support worker, including wages, benefits, and payroll taxes.

Sec. 137. Minnesota Statutes 2024, section 256B.85, subdivision 20, is amended to read:

Subd. 20. **Participant protections.** (a) All CFSS participants have the protections identified in this subdivision.

(b) Participants or ~~participant's~~ participants' representatives must be provided with adequate information, counseling, training, and assistance, as needed, to ensure that the participant is able to choose and manage services, models, and budgets. This information must be provided by the consultation services provider at the time of the initial or annual orientation to CFSS, at the time of reassessment, or when requested by the participant or participant's representative. This information must explain:

(1) person-centered planning;

(2) the range and scope of participant choices, including the differences between the agency-provider model and the budget model, available CFSS providers, and other services available in the community to meet the participant's needs;

(3) the process for changing plans, services, and budgets;

(4) identifying and assessing appropriate services; and

(5) risks to and responsibilities of the participant under the budget model.

(c) The consultation services provider must ensure that the participant chooses freely between the agency-provider model and the budget model and among available agency-providers and that the participant may change agency-providers after services have begun.

(d) A participant who appeals a reduction in previously authorized CFSS services may continue previously authorized services pending an appeal in accordance with section 256.045.

(e) If the units of service or budget allocation for CFSS are reduced, denied, or terminated, the commissioner must provide notice of the reasons for the reduction in the participant's notice of denial, termination, or reduction.

(f) If all or part of a CFSS service delivery plan is denied approval by the lead agency, the lead agency must provide a notice that describes the basis of the denial.

Sec. 138. Minnesota Statutes 2024, section 256D.01, subdivision 1, is amended to read:

Subdivision 1. **Policy.** The objectives of sections 256D.01 to ~~256D.21~~ 256D.17 are to provide a sound administrative structure for public assistance programs; to maximize the

use of federal money for public assistance purposes; to provide an integrated public assistance program for eligible households in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health; and to provide services to help employable and potentially employable persons prepare for and attain self-sufficiency and obtain permanent work.

It is the policy of this state that eligible households unable to provide for themselves and not otherwise provided for by law who meet the eligibility requirements of sections 256D.01 to ~~256D.21~~ 256D.17 are entitled to receive grants of general assistance necessary to maintain a subsistence reasonably compatible with decency and health. Providing this assistance is a matter of public concern and a necessity in promoting the public health and welfare.

Sec. 139. Minnesota Statutes 2024, section 256D.01, subdivision 1e, is amended to read:

Subd. 1e. **Rules regarding emergency assistance.** The commissioner shall adopt rules under the terms of sections 256D.01 to ~~256D.21~~ 256D.17 for general assistance, to require use of the emergency program under MFIP as the primary financial resource when available. The commissioner shall adopt rules for eligibility for general assistance of persons with seasonal income and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. General assistance payments may not be made for foster care, community residential settings licensed under chapter 245D, child welfare services, or other social services. Vendor payments and vouchers may be issued only as authorized in sections 256D.05, subdivision 6, and 256D.09.

Sec. 140. Minnesota Statutes 2024, section 256D.01, subdivision 2, is amended to read:

Subd. 2. **Citation.** Sections 256D.01 to ~~256D.21~~ 256D.17 may be cited as the "General Assistance Act."

Sec. 141. Minnesota Statutes 2024, section 256D.02, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For purposes of sections 256D.01 to ~~256D.21~~ 256D.17, the terms defined in this section have the meanings given them unless otherwise provided or indicated by the context.

Sec. 142. Minnesota Statutes 2024, section 256D.03, subdivision 1, is amended to read:

Subdivision 1. **County administration.** Every county agency shall provide general assistance to persons residing within its jurisdiction who meet the need requirements of

sections 256D.01 to ~~256D.21~~ 256D.17. General assistance shall be administered by the county agencies according to law and rules promulgated by the commissioner pursuant to sections 14.001 to 14.69.

Sec. 143. Minnesota Statutes 2024, section 256D.04, is amended to read:

**256D.04 DUTIES OF THE COMMISSIONER.**

In addition to any other duties imposed by law, the commissioner shall:

(1) supervise according to section 256.01 the administration of general assistance by county agencies as provided in sections 256D.01 to ~~256D.21~~ 256D.17;

(2) promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to ~~256D.21~~ 256D.17 to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all county agencies and other interested persons; in promulgating rules, the provisions of sections 14.001 to 14.69, shall apply;

(3) allocate money appropriated for general assistance to county agencies as provided in section 256D.03, subdivision 2;

(4) accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance;

(5) cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to ~~256D.21~~ 256D.17;

(6) cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) gather and study current information and report at least annually to the governor on the nature and need for general assistance, the amounts expended under the supervision of each county agency, and the activities of each county agency and publish such reports for the information of the public;

(8) specify requirements for general assistance reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph ~~(p)~~ (o); and

(9) ensure that every notice of eligibility for general assistance includes a notice that women who are pregnant may be eligible for medical assistance benefits.

Sec. 144. Minnesota Statutes 2024, section 256D.045, is amended to read:

**256D.045 SOCIAL SECURITY NUMBER REQUIRED.**

To be eligible for general assistance under sections 256D.01 to ~~256D.21~~ 256D.17, an individual must provide the individual's Social Security number to the county agency or submit proof that an application has been made. The provisions of this section do not apply to the determination of eligibility for emergency general assistance under section 256D.06, subdivision 2. This provision applies to eligible children under the age of 18 effective July 1, 1997.

Sec. 145. Minnesota Statutes 2024, section 256D.05, subdivision 8, is amended to read:

Subd. 8. **Citizenship.** (a) Effective July 1, 1997, citizenship requirements for applicants and recipients under sections 256D.01 to 256D.03, subdivision 2, and 256D.04 to ~~256D.21~~ 256D.17 shall be determined the same as under section 142G.11. The income and assets of sponsors of noncitizens shall be deemed available to general assistance applicants and recipients according to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, title IV, sections 421 and 422, and subsequently set out in federal rules.

(b) As a condition of eligibility, each legal adult noncitizen in the assistance unit who has resided in the country for four years or more and who is under 70 years of age must:

(1) be enrolled in a literacy class, English as a second language class, or a citizen class;

(2) be applying for admission to a literacy class, English as a second language class, and is on a waiting list;

(3) be in the process of applying for a waiver from the United States Citizenship and Immigration Services of the English language or civics requirements of the citizenship test;

(4) have submitted an application for citizenship to the United States Citizenship and Immigration Services and is waiting for a testing date or a subsequent swearing in ceremony; or

(5) have been denied citizenship due to a failure to pass the test after two attempts or because of an inability to understand the rights and responsibilities of becoming a United States citizen, as documented by the United States Citizenship and Immigration Services or the county.

If the county social service agency determines that a legal noncitizen subject to the requirements of this subdivision will require more than one year of English language training,

then the requirements of clause (1) or (2) shall be imposed after the legal noncitizen has resided in the country for three years. Individuals who reside in a facility licensed under chapter 144A, 144G, 245A, or 256I are exempt from the requirements of this section.

Sec. 146. Minnesota Statutes 2024, section 256D.06, subdivision 7, is amended to read:

Subd. 7. **SSI conversions and back claims.** (a) The commissioner of human services shall contract with agencies or organizations capable of ensuring that clients who are presently receiving assistance under sections 256D.01 to ~~256D.21~~ 256D.17, and who may be eligible for benefits under the federal Supplemental Security Income program, apply and, when eligible, are converted to the federal income assistance program and made eligible for health care benefits under the medical assistance program. The commissioner shall ensure that money owing to the state under interim assistance agreements is collected.

(b) The commissioner shall also directly or through contract implement procedures for collecting federal Medicare and medical assistance funds for which clients converted to SSI are retroactively eligible.

(c) The commissioner shall contract with agencies to ensure implementation of this section. County contracts with providers for residential services shall include the requirement that providers screen residents who may be eligible for federal benefits and provide that information to the local agency. The commissioner shall modify the MAXIS computer system to provide information on clients who have been on general assistance for two years or longer. The list of clients shall be provided to local services for screening under this section.

Sec. 147. Minnesota Statutes 2024, section 256D.07, is amended to read:

**256D.07 TIME OF PAYMENT OF ASSISTANCE.**

An applicant for general assistance shall be deemed eligible if the application and the verification of the statement on that application demonstrate that the applicant is within the eligibility criteria established by sections 256D.01 to ~~256D.21~~ 256D.17 and any applicable rules of the commissioner. Any person requesting general assistance shall be permitted by the county agency to make an application for assistance as soon as administratively possible and in no event later than the fourth day following the date on which assistance is first requested, and no county agency shall require that a person requesting assistance appear at the offices of the county agency more than once prior to the date on which the person is permitted to make the application. Applications must be submitted according to section 256P.04, subdivision 1a. On the date that general assistance is first requested, the county

agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2. A person in need of emergency assistance shall be granted emergency assistance immediately, and necessary emergency assistance shall continue for up to 30 days following the date of application. A determination of an applicant's eligibility for general assistance shall be made by the county agency as soon as the required verifications are received by the county agency and in no event later than 30 days following the date that the application is made. Any verifications required of the applicant shall be reasonable, and the commissioner shall by rule establish reasonable verifications. General assistance shall be granted to an eligible applicant without the necessity of first securing action by the board of the county agency. The first month's grant must be computed to cover the time period starting with the date of application or from the date that the applicant meets all eligibility factors, whichever occurs later.

If upon verification and due investigation it appears that the applicant provided false information and the false information materially affected the applicant's eligibility for general assistance or the amount of the applicant's general assistance grant, the county agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 148. Minnesota Statutes 2024, section 256D.16, is amended to read:

**256D.16 GENERAL ASSISTANCE TO BE ALLOWED AS CLAIM IN COURT.**

On the death of any person who received any general assistance under sections 256D.01 to ~~256D.21~~ 256D.17, or on the death of the survivor of a married couple, either or both of whom received general assistance, the total amount paid as general assistance to either or both, without interest, shall be allowed as a claim against the estate of such person or persons by the court having jurisdiction to probate the estate.

Sec. 149. Minnesota Statutes 2024, section 256F.10, subdivision 6, is amended to read:

Subd. 6. **Distribution of new federal revenue.** (a) Except for portion set aside in paragraph (b), the federal funds earned under this section and section 256B.094 by providers shall be paid to each provider based on its earnings, and must be used by each provider to expand preventive child welfare services.

If a county or tribal social services agency chooses to be a provider of child welfare targeted case management and if that county or tribal social services agency also joins a

local children's mental health collaborative as authorized by the 1993 legislature, then the federal reimbursement received by the county or tribal social services agency for providing child welfare targeted case management services to children served by the local collaborative shall be transferred by the county or tribal social services agency to the integrated fund. The federal reimbursement transferred to the integrated fund by the county or tribal social services agency must not be used for residential care other than respite care described under subdivision 7, paragraph (d).

(b) The commissioner shall set aside a portion of the federal funds earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, paragraph ~~(o)~~ (n). The repayment is limited to:

(1) the costs of developing and implementing this section and section 256B.094;

(2) programming the information systems; and

(3) the lost federal revenue for the central office claim directly caused by the implementation of these sections.

Any unexpended funds from the set-aside under this paragraph shall be distributed to providers according to paragraph (a).

Sec. 150. Minnesota Statutes 2024, section 256F.10, subdivision 7, is amended to read:

Subd. 7. **Expansion of services and base level of expenditures.** (a) Counties and tribal social services must continue the base level of expenditures for preventive child welfare services from either or both of any state, county, or federal funding source, which, in the absence of federal funds earned under this section, would have been available for these services. The commissioner shall review the county or tribal social services expenditures annually using reports required under sections 245.482 and 256.01, subdivision 2, paragraph ~~(p)~~ (o), to ensure that the base level of expenditures for preventive child welfare services is continued from sources other than the federal funds earned under this section.

(b) The commissioner may reduce, suspend, or eliminate either or both of a county's or tribal social services' obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that one or more of the following conditions apply to that county or reservation:

(1) imposition of levy limits that significantly reduce available social service funds;

(2) reduction in the net tax capacity of the taxable property within a county or reservation that significantly reduces available social service funds;

(3) reduction in the number of children under age 19 in the county or reservation by 25 percent when compared with the number in the base year using the most recent data provided by the State Demographer's Office; or

(4) termination of the federal revenue earned under this section.

(c) The commissioner may suspend for one year either or both of a county's or tribal social services' obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that in the previous year one or more of the following conditions applied to that county or reservation:

(1) the total number of children in placement under sections 260C.212 and 393.07, subdivisions 1 and 2, has been reduced by 50 percent from the total number in the base year; or

(2) the average number of children in placement under sections 260C.212 and 393.07, subdivisions 1 and 2, on the last day of each month is equal to or less than one child per 1,000 children in the county or reservation.

(d) For the purposes of this section, child welfare preventive services are those services directed toward a specific child or family that further the goals of Minnesota Statutes 2002, section 256F.01, and include assessments, family preservation services, service coordination, community-based treatment, crisis nursery services when the parents retain custody and there is no voluntary placement agreement with a child-placing agency, respite care except when it is provided under a medical assistance waiver, home-based services, and other related services. For the purposes of this section, child welfare preventive services shall not include shelter care placements under the authority of the court or public agency to address an emergency, residential services except for respite care, child care for the purposes of employment and training, adult services, services other than child welfare targeted case management when they are provided under medical assistance, placement services, or activities not directed toward a specific child or family. Respite care must be planned, routine care to support the continuing residence of the child with its family or long-term primary caretaker and must not be provided to address an emergency.

(e) For the counties and tribal social services beginning to claim federal reimbursement for services under this section and section 256B.094, the base year is the calendar year ending at least two calendar quarters before the first calendar quarter in which the provider begins claiming reimbursement. For the purposes of this section, the base level of expenditures is the level of county or tribal social services expenditures in the base year for eligible child welfare preventive services described in this subdivision.

Sec. 151. Minnesota Statutes 2024, section 256I.04, subdivision 1, is amended to read:

Subdivision 1. **Individual eligibility requirements.** An individual is eligible for and entitled to a housing support payment to be made on the individual's behalf if the agency has approved the setting where the individual will receive housing support and the individual meets the requirements in paragraph (a), (b), (c), or (d).

(a) The individual is aged, blind, or is over 18 years of age with a disability as determined under the criteria used by the title II program of the Social Security Act, and meets the resource restrictions and standards of section 256P.02, and the individual's countable income after deducting the (1) exclusions and disregards of the SSI program, (2) the medical assistance personal needs allowance under section 256B.35, and (3) an amount equal to the income actually made available to a community spouse by an elderly waiver participant under the provisions of sections 256B.0575, subdivision 1, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(b) The individual meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the individual's resources are less than the standards specified by section 256P.02, and the individual's countable income as determined under section 256P.06, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(c) The individual lacks a fixed, adequate, nighttime residence upon discharge from a residential behavioral health treatment program, as determined by treatment staff from the residential behavioral health treatment program. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following discharge from treatment, plus two full months.

(d) The individual meets the criteria related to establishing a certified disability or disabling condition in paragraph (a) or (b) and lacks a fixed, adequate, nighttime residence upon discharge from a correctional facility, as determined by an authorized representative from a Minnesota-based correctional facility. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following release, plus two full months. Any

income received by people who meet the disabling condition criteria established in paragraph (a) or (b) is not countable for the duration of eligibility under this paragraph.

Sec. 152. Minnesota Statutes 2024, section 256I.05, subdivision 1c, is amended to read:

Subd. 1c. **Rate increases.** An agency may not increase the rates negotiated for housing support above those in effect on June 30, 1993, except as provided in paragraphs (a) to (f).

(a) An agency may increase the rates for room and board to the MSA equivalent rate for those settings whose current rate is below the MSA equivalent rate.

(b) An agency may increase the rates for residents in adult foster care whose difficulty of care has increased. The total housing support rate for these residents must not exceed the maximum rate specified in subdivisions 1 and 1a. Agencies must not include nor increase difficulty of care rates for adults in foster care whose difficulty of care is eligible for funding by home and community-based waiver programs under title XIX of the Social Security Act.

(c) An agency must increase the room and board rates each year when the MSA equivalent rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase, less the amount of the increase in the medical assistance personal needs allowance under section 256B.35.

(d) An agency may increase the rates for residents in facilities meeting substantial change criteria within the prior year. Substantial change criteria exist if the establishment experiences a 25 percent increase or decrease in the total number of its beds, if the net cost of capital additions or improvements is in excess of 15 percent of the current market value of the residence, or if the residence physically moves, or changes its licensure, and incurs a resulting increase in operation and property costs.

(e) Until June 30, 1994, an agency may increase by up to five percent the total rate paid for recipients of assistance under sections 256D.01 to ~~256D.21~~ 256D.17 or 256D.33 to 256D.54 who reside in residences that are licensed by the commissioner of health as a boarding care home, but are not certified for the purposes of the medical assistance program. However, an increase under this clause must not exceed an amount equivalent to 65 percent of the 1991 medical assistance reimbursement rate for nursing home resident class A, in the geographic grouping in which the facility is located, as established under Minnesota Rules, parts 9549.0051 to 9549.0058.

(f) Notwithstanding the provisions of subdivision 1, an agency may increase the monthly room and board rates by $50 per month for residents in settings under section 256I.04, subdivision 2a, paragraph (b), clause (2). Participants in the Minnesota supportive housing

demonstration program under section 256I.04, subdivision 3, paragraph (a), clause (3), may not receive the increase under this paragraph.

Sec. 153. Minnesota Statutes 2024, section 256K.10, subdivision 3, is amended to read:

Subd. 3. **Allocation of grants.** The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services to persons with serious and persistent mental illness. The commissioner shall promulgate permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph ~~(p)~~ (o). The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping persons with serious and persistent mental illness remain and function in their own communities.

Sec. 154. Minnesota Statutes 2024, section 256S.21, subdivision 3, is amended to read:

Subd. 3. **Cost reporting.** (a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but are not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to the provider's submission due date. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner shall provide notice to the provider, and if by 60 days after the required submission date a provider has not provided the required data, the commissioner shall provide a second notice. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments must be made once data is received by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in section ~~256S.2101, subdivision 3~~ 256S.211, subdivision 4, through the reports directed by subdivision 2.

Sec. 155. Minnesota Statutes 2024, section 257.05, subdivision 3, is amended to read:

Subd. 3. **International adoptions.** Subject to state and federal laws and rules, adoption agencies licensed under chapter 142B and Minnesota Rules, parts 9545.0755 to ~~9545.0845~~ 9545.0835, and county social services agencies are authorized to certify that the prospective adoptive home of a child brought into the state from another country for the purpose of adoption is a suitable home, or that the home meets the commissioner's requirements for licensing of foster homes if legal adoption is not contemplated.

Sec. 156. Minnesota Statutes 2024, section 257.0755, subdivision 3, is amended to read:

Subd. 3. **Appropriation.** Money appropriated for each ombudsperson from the general fund or the special fund authorized by section 256.01, subdivision 2, paragraph ~~(o)~~ (n), is under the control of each ombudsperson for which it is appropriated.

Sec. 157. Minnesota Statutes 2025 Supplement, section 257.0769, subdivision 1, is amended to read:

Subdivision 1. **Appropriations.** (a) $23,000 from the special account authorized by section 256.01, subdivision 2, paragraph ~~(n)~~ (o), is annually appropriated to the Office of Ombudsperson for American Indian Families for the purpose of section 3.9215.

(b) $69,000 from the special account authorized by section 256.01, subdivision 2, paragraph ~~(n)~~ (o), is annually appropriated to the Office of Ombudsperson for Families for the purposes of sections 257.0755 to 257.0768.

Sec. 158. Minnesota Statutes 2024, section 259.41, subdivision 1, is amended to read:

Subdivision 1. **Study required before placement; certain relatives excepted.** (a) An approved adoption study; completed background study, as required under section 245C.33; and written report must be completed before the child is placed in a prospective adoptive home under this chapter, except as allowed by section 259.47, subdivision 6. In an agency placement, the report must be filed with the court at the time the adoption petition is filed. In a direct adoptive placement, the report must be filed with the court in support of a motion for temporary preadoptive custody under section 259.47, subdivision 3, or, if the study and report are complete, in support of an emergency order under section 259.47, subdivision 6. The study and report shall be completed by a licensed child-placing agency and must be thorough and comprehensive. The study and report shall be paid for by the prospective adoptive parent, except as otherwise required under section 142A.03, subdivision 2, paragraph (j), ~~259.67,~~ or 259.73.

(b) A placement for adoption with an individual who is related to the child, as defined by section 142B.01, subdivision 15, is subject to a background study required by subdivision 2, paragraph (a), clause (1), items (i) and (ii), and subdivision 3. In the case of a stepparent adoption, a background study must be completed on the stepparent and any children as required under subdivision 3, paragraph (b), except that a child of the stepparent does not need to have a background study complete if they are a sibling through birth or adoption of the person being adopted. The local social services agency of the county in which the prospective adoptive parent lives must initiate a background study unless a child-placing agency has been involved with the adoption. The local social service agency may charge a reasonable fee for the background study. If a placement is being made the background study must be completed prior to placement pursuant to section 259.29, subdivision 1, paragraph (c). Background study results must be filed with the adoption petition according to section 259.22, except in an adult adoption where an adoption study and background study are not needed.

(c) In the case of a licensed foster parent seeking to adopt a child who is in the foster parent's care, any portions of the foster care licensing process that duplicate requirements of the home study may be submitted in satisfaction of the relevant requirements of this section.

Sec. 159. Minnesota Statutes 2024, section 259.83, subdivision 1, is amended to read:

Subdivision 1. **Services provided.** (a) Agencies shall provide assistance and counseling services upon receiving a request for current information from adoptive parents, birth parents, adopted persons aged 18 years of age and older, or adult siblings of adopted persons. The agency shall contact the other adult persons or the adoptive parents of a minor child in a personal and confidential manner to determine whether there is a desire to receive or share information or to have contact. If there is such a desire, the agency shall provide the services requested. The agency shall complete the search request within six months of the request being made. If the agency is unable to complete the search request within the specified time frame, the agency shall inform the requester of the status of the request and include a reasonable estimate of when the request can be completed.

(b) Upon a request for assistance or services from an adoptive parent of a minor child, birth parent, or an adopted person 18 years of age or older, the agency must inform the person:

(1) about the right of an adopted person to request and obtain a copy of the adopted person's original birth record at the age and circumstances specified in section ~~144.2253~~ 144.2252; and

(2) about the right of the birth parent named on the adopted person's original birth record to file a contact preference form with the state registrar pursuant to section 144.2253.

When making or supervising an adoptive placement, the agency must provide in writing to the birth parents listed on the original birth record the information required under this paragraph and section 259.37, subdivision 2, clause (7).

Sec. 160. Minnesota Statutes 2025 Supplement, section 260.65, is amended to read:

**260.65 NONCUSTODIAL PARENTS; RELATIVE PLACEMENT.**

(a) Prior to the removal of an African American or a disproportionately represented child from the child's home, the responsible social services agency must make active efforts to identify and locate the child's noncustodial or nonadjudicated parent and the child's relatives to notify the child's parent and relatives that the child is or will be placed in foster care and provide the child's parent and relatives with a list of legal resources. The notice to the child's noncustodial or nonadjudicated parent and relatives must also include the information required under section 260C.221, subdivision 2, paragraph (b). The responsible social services agency must maintain detailed records of the agency's efforts to notify parents and relatives under this section.

(b) Notwithstanding the provisions of section 260C.219, the responsible social services agency must assess an African American or a disproportionately represented child's noncustodial or nonadjudicated parent's ability to care for the child before placing the child in foster care. If a child's noncustodial or nonadjudicated parent is willing and able to provide daily care for the African American or disproportionately represented child temporarily or permanently, the court shall order the child into the home of the noncustodial or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The responsible social services agency must make active efforts to assist a noncustodial or nonadjudicated parent with remedying any issues that may prevent the child from being ordered into the home of a noncustodial or nonadjudicated parent.

(c) The relative search, notice, engagement, and placement consideration requirements under section 260C.221 apply under ~~this act~~ sections 260.61 to 260.693.

Sec. 161. Minnesota Statutes 2024, section 260.67, subdivision 2, is amended to read:

Subd. 2. **Termination of parental rights restrictions.** (a) A court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child based solely on the parent's failure to complete case plan requirements.

(b) Except as provided in ~~paragraph (c)~~ subdivision 3, a court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child in a child placement proceeding unless the allegations against the parent involve sexual abuse; egregious harm as defined in section 260C.007, subdivision 14; murder in the first, second, or third degree under section 609.185, 609.19, or 609.195; murder of an unborn child in the first, second, or third degree under section 609.2661, 609.2662, or 609.2663; manslaughter of an unborn child in the first or second degree under section 609.2664 or 609.2665; domestic assault by strangulation under section 609.2247; felony domestic assault under section 609.2242 or 609.2243; kidnapping under section 609.25; solicitation, inducement, and promotion of prostitution under section 609.322, subdivision 1, and subdivision 1a if one or more aggravating factors are present; criminal sexual conduct under sections 609.342 to 609.3451; engaging in, hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; solicitation of children to engage in sexual conduct under section 609.352; possession of pornographic work involving minors under section 617.247; malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378; use of a minor in sexual performance under section 617.246; or failing to protect a child from an overt act or condition that constitutes egregious harm.

Sec. 162. Minnesota Statutes 2024, section 260C.001, subdivision 1, is amended to read:

Subdivision 1. **Citation; scope.** (a) Sections 260C.001 to ~~260C.637~~ 260C.635 may be cited as the juvenile protection provisions of the Juvenile Court Act.

(b) Juvenile protection proceedings include:

(1) a child in need of protection or services matters;

(2) permanency matters, including termination of parental rights;

(3) postpermanency reviews under sections 260C.317 and 260C.521; and

(4) adoption matters including posttermination of parental rights proceedings that review the responsible social services agency's reasonable efforts to finalize adoption.

Sec. 163. Minnesota Statutes 2024, section 260C.4411, subdivision 1, is amended to read:

Subdivision 1. **Pre-Northstar Care for Children foster care program.** (a) For a child placed in family foster care on or before December 31, 2014, the county of financial responsibility under section 256G.02 or tribal agency authorized under section 142A.03, subdivision 9, shall pay the local share under section 142A.611, subdivision 3, for foster care maintenance including any difficulty of care as defined in Minnesota Rules, part 9560.0521, subparts 7 and 10. Family foster care includes:

(1) emergency relative placement under section 142B.06;

(2) licensed foster family settings, foster residence settings, or treatment foster care settings, licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, and served by a public or private child care agency authorized by Minnesota Rules, parts 9545.0755 to ~~9545.0845~~ 9545.0835;

(3) family foster care homes approved by a tribal agency; and

(4) unlicensed supervised settings for foster youth ages 18 to 21.

(b) The county of financial responsibility under section 256G.02 or tribal social services agency authorized in section 142A.03, subdivision 9, shall pay the entire cost of any initial clothing allowance, administrative payments to child care agencies specified in section 317A.907, or any other support services it authorizes, except as otherwise provided by law.

(c) The rates for the pre-Northstar Care for Children foster care program remain those in effect on January 1, 2013, continuing the preexisting rate structure for foster children who remain with the same caregivers and do not transition into Northstar Care for Children under section 142A.604, subdivision 6.

(d) Difficulty of care payments must be maintained consistent with Minnesota Rules, parts 9560.0652 and 9560.0653, using the established reassessment tool in Minnesota Rules, part 9560.0654. The preexisting rate structure for the pre-Northstar Care for Children foster care program must be maintained, provided that when the number of foster children in the program is less than ten percent of the population in 2012, the commissioner may apply the same assessment tool to both the pre-Northstar Care for Children foster care program and Northstar Care for Children under the authority granted in section 142A.607, subdivision 2.

(e) The county of financial responsibility under section 256G.02 or tribal agency authorized under section 142A.03, subdivision 9, shall document the determined pre-Northstar Care for Children foster care rate in the case record, including a description of each condition on which the difficulty of care assessment is based. The difficulty of care rate is reassessed:

(1) every 12 months;

(2) at the request of the foster parent; or

(3) if the child's level of need changes in the current foster home.

(f) The pre-Northstar Care for Children foster care program must maintain the following existing program features:

(1) monthly payments must be made to the family foster home provider;

(2) notice and appeal procedures must be consistent with Minnesota Rules, part 9560.0665; and

(3) medical assistance eligibility for foster children must continue to be determined according to section 256B.055.

(g) The county of financial responsibility under section 256G.02 or tribal agency authorized under section 142A.03, subdivision 9, may continue existing program features, including:

(1) establishing a local fund of county money through which the agency may reimburse foster parents for the cost of repairing damage done to the home and contents by the foster child and the additional care insurance premium cost of a child who possesses a permit or license to drive a car; and

(2) paying a fee for specific services provided by the foster parent, based on the parent's skills, experience, or training. This fee must not be considered foster care maintenance.

(h) The following events end the child's enrollment in the pre-Northstar Care for Children foster care program:

(1) reunification with parent or other relative;

(2) adoption or transfer of permanent legal and physical custody;

(3) removal from the current foster home to a different foster home;

(4) another event that ends the current placement episode; or

(5) attaining the age of 21.

Sec. 164. Minnesota Statutes 2024, section 260C.4412, is amended to read:

**260C.4412 PAYMENT FOR RESIDENTIAL PLACEMENTS.**

(a) When a child is placed in a foster care group residential setting under Minnesota Rules, parts 2960.0020 to 2960.0710, a foster residence licensed under chapter 245A that meets the standards of Minnesota Rules, parts 2960.3200 to 2960.3230, or a children's residential facility licensed or approved by a tribe, foster care maintenance payments must be made on behalf of the child to cover the cost of providing food, clothing, shelter, daily supervision, school supplies, child's personal incidentals and supports, reasonable travel for visitation, or other transportation needs associated with the items listed. Daily supervision in the group residential setting includes routine day-to-day direction and arrangements to ensure the well-being and safety of the child. It may also include reasonable costs of administration and operation of the facility.

(b) The commissioner of human services shall specify the title IV-E administrative procedures under section 142A.418 for each of the following residential program settings:

(1) residential programs licensed under chapter 245A or licensed by a tribe, including:

(i) qualified residential treatment programs as defined in section 260C.007, subdivision 26d;

(ii) program settings specializing in providing prenatal, postpartum, or parenting supports for youth; and

(iii) program settings providing high-quality residential care and supportive services to children and youth who are, or are at risk of becoming, sex trafficking victims;

(2) licensed residential family-based substance use disorder treatment programs as defined in section 260C.007, subdivision 22a; and

(3) supervised settings in which a foster child age 18 or older may live independently, consistent with section 260C.451.

(c) A lead contract under section 142A.07, subdivision 6, is not required to establish the foster care maintenance payment in paragraph (a) for foster residence settings licensed under chapter 245A that meet the standards of Minnesota Rules, parts 2960.3200 to 2960.3230. The foster care maintenance payment for these settings must be consistent with section 142A.609, subdivision 3, and subject to the annual revision as specified in section ~~256N.26, subdivision 9~~ 142A.609, subdivision 8.

Sec. 165. Minnesota Statutes 2024, section 260E.17, subdivision 2, is amended to read:

Subd. 2. **Responsible social service agency.** The responsible agency shall conduct an investigation when the report alleges maltreatment in a facility required to be licensed or certified under chapter 142B, 142C, 144H, 245A, or 245D~~, or 245H~~; under sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider association as defined in section 256B.0625, subdivision 19a.

Sec. 166. Minnesota Statutes 2024, section 260E.33, subdivision 6a, is amended to read:

Subd. 6a. **Notification of contested case hearing.** When an appeal of a lead investigative agency determination results in a contested case hearing under chapter 142B, 245A, or 245C, the administrative law judge shall notify the parent, legal custodian, or guardian of the child who is the subject of the maltreatment determination. The notice must be sent by certified mail and inform the parent, legal custodian, or guardian of the child of the right to file a signed written statement in the proceedings and the right to attend and participate in the hearing. The parent, legal custodian, or guardian of the child may file a written statement with the administrative law judge hearing the case no later than five business days before commencement of the hearing. The administrative law judge shall include the written statement in the hearing record and consider the statement in deciding the appeal. The lead investigative agency shall provide to the administrative law judge the address of the parent, legal custodian, or guardian of the child. If the lead investigative agency is not reasonably able to determine the address of the parent, legal custodian, or guardian of the child, the administrative law judge is not required to send a hearing notice under this subdivision.

Sec. 167. Minnesota Statutes 2024, section 260E.35, subdivision 3, is amended to read:

Subd. 3. **Classification and release of data.** (a) A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by paragraphs (g) to (o).

(b) All reports and records created, collected, or maintained under this chapter by a local welfare agency or law enforcement agency may be disclosed to a local welfare or other child welfare agency of another state when the agency certifies that:

(1) the reports and records are necessary to conduct an investigation of actions that would qualify as maltreatment under this chapter; and

(2) the reports and records will be used only for purposes of a child protection assessment or investigation and will not be further disclosed to any other person or agency.

(c) The local welfare agency or law enforcement agency in this state shall keep a record of all records or reports disclosed pursuant to this subdivision and of any agency to which the records or reports are disclosed. If, in any case, records or reports are disclosed before a determination is made under section 260E.24, subdivision 3, paragraph (a), or a disposition of a criminal proceeding is reached, the local welfare agency or law enforcement agency in this state shall forward the determination or disposition to any agency that has received a report or record under this subdivision.

(d) The responsible authority of a local welfare agency or the responsible authority's designee may release private or confidential data on an active case involving assessment or investigation of actions that are defined as maltreatment under this chapter to a court services agency if:

(1) the court services agency has an active case involving a common client who is the subject of the data; and

(2) the data are necessary for the court services agency to effectively process the court services agency's case, including investigating or performing other duties relating to the case required by law.

(e) The data disclosed under paragraph (d) may be used only for purposes of the active court services case described in paragraph (d), clause (1), and may not be further disclosed to any other person or agency, except as authorized by law.

(f) Records maintained under subdivision ~~4~~ 6, paragraph (b), may be shared with another local welfare agency that requests the information because it is conducting an assessment or investigation under this section of the subject of the records.

(g) Except as provided in paragraphs (b), (h), (i), (o), and (p); subdivision 1; and sections 260E.22, subdivision 2; and 260E.23, all records concerning individuals maintained by a local welfare agency or agency responsible for assessing or investigating the report under this chapter, including any written reports filed under sections 260E.06 and 260E.09, shall be private data on individuals, except insofar as copies of reports are required by section 260E.12, subdivision 1 or 2, to be sent to the local police department or the county sheriff.

(h) All records concerning determinations of maltreatment by a facility are nonpublic data as maintained by the Department of Education, except insofar as copies of reports are required by section 260E.12, subdivision 1 or 2, to be sent to the local police department or the county sheriff.

(i) Reports maintained by any police department or the county sheriff shall be private data on individuals, except the reports shall be made available to the investigating, petitioning, or prosecuting authority, including a county medical examiner or county coroner.

(j) Section 13.82, subdivisions 8, 9, and 14, apply to law enforcement data other than the reports.

(k) The local welfare agency or agency responsible for assessing or investigating the report shall make available to the investigating, petitioning, or prosecuting authority, including a county medical examiner or county coroner or a professional delegate, any records that contain information relating to a specific incident of maltreatment that is under investigation, petition, or prosecution and information relating to any prior incident of maltreatment involving any of the same persons. The records shall be collected and maintained according to chapter 13.

(l) An individual subject of a record shall have access to the record according to those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation except as otherwise permitted by this section.

(m) Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter before the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in

bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure.

(n) Upon request of the legislative auditor, data on individuals maintained under this chapter must be released to the legislative auditor in order for the auditor to fulfill the auditor's duties under section 3.971. The auditor shall maintain the data according to chapter 13.

(o) Active law enforcement investigative data received by a local welfare agency or agency responsible for assessing or investigating the report under this chapter are confidential data on individuals. When this data become inactive in the law enforcement agency, the data are private data on individuals.

(p) Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.

Sec. 168. Minnesota Statutes 2024, section 275.011, subdivision 1, is amended to read:

Subdivision 1. **Determination of levy limit.** The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under ~~section 124.2131~~ sections 127A.48 and 275.1325, must not exceed ~~the following amount for the years specified:~~

~~(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and~~

~~(c) for taxes payable in 1990 and subsequent years,~~ the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 2014 and subsequent years under this subdivision, "total market valuation" means the estimated market value of all taxable property subject to the tax as provided under section 273.032.

Sec. 169. Minnesota Statutes 2024, section 275.011, subdivision 2, is amended to read:

Subd. 2. **Construction of mill rate levy limit.** A mill rate levy limitation imposed by a special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under ~~section 124.2131~~ sections 127A.48 and 275.1325, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Sec. 170. Minnesota Statutes 2024, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a corporation taxable under section 290.02, the term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in sections 290.0131 to 290.0136.

(b) For an individual, the term "net income" means federal adjusted gross income with the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

(c) In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

(d) The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

(e) The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

(f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for taxable years beginning after December 31, 1996.

(g) Except as otherwise provided, references to the Internal Revenue Code in this subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of determining net income for the applicable year.

(h) In the case of a partnership electing to file a composite return under section 289A.08, subdivision 7, "net income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10, 16, ~~and~~ 17, and 19, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, ~~and~~ 28, and 31, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

(i) In the case of a qualifying entity electing to pay the pass-through entity tax under section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal adjusted gross income from the qualifying entity modified by the additions provided in section 290.0131, subdivisions 5, 8 to 10, 16, ~~and~~ 17, and 19, and the subtractions provided in: (1) section 290.0132, subdivisions 3, 9, 27, ~~and~~ 28, and 31, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the pass-through entity tax computation to the extent the qualifying owners would have been allowed the subtraction. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20.

Sec. 171. Minnesota Statutes 2024, section 290.0132, subdivision 32, is amended to read:

Subd. 32. **Delayed net operating loss deduction.** The amount of the sum of each addition required in section 290.0131, subdivision 20, for each taxable year, except as otherwise provided, less the sum of all amounts subtracted under this subdivision in all prior taxable years, that does not exceed 80 percent of federal taxable income ~~as defined in section 290.01, subdivision 19, paragraph (b)~~, determined without regard to this subdivision, is a subtraction. Any excess is a delayed net operating loss deduction carryforward, the entire amount of which must be carried to the earliest taxable year. No subtraction under this subdivision is allowed after 20 taxable years from the taxable year in which an operating loss arises. The sum of the additions required under section 290.0131, subdivision 20, paragraph (a), are aggregated and assigned to the taxable year immediately succeeding the taxable year in which the operating loss arises, for purposes of determining the subtraction allowed under this subdivision in that succeeding taxable year and the amount carried forward.

Sec. 172. Minnesota Statutes 2024, section 290.095, subdivision 11, is amended to read:

Subd. 11. **Carryback or carryover adjustments.** (a) Except as provided in ~~paragraphs~~ paragraph (c) ~~and (d)~~, for individuals, estates, and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income, provided that, notwithstanding any other provision, estates and trusts must apply the following adjustments to the amount of the net operating loss that may be carried back or carried over:

(1) Nonassignable income or losses as required by section 290.17.

(2) Deductions not allocable to Minnesota under section 290.17.

(b) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal taxable income provided that trusts and estates must apply the following modifications:

(1) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(2) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year. For estates and trusts, the net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (b) less the

amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed to estates and trusts if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. However, if a net operating loss carryback or carryover was allowed to offset federal income in a year earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(c) This paragraph does not apply to eligible small businesses that make a valid election to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal Revenue Code as amended through March 31, 2009.

(1) A net operating loss of an individual, estate, or trust that is allowed under this subdivision and for which the taxpayer elects to carry back for more than two years under section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each of the two taxable years preceding the loss, and unused portions may be carried forward for 20 taxable years after the loss.

(2) The entire amount of the net operating loss for any taxable year must be carried to the earliest of the taxable years to which the loss may be carried. The portion of the loss which may be carried to each of the other taxable years is the excess, if any, of the amount of the loss over the greater of the taxable net income or alternative minimum taxable income for each of the taxable years to which the loss may be carried.

~~(d) The amount of a net operating loss carried forward must be reduced by any amounts used for the subtraction in section 290.0132, subdivision 33, in the next taxable year following the subtraction in which a net operating loss deduction is claimed.~~

Sec. 173. Minnesota Statutes 2024, section 295.50, subdivision 4, is amended to read:

Subd. 4. **Health care provider.** (a) "Health care provider" means:

(1) a person whose health care occupation is regulated or required to be regulated by the state of Minnesota furnishing any or all of the following goods or services directly to a patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services, drugs, laboratory, diagnostic or therapeutic services;

(2) a person who provides goods and services not listed in clause (1) that qualify for reimbursement under the medical assistance program provided under chapter 256B;

(3) a staff model health plan company;

(4) an ambulance service required to be licensed;

(5) a person who sells or repairs hearing aids and related equipment or prescription eyewear; or

(6) a person providing patient services, who does not otherwise meet the definition of health care provider and is not specifically excluded in clause (b), who employs or contracts with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise oversee, or consult with regarding patient services.

(b) Health care provider does not include:

(1) hospitals; medical supplies distributors, except as specified under paragraph (a), clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction; wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation, or any other providers of transportation services other than ambulance services required to be licensed; supervised living facilities for persons with developmental disabilities, licensed under Minnesota Rules, parts 4665.0100 to 4665.9900; ~~housing with services establishments required to be registered under chapter 144D~~ assisted living facilities required to be licensed under chapter 144G; board and lodging establishments providing only custodial services that are licensed under chapter 157 and registered under section 157.17 to provide supportive services or health supervision services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults with developmental disabilities as defined in section 252.41, subdivision 3; boarding care homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined in Minnesota Rules, part 9555.9600;

(2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a person providing personal care services and supervision of personal care services ~~as defined in Minnesota Rules, part 9505.0335~~ under sections 256B.0625, subdivision 19a, and 256B.85; a person providing home care nursing services as defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed under chapter 144A for home care services provided under chapter 144A;

(3) a person who employs health care providers solely for the purpose of providing patient services to its employees;

(4) an educational institution that employs health care providers solely for the purpose of providing patient services to its students if the institution does not receive fee for service payments or payments for extended coverage; and

(5) a person who receives all payments for patient services from health care providers, surgical centers, or hospitals for goods and services that are taxable to the paying health care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision 1, paragraph (b), clause (3) or (4), or from a source of funds that is excluded or exempt from tax under sections 295.50 to 295.59.

Sec. 174. Minnesota Statutes 2024, section 295.81, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Bundled transaction" means the retail sale of two or more products when the products are otherwise distinct and identifiable and the products are sold for one nonitemized price.

(c) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(d) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(e) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

(f) "Cannabis mezzobusiness" means a cannabis business licensed under section 342.29.

(g) "Cannabis microbusiness" means a cannabis business licensed under section 342.28.

(h) "Cannabis retailer" means a cannabis business licensed under section 342.32.

(i) "Commissioner" means the commissioner of revenue.

(j) "Gross receipts" means the total amount received in money or by barter or exchange for all taxable cannabis product sales at retail as measured by the sales price. Gross receipts include but are not limited to delivery charges and packaging costs. Gross receipts do not include:

(1) any taxes imposed directly on the customer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(k) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(l) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

(m) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.43, subdivision 1, clause (2).

(n) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.

(o) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.

(p) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision ~~55~~ 54a.

(q) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(r) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar item.

(s) "Taxable cannabis product retailer" means a retailer that sells any taxable cannabis product, and includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, and lower-potency hemp edible retailer. Taxable cannabis product retailer includes but is not limited to a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Sec. 175. Minnesota Statutes 2024, section 296A.06, subdivision 1, is amended to read:

Subdivision 1. **Revocation of license~~, permit, or certificate~~.** If any person fails to comply with this chapter or the rules adopted under this chapter, without reasonable cause, the commissioner may give the person 30 days' notice in writing, specifying the violations,

and stating that based upon such violations the commissioner intends to revoke the person's license~~, permit, or certificate~~. The notice shall also advise the person of the person's right to contest the revocation under this section and the general procedures for a contested case hearing under chapter 14. The notice may be served personally or by mail in the manner prescribed for service of an order of assessment. A license~~, permit, or certificate~~ is revoked when the commissioner serves a notice of revocation upon the person after 30 days have passed following the date of the notice of intent to revoke without the person requesting a hearing. If a hearing is timely requested and held, the license~~, permit, or certificate~~ is revoked after the commissioner serves an order of revocation under section 14.62, subdivision 1.

Sec. 176. Minnesota Statutes 2024, section 297A.9915, subdivision 5, is amended to read:

Subd. 5. **Revenue bonds.** (a) In addition to other authority granted in this section, and notwithstanding section 473.39, subdivision 7, or any other law to the contrary, the council may, by resolution, authorize the sale and issuance of revenue bonds, notes, or obligations to provide funds to (1) implement the council's transit capital improvement program, and (2) refund bonds issued under this subdivision.

(b) The bonds are payable from and secured by a pledge of all or part of the revenue received under subdivision 4, paragraph (a), clause (1), and associated investment earnings on debt proceeds. The council may, by resolution, authorize the issuance of the bonds as general obligations of the council. The bonds must be sold, issued, and secured in the manner provided in chapter 475, and the council has the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475, except that no election is required and the net debt limitations in chapter 475 do not apply to such bonds. The proceeds of the bonds may also be used to fund necessary reserves and to pay credit enhancement fees, issuance costs, and other financing costs during the life of the debt.

(c) The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which must define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge must be a valid charge on the revenues received under section 297A.99, subdivision 11. Neither the state, nor any municipality or political subdivision except the council, nor any member or officer or employee of the council, is liable on the obligations. No mortgage or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest in the revenues and bond proceeds received by the council and pledged to the payment of the bonds. In the bond resolution or trust

indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders.

Sec. 177. Minnesota Statutes 2024, section 297I.20, subdivision 1, is amended to read:

Subdivision 1. **Guaranty association assessment offsets.** (a) An insurance company or health maintenance organization may offset against its premium tax liability to this state any amount paid for assessments made for insolvencies under sections 60C.01 to 60C.22; and any amount paid for assessments under sections 61B.18 to 61B.32 as follows:

(1) Each such assessment shall give rise to an amount of offset equal to 20 percent of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid.

(2) The amount of offset initially determined for each taxable year is the sum of the amounts determined under clause (1) for that taxable year.

(b)(1) Each year the commissioner shall compare total guaranty association assessments levied over the preceding five calendar years to the sum of all premium tax and corporate franchise tax revenues collected from insurance companies and health maintenance organizations, without reduction for any guaranty association assessment offset in the preceding calendar year, referred to in this subdivision as "preceding year insurance tax revenues."

(2) If total guaranty association assessments levied over the preceding five years exceed the preceding year insurance tax revenues, insurance companies and health maintenance organizations must be allowed only a proportionate part of the premium tax offset calculated under paragraph (a) for the current calendar year.

(3) The proportionate part of the premium tax offset allowed in the current calendar year is determined by multiplying the amount calculated under paragraph (a) by a fraction. The numerator of the fraction equals the preceding year insurance tax revenues, and its denominator equals total guaranty association assessments levied over the preceding five-year period.

(4) The proportionate part of the premium tax offset that is not allowed must be carried forward to subsequent tax years and added to the amount of premium tax offset calculated under paragraph (a) prior to application of the limitation imposed by this paragraph.

(5) Any amount carried forward from prior years must be allowed before allowance of the offset for the current year calculated under paragraph (a).

(6) The premium tax offset limitation must be calculated separately for (i) insurance companies subject to assessment under sections 60C.01 to 60C.22, and (ii) insurance companies or health maintenance organizations subject to assessment under sections 61B.18 to 61B.32.

(7) When the premium tax offset is limited by this provision, the commissioner shall notify affected insurance companies or health maintenance organizations on a timely basis for purposes of completing premium and corporate franchise tax returns.

(8) The guaranty associations created under sections 60C.01 to 60C.22 and 61B.18 to 61B.32 shall provide the commissioner with the necessary information on guaranty association assessments.

(c)(1) If the offset determined by the application of paragraphs (a) and (b) exceeds the insurance company's or health maintenance organization's premium tax liability under this ~~section~~ chapter prior to allowance of the credit for premium taxes, then the insurance company or health maintenance organization may carry forward the excess, referred to in this subdivision as the "carryforward credit" to subsequent taxable years.

(2) The carryforward credit is allowed as an offset against premium tax liability for the first succeeding year to the extent that the premium tax liability for that year exceeds the amount of the allowable offset for the year determined under paragraphs (a) and (b).

(3) The carryforward credit must be reduced, but not below zero, by the amount of the carryforward credit allowed as an offset against the premium tax under this paragraph. The remainder, if any, of the carryforward credit must be carried forward to succeeding taxable years until the entire carryforward credit has been credited against the insurance company's or health maintenance organization's liability for premium tax under this chapter if applicable for that taxable year.

(d) When an insurer or health maintenance organization has offset against taxes its payment of an assessment of the Minnesota Life and Health Guaranty Association, and the association pays the insurer or health maintenance organization a refund with respect to the assessment under section 61B.24, subdivision 6, then the refund reduces the insurer's or health maintenance organization's carryforward credit under paragraph (c). If the refund exceeds the amount of the carryforward credit, the excess amount must be repaid to the state by the insurers or health maintenance organizations to the extent of the offset in the manner the commissioner requires.

Sec. 178. Minnesota Statutes 2024, section 297I.20, subdivision 3, is amended to read:

Subd. 3. **Historic structure rehabilitation credit.** An insurance company may claim a credit against the premiums tax imposed under this chapter equal to the amount of the credit certificate issued to it, or to a person who has assigned the credit to the insurance company, under section 290.0681. If the amount of the credit exceeds the liability for tax under this chapter, the commissioner shall refund the excess to the insurance company. An amount sufficient to pay the refunds under this ~~section~~ subdivision is appropriated to the commissioner from the general fund. This credit does not affect the calculation of fire state aid under section 477B.03 and police state aid under section 477C.03.

Sec. 179. Minnesota Statutes 2025 Supplement, section 297I.20, subdivision 7, is amended to read:

Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028, a taxpayer may claim a credit against the premiums tax imposed under this chapter equal to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately preceding calendar year. If the amount of the credit exceeds the liability for tax under this chapter, the commissioner must refund the excess to the insurance company. An amount sufficient to pay the refunds under this ~~section~~ subdivision is appropriated to the commissioner from the general fund. The credit under this subdivision does not affect the calculation of fire state aid under section 477B.03 and police state aid under section 477C.03. The commissioner of commerce must annually provide to the commissioner a list of assessments paid by taxpayers under section 62E.23 by March 1 of the calendar year following the assessment.

Sec. 180. Minnesota Statutes 2024, section 298.75, subdivision 2, is amended to read:

Subd. 2. **Tax imposed.** (a) ~~Except as provided in paragraph (e),~~ A county that imposes the aggregate production tax shall impose upon every operator a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate material excavated in the county except that the county board may decide not to impose this tax if it determines that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards of aggregate material from that county. The tax shall not be imposed on aggregate material excavated in the county until the aggregate material is transported from the extraction site or sold, whichever occurs first. When aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road or street is not used for transporting the aggregate material, the tax

shall not be imposed until either when the aggregate material is sold, or when it is transported from the stockpile site, or when it is used from the stockpile, whichever occurs first.

(b) ~~Except as provided in paragraph (e),~~ A county that imposes the aggregate production tax under paragraph (a) shall impose upon every importer a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate material imported into the county. The tax shall be imposed when the aggregate material is imported from the extraction site or sold. When imported aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road, or street is not used for transporting the aggregate material, the tax shall be imposed either when the aggregate material is sold, when it is transported from the stockpile site, or when it is used from the stockpile, whichever occurs first. The tax shall be imposed on an importer when the aggregate material is imported into the county that imposes the tax.

(c) If the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.

(d) A county, city, or town that receives revenue under this section is prohibited from imposing any additional host community fees on aggregate production within that county, city, or town.

~~(e) A county that borders two other states and that is not contiguous to a county that imposes a tax under this section may impose the taxes under paragraphs (a) and (b) at the rate of ten cents per cubic yard or seven cents per ton. This paragraph expires December 31, 2024.~~

Sec. 181. Minnesota Statutes 2025 Supplement, section 299C.061, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Fraud involving state funded or administered programs or services" includes any violation of section 609.445, 609.465, 609.466, 609.52, ~~609.5523,~~ 609.611, 609.651, 609.7475, or 609.821 involving a state agency or state-funded or administered program or service.

(c) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(d) "Section" means the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension.

(e) "State agency" has the meaning given in section 13.02, subdivision 17.

(f) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension.

Sec. 182. Minnesota Statutes 2024, section 309.531, subdivision 2, is amended to read:

Subd. 2. **Required registration statement.** The registration statement of the professional fundraiser shall consist of the following:

~~(a)~~ (1) If the professional fundraiser at any time has custody of or access to contributions from a solicitation, or if any person the professional fundraiser employs, obtains, or engages has custody of or access to contributions from a solicitation, the registration statement shall include a bond, in which the professional fundraiser shall be the principal obligor. The bond shall be in the sum of $20,000, with one or more responsible sureties whose liability in the aggregate as the sureties will at least equal that sum. In order to maintain the registration, the bond shall be in effect for the full term of the registration. The bond, which may be in the form of a rider to a larger blanket liability bond, shall run to the state and to any person who may have a cause of action against the principal obligor of the bond for any liabilities resulting from the obligor's conduct of any activities subject to sections 309.50 to 309.61 or arising out of a violation of the statutes or a rule adopted under the statutes.

~~(b)~~ (2) If the professional fundraiser, or any person the professional fundraiser employs, procures, or engages, solicits in this state, the registration statement shall include a completed "solicitation notice" on a form provided by the attorney general. The solicitation notice shall include a copy of the contract described in ~~paragraph (c)~~ clause (3), the projected dates when soliciting will commence and terminate, the location and telephone number from where the solicitation will be conducted, the name and residence address of each person responsible for directing and supervising the conduct of the campaign, a statement as to whether the professional fundraiser will at any time have custody of contributions, and a description of the charitable program for which the solicitation campaign is being carried out. The charitable organization on whose behalf the professional fundraiser is acting shall certify that the solicitation notice and accompanying material are true and complete to the best of its knowledge.

~~(c)~~ (3) The professional fundraiser shall also include, as part of the registration statement, a copy of the contract between the charitable organization and the professional fundraiser. The contract shall:

~~(1)~~ (i) be in writing;

~~(2)~~ (ii) contain information as will enable the attorney general to identify the services the professional fundraiser is to provide, including whether the professional fundraiser will at any time have custody of contributions; and

~~(3)~~ (iii) if the professional fundraiser or any person the professional fundraiser employs, procures, or engages, directly or indirectly, solicits in this state, ~~the contract shall~~ disclose the percentage or a reasonable estimate of the percentage of the total amount solicited from each person which shall be received by the charitable organization for charitable purposes.

The stated percentages required by this section and section 309.556, subdivision 2, shall exclude any amount which the charitable organization is to pay as expenses of the solicitation campaign, including the cost of merchandise or services sold or events staged.

~~(d)~~ (4) The registration statement shall also include the financial report for previous campaigns conducted by the professional fundraiser in this state as set forth in subdivision 4.

Sec. 183. Minnesota Statutes 2024, section 321.1109, is amended to read:

**321.1109 EFFECT OF MERGER.**

(a) When a merger becomes effective:

(1) the surviving organization continues or comes into existence;

(2) each constituent organization that merges into the surviving organization ceases to exist as a separate entity;

(3) all property owned by each constituent organization that ceases to exist vest in the surviving organization;

(4) all debts, liabilities, and other obligations of each constituent organization that ceases to exist continue as obligations of the surviving organization;

(5) an action or proceeding pending by or against any constituent organization that ceases to exist may be continued as if the merger had not occurred;

(6) except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving organization;

(7) except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger take effect; ~~and~~

(8) except as otherwise agreed, if a constituent limited partnership ceases to exist, the merger does not dissolve the limited partnership for the purposes of article 8;

(9) if the surviving organization is created by the merger:

(A) if it is a limited partnership, the certificate of limited partnership becomes effective; or

(B) if it is an organization other than a limited partnership, the organizational document that creates the organization becomes effective; and

(10) if the surviving organization preexists the merger, any amendments provided for in the articles of merger for the organizational document that created the organization become effective.

(b) A surviving organization that is a foreign organization consents to the jurisdiction of the courts of this state to enforce any obligation owed by a constituent organization, if before the merger the constituent organization was subject to suit in this state on the obligation. A surviving organization that is a foreign organization and not authorized to transact business in this state appoints the secretary of state as its agent for service of process for the purposes of enforcing an obligation under this subsection. Service on the secretary of state under this subsection is made in the same manner and with the same consequences as in section 321.0117(c) and (d).

Sec. 184. Minnesota Statutes 2024, section 325F.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Child" means a person under 12 years of age.

(c) "Children's product" means a product primarily designed or intended by a manufacturer to be used by or for a child, including any article used as a component of such a product, but excluding a food, beverage, dietary supplement, pharmaceutical product or biologic, children's toys that are subject to the most recent version of the American Society for Testing and Materials F963, Standard Consumer Safety Specification for Toy Safety, a

medical device as defined in the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 321(h), and products listed under section 116.9405, clauses (10) and (11)~~,~~ ~~and products listed under sections 325F.03 and 325F.04~~.

(d) "Upholstered residential furniture" means furniture with padding, coverings, and cushions intended and sold for use in the home.

(e) "Mattress" means a mattress as defined in Code of Federal Regulations, title 16, section 1632.1.

(f) "Organohalogenated chemical" means any chemical that contains one or more carbon elements and one or more halogen elements, including fluorine, chlorine, bromine, or iodine.

(g) "Residential textile" means a textile designed for use in the home as a covering on windows or walls.

Sec. 185. Minnesota Statutes 2024, section 327B.04, subdivision 8, is amended to read:

Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's license to an owner of a manufactured home park authorizing the licensee as principal only to engage in the sale, offering for sale, soliciting, or advertising the sale of used manufactured homes located in the owned manufactured home park. The licensee must be the title holder of the homes and may engage in no more than ten sales during each year of the two-year licensure period. An owner may, upon payment of the applicable fee and compliance with this subdivision, obtain a separate license for each owned manufactured home park and is entitled to sell up to 20 homes per license period provided that only one limited dealer license may be issued for each park. The license shall be issued after:

(1) receipt of an application on forms provided by the commissioner containing the following information:

(i) the identity of the applicant;

(ii) the name under which the applicant will be licensed and do business in this state;

(iii) the name and address of the owned manufactured home park, including a copy of the park license, serving as the basis for the issuance of the license;

(iv) the name, home, and business address of the applicant;

(v) the name, address, and telephone number of one individual that is designated by the applicant to receive all communications and cooperate with all inspections and investigations of the commissioner pertaining to the sale of manufactured homes in the manufactured home park owned by the applicant;

(vi) whether the applicant or its designated individual has been convicted of a crime within the previous ten years that is either related directly to the business for which the license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a judgment in a civil action involving fraud, misrepresentation, or conversion within the previous five years or has had any government license or permit suspended or revoked as a result of an action brought by a federal or state governmental agency in this or any other state within the last five years; and

(vii) the applicant's qualifications and business history, including whether the applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has any unsatisfied court judgments outstanding against it or them;

(2) payment of the license fee established by subdivision 7a; and

(3) provision of a surety bond in the amount of $5,000. A separate surety bond must be provided for each limited license.

The applicant need not comply with subdivision 4, paragraph (e). The holding of a limited dealer's license does not satisfy the requirement contained in subdivision 4, paragraph (e), for the licensee or salespersons with respect to obtaining a dealer license. The commissioner may, upon application for a renewal of a license, require only a verification that copies of sales documents have been retained and payment of the renewal fees established by section 326B.092. "Sales documents" mean only the ~~safety feature disclosure~~ notice of compliance form ~~defined in~~ under section ~~327C.07, subdivision 3a~~ 327.32, subdivision 1a, title of the home, financing agreements, and purchase agreements.

The license holder shall, upon request of the commissioner, make available for inspection during business hours sales documents required to be retained under this subdivision.

Sec. 186. Minnesota Statutes 2024, section 332.30, is amended to read:

**332.30 ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND REQUIREMENTS.**

(a) Before beginning business in this state, an accelerated mortgage payment provider, as defined in section 332A.02, subdivision 8, clause ~~(9)~~ (10), shall submit to the commissioner of commerce an authorization fee of $250 and either:

(1) a surety bond in which the accelerated mortgage payment provider is the obligor, in an amount determined by the commissioner; or

(2) if the commissioner agrees to accept it, a deposit:

(i) in cash in an amount equivalent to the bond amount; or

(ii) of authorized securities, as defined in section 50.14, with an aggregate market value equal to the bond amount. The cash or securities must be deposited with the commissioner of management and budget.

(b) The amount of the bond required by the commissioner shall vary with the amount of Minnesota client funds held or to be held by the obligor. For new businesses, the bond must be no less than $100,000, except as provided in section 332.301. The commissioner may increase the required bond amount upon 30 days' notice to the accelerated mortgage payment provider.

(c) If a bond is submitted, it must name as surety an insurance company authorized to transact fidelity and surety business in this state. The bond must run to the state of Minnesota for the use of the state and of any person who may have a claim against the obligor arising out of the obligor's activities as an accelerated mortgage payment provider. The bond must be conditioned that the obligor will not commit any fraudulent act and will faithfully conform to and abide by the provisions of accelerated mortgage payment agreements with Minnesota residents.

(d) If an accelerated mortgage payment provider has failed to account to a mortgagor or distribute funds to the mortgagee as required by an accelerated mortgage payment agreement, the mortgagor or the mortgagor's legal representative or receiver or the commissioner shall have, in addition to any other legal remedies, a right of action in the name of the debtor on the bond or the security given pursuant to this section.

(e) Section 58A.04, subdivisions 2 and 3, apply to this section.

Sec. 187. Minnesota Statutes 2024, section 336.7-209, is amended to read:

**336.7-209 LIEN OF WAREHOUSE.**

(a) A warehouse has a lien against the bailor on the goods covered by a warehouse receipt or storage agreement or on the proceeds thereof in its possession for charges for storage or transportation, including demurrage and terminal charges, insurance, labor, or other charges, present or future, in relation to the goods, and for expenses necessary for preservation of the goods or reasonably incurred in their sale pursuant to law. If the person on whose account the goods are held is liable for similar charges or expenses in relation to other goods whenever deposited and it is stated in the warehouse receipt or storage agreement that a lien is claimed for charges and expenses in relation to other goods, the warehouse also has a lien against the goods covered by the warehouse receipt or storage agreement or on the proceeds thereof

in its possession for those charges and expenses, whether or not the other goods have been delivered by the warehouse. However, as against a person to which a negotiable warehouse receipt is duly negotiated, a warehouse's lien is limited to charges in an amount or at a rate specified in the warehouse receipt or, if no charges are so specified, to a reasonable charge for storage of the specific goods covered by the receipt subsequent to the date of the receipt.

(b) A warehouse may also reserve a security interest against the bailor for the maximum amount specified on the receipt for charges other than those specified in subsection (a), such as for money advanced and interest. The security interest is governed by article 9.

(c) A warehouse's lien for charges and expenses under subsection (a) or a security interest under subsection (b) is also effective against any person that so entrusted the bailor with possession of the goods that a pledge of them by the bailor to a good faith purchaser for value would have been valid. However, the lien or security interest is not effective against a person that before issuance of a document of title had a legal interest or a perfected security interest in the goods and that did not:

(1) deliver or entrust the goods or any document of title covering the goods to the bailor or the bailor's nominee with:

(A) actual or apparent authority to ship, store, or sell;

(B) power to obtain delivery under section 336.7-403; or

(C) power of disposition under section 336.2-403, 336.2A-304(2), 336.2A-305(2), 336.9-320, or 336.9-321(c) or other statute or rule of law; or

(2) acquiesce in the procurement by the bailor or its nominee of any document.

(d) A warehouse's lien on household goods for charges and expenses in relation to the goods under subsection (a) is also effective against all persons if the depositor was the legal possessor of the goods at the time of deposit. In this subsection, "household goods" means furniture, furnishings, or personal effects used by the depositor in a dwelling.

(e) A warehouse loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

Sec. 188. Minnesota Statutes 2024, section 336.9-317, is amended to read:

**336.9-317 INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN.**

(a) **Conflicting security interests and rights of lien creditors.** A security interest or agricultural lien is subordinate to the rights of:

(1) a person entitled to priority under section 336.9-322; and

(2) except as otherwise provided in subsection (e), a person that becomes a lien creditor before the earlier of the time:

(A) the security interest or agricultural lien is perfected; or

(B) one of the conditions specified in section 336.9-203(b)(3) is met and a financing statement covering the collateral is filed.

(b) **Buyers that receive delivery.** Except as otherwise provided in subsection (e), a buyer, other than a secured party, of goods, instruments, tangible documents, or a certificated security ~~certificate~~ takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(c) **Lessees that receive delivery.** Except as otherwise provided in subsection (e), a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(d) **Licensees and buyers of certain collateral.** Subject to subsections (f) through (i), a licensee of a general intangible or a buyer, other than a secured party, of collateral other than electronic money, goods, instruments, tangible documents, or a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(e) **Purchase-money security interest.** Except as otherwise provided in sections 336.9-320 and 336.9-321, if a person files a financing statement with respect to a purchase-money security interest before or within 20 days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

(f) **Buyers of chattel paper.** A buyer, other than a secured party, of chattel paper takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and:

(1) receives delivery of each authoritative tangible copy of the record evidencing the chattel paper; and

(2) if each authoritative electronic copy of the record evidencing the chattel paper can be subjected to control under section 336.9-105, obtains control of each authoritative electronic copy.

(g) **Buyers of electronic documents.** A buyer of an electronic document takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and, if each authoritative electronic copy of the document can be subjected to control under section 336.7-106, obtains control of each authoritative electronic copy.

(h) **Buyers of controllable electronic records.** A buyer of a controllable electronic record takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the controllable electronic record.

(i) **Buyers of controllable accounts and controllable payment intangibles.** A buyer, other than a secured party, of a controllable account or a controllable payment intangible takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the controllable account or controllable payment intangible.

Sec. 189. Minnesota Statutes 2025 Supplement, section 353D.07, subdivision 2, is amended to read:

Subd. 2. **Payment of benefits.** (a) A participant is entitled to receive a distribution of the participant's benefit after termination of service for any reason, disability, or death, or on or after attaining age 65 if still employed by a public employer.

(b) Unless the distribution is required under section 356.635, no distribution shall be made unless the participant has submitted an application requesting:

(1) a distribution;

(2) a direct rollover;

(3) a transfer as permitted under subdivision 3, paragraph (b); or

(4) installments as permitted under subdivision 4.

If the distribution is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph ~~(d)~~ (e), the executive director shall provide notice to the participant or beneficiary, as applicable, of the right to elect a direct rollover.

Sec. 190. Minnesota Statutes 2024, section 353D.07, subdivision 5, is amended to read:

Subd. 5. **Death of a participant.** If a participant dies while employed or before the participant's account is distributed in its entirety, the account must be paid in a lump sum

to the designated beneficiary or, if none, the heirs at law of the decedent. If the distribution is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph ~~(d)~~ (e), the executive director shall provide an election form and notice of the right to elect a direct rollover.

Sec. 191. Minnesota Statutes 2024, section 353G.18, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them unless the context clearly indicates otherwise.

(b) "Departing entity" means the entity seeking to terminate its participation in the plan and the coverage of its departing firefighters by the plan.

(c) "Departing firefighter" means each former firefighter of the departing entity who:

(1) is credited with one or more years of service under the plan or under the relief association previously affiliated with the departing entity;

(2) has not yet received a distribution of the firefighter's pension benefit; and

(3) is entitled to a distribution of a pension benefit under this section.

(d) "Direct rollover" means a payment described under section 356.633, subdivisions 1 and 2. Consistent with the definition of "distributee" under section 356.633, subdivision 1, paragraph ~~(b)~~ (c), a departing firefighter is a distributee for the purpose of a direct rollover election.

(e) "Distribution date" means the date as of which all assets in the entity's account are to be distributed in the form of a payment to each departing firefighter or the survivor of each deceased departing firefighter or as a direct rollover, if elected under section 356.633, subdivisions 1 and 2.

(f) "Entity" means a municipality, a firefighting corporation, or a joint powers entity that operates or had operated a fire department with firefighters who are covered by the plan.

(g) "Entity's account" means the pension plan that is a component of the plan and under which the departing firefighters have accrued lump sum pension benefits and with which the departing entity is affiliated.

(h) "Executive director" means the executive director of the Public Employees Retirement Association.

(i) "Termination date" means the effective date of the termination of the pension plan that is the entity's account. The termination date shall precede the distribution date.

(j) "Year of service" means a year of service credit certified by the departing entity's fire chief under section 353G.07. For purposes of determining the amount of a departing firefighter's pension benefit under this section, year of service includes any service credit earned by the departing firefighter under the relief association previously affiliated with the departing entity, which must be certified under section 424A.003 beginning January 1, 2019. Service credit ends when the departing firefighter's active service ends, notwithstanding a later termination date as defined in paragraph (i).

Sec. 192. Minnesota Statutes 2024, section 353G.19, subdivision 6, is amended to read:

Subd. 6. **Distribution to former volunteer firefighters in pay status.** (a) If any former volunteer firefighter or beneficiary is receiving an annuity, the executive director must determine the present value of the remaining payments to the former volunteer firefighter or beneficiary and offer the former volunteer firefighter or beneficiary:

(1) continued payments in the same monthly amount; or

(2) an immediate lump-sum distribution of the present value amount.

(b) The offer of an immediate lump-sum distribution must include an offer to the former volunteer firefighter or beneficiary to elect a direct rollover of the amount to an eligible retirement plan as permitted under section 356.633, subdivisions 1 and 2, if the distribution is an eligible rollover distribution as defined in section 356.633 subdivision 1, paragraph ~~(d)~~ (e).

Sec. 193. Minnesota Statutes 2024, section 356.47, subdivision 3, is amended to read:

Subd. 3. **Payment.** (a) Beginning one year after the reemployment withholding period ends relating to the reemployment that gave rise to the limitation, and the filing of a written application, the retired member is entitled to the payment, in a lump sum, of the value of the person's amount under subdivision 2, plus annual compound interest. For the general state employees retirement plan, the correctional state employees retirement plan, the general employees retirement plan of the Public Employees Retirement Association, the public employees police and fire retirement plan, the local government correctional employees retirement plan, and the teachers retirement plan, the annual interest rate is six percent from the date on which the amount was deducted from the retirement annuity to the date of payment or until January 1, 2011, whichever is earlier, and no interest after January 1, 2011.

For the St. Paul Teachers Retirement Fund Association, the annual interest is the rate of six percent from the date that the amount was deducted from the retirement annuity to the date of payment or June 30, 2011, whichever is earlier, and with no interest accrual after June 30, 2011.

(b) The written application must be on a form prescribed by the chief administrative officer of the applicable retirement plan.

(c) If the retired member dies before the payment provided for in paragraph (a) is made, the amount is payable, upon written application, to the deceased person's surviving spouse, or if none, to the deceased person's designated beneficiary, or if none, to the deceased person's estate.

(d) If the amount under subdivision 2 is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph ~~(d)~~ (e), the applicable retirement plan shall provide notice and an election:

(1) to the member regarding the member's right to elect a direct rollover under section 356.633, subdivisions 1 and 2, in lieu of a direct payment; or

(2) if paragraph (c) applies and the amount is to be paid to a person who is a distributee as defined in section 356.633, subdivision 1, paragraph ~~(b)~~ (c), to the distributee regarding the distributee's right to elect a direct rollover under section 356.633, subdivisions 1 and 2, in lieu of a direct payment.

Sec. 194. Minnesota Statutes 2025 Supplement, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. **Transmittal of fees to commissioner of management and budget.** (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund. $30 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of management and budget in the special revenue fund and is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the

fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapters 260, 260A, 260B, and 260C;

(6) forfeiture of property under sections 169A.63 and 609.531 to ~~609.5317~~ 609.5316;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, 260C.331, and 518A.82, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) $20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and $35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

(e) No fee is required under this section from the Office of Ombudsperson for American Indian Families or any federally recognized Indian Tribe or its representative in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525; or

(4) court relief under chapters 256, 257, 260, 260A, 260B, 260C, 260D, and 518, and sections 524.5-201 to 524.5-317.

Sec. 195. Minnesota Statutes 2024, section 363A.07, subdivision 4, is amended to read:

Subd. 4. **Withdrawal from local commission.** Notwithstanding the provisions of any law or ordinance to the contrary, a person who has filed a charge with a local commission may bring a civil action as provided in section ~~363A.34~~ 363A.33 at the following times:

(1) within 90 days after receipt of notice that the local commission has determined that there is no probable cause to credit the allegations contained in the charge; receipt of notice is presumed to be five days from the date of service by mail of the written notice; or

(2) after 45 days from the filing of the charge if a hearing has not been held or if the local commission has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the local commission of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the local commission and upon their receipt the local commission shall terminate all proceedings before the local commission relating to the charge. No charge shall be filed or reinstituted with the local commission after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Sec. 196. Minnesota Statutes 2024, section 363A.08, subdivision 4, is amended to read:

Subd. 4. **Employer, employment agency, or labor organization.** (a) Except when based on a bona fide occupational qualification, it is an unfair employment practice for an

employer, employment agency, or labor organization, before a person is employed by an employer or admitted to membership in a labor organization, to:

(1) require or request the person to furnish information that pertains to race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age; or, subject to section 363A.20, to require or request a person to undergo physical examination; unless for the sole and exclusive purpose of national security, information pertaining to national origin is required by the United States, this state or a political subdivision or agency of the United States or this state, or for the sole and exclusive purpose of compliance with the Public Contracts Act or any rule, regulation, or laws of the United States or of this state requiring the information or examination. A law enforcement agency may, after notifying an applicant for a peace officer or part-time peace officer position that the law enforcement agency is commencing the background investigation on the applicant, request the applicant's date of birth, gender, and race on a separate form for the sole and exclusive purpose of conducting a criminal history check, a driver's license check, and fingerprint criminal history inquiry. The form shall include a statement indicating why the data is being collected and what its limited use will be. No document which has date of birth, gender, or race information will be included in the information given to or available to any person who is involved in selecting the person or persons employed other than the background investigator. No person may act both as background investigator and be involved in the selection of an employee except that the background investigator's report about background may be used in that selection as long as no direct or indirect references are made to the applicant's race, age, or gender; or

(2) seek and obtain for purposes of making a job decision, information from any source that pertains to the person's race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age, unless for the sole and exclusive purpose of compliance with the Public Contracts Act or any rule, regulation, or laws of the United States or of this state requiring the information; or

(3) cause to be printed or published a notice or advertisement that relates to employment or membership and discloses a preference, limitation, specification, or discrimination based on race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age.

(b) Any individual who is required to provide information that is prohibited by this subdivision is an aggrieved party under ~~sections 363A.06, subdivision 4, and~~ section 363A.28, subdivisions 1 to 9.

Sec. 197. Minnesota Statutes 2025 Supplement, section 423A.022, subdivision 2, is amended to read:

Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

(1) 58.064 percent must be paid to the executive director of the Public Employees Retirement Association for deposit in the public employees police and fire retirement fund established by section 353.65, subdivision 1;

(2) 35.484 percent must be allocated and paid as required by paragraphs (b) and (c), respectively, to or on behalf of municipalities who qualify for supplemental state aid under paragraph (d); and

(3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement System for deposit in the state patrol retirement fund.

(b) Supplemental state aid under paragraph (a), clause (2), must be allocated to each municipality that qualifies for supplemental state aid under paragraph (d) in the same proportion that the most recent amount of fire state aid paid under section 477B.04 for the municipality bears to the most recent total fire state aid paid under section 477B.04 for all municipalities other than municipalities solely employing firefighters with retirement coverage by one or more pension plans under chapter 353.

(c) Supplemental state aid under paragraph (a), clause (2), must be paid:

(1) to the executive director of the Public Employees Retirement Association for each municipality with a fire department that participates in the statewide volunteer firefighter plan for deposit in the fund established by section ~~352G.02~~ 353G.02, subdivision 3, and credited to the fire department's account; and

(2) with the balance to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable firefighters relief association for deposit in its special fund.

(d) A municipality qualifies for supplemental state aid under paragraph (a), clause (2), if the municipality:

(1) does not solely employ firefighters with retirement coverage provided by one or more pension plans established under chapter 353; and

(2) qualified to receive fire state aid in that calendar year.

(e) For purposes of this section, the term "municipalities" includes independent nonprofit firefighting corporations that participate in the statewide volunteer firefighter plan under chapter 353G or with subsidiary firefighter relief associations operating under chapter 424A.

Sec. 198. Minnesota Statutes 2025 Supplement, section 424A.015, subdivision 4, is amended to read:

Subd. 4. **Right to elect a direct rollover.** A relief association must permit a member, a surviving spouse, or another distributee as defined in section 356.633, subdivision 1, paragraph ~~(b)~~ (c), to elect a direct rollover of any distribution that is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph ~~(d)~~ (e), subject to the terms and conditions of section 356.633.

Sec. 199. Minnesota Statutes 2024, section 424A.05, subdivision 5, is amended to read:

Subd. 5. **Qualified domestic relations orders.** (a) A "qualified domestic relations order" means a domestic relations order that creates or recognizes the existence of an alternate payee's right to or assigns to an alternate payee the right to receive a service pension that is all or any portion of the service pension payable with respect to a member or former member of a relief association.

(b) An "alternate payee" means the former spouse of a member or former member of a relief association, including a former spouse who is a distributee as defined in section 356.633, subdivision 1, paragraph ~~(b)~~ (c).

(c) A relief association must comply with a qualified domestic relations order purporting to assign all or a portion of a service pension accrued under the retirement plan of the relief association, to the extent vested, if the payment or payments required by the order are within the limits described in section 518.58, subdivision 4, paragraph (a), clauses (1) to (4). For the purpose of applying section 518.58, subdivision 4, paragraph (a), "plan" or "pension plan" as used in paragraph (a) means the articles or bylaws of the relief association and chapter 424A, as applicable to the relief association.

(d) Notwithstanding any state law to the contrary, the bylaws of a relief association may permit distribution to an alternate payee under a qualified domestic relations order:

(1) as early as administratively practicable after the order is received by the relief association, even if the member whose service pension is being assigned to the alternate payee under the order has not yet reached age 50 or separated from active service with the fire department affiliated with the relief association; and

(2) in a lump sum, even if the relief association is a defined benefit relief association that pays monthly service pensions under section 424A.093.

(e) If the service pension is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph ~~(d)~~ (e), the relief association must permit the alternate payee to elect a direct rollover, as provided under section 356.633, subdivisions 1 and 2.

Sec. 200. Minnesota Statutes 2024, section 424B.13, subdivision 5, is amended to read:

Subd. 5. **Determination of value of pension benefits and distribution to retirees in pay status.** (a) The board of trustees shall determine the present value of each participant's accrued benefit, taking into account the full vesting requirement under subdivision 2 and any increase in the lump-sum benefit or monthly pension amount approved under subdivision 4:

(1) using the method set forth in section 424A.092, subdivision 2, for determining a plan's funded status by calculating the value of each participant's accrued benefit; or

(2) as determined by an actuary retained by the relief association, who meets the definition of approved actuary under section 356.215, subdivision 1, paragraph (c).

(b) If the retirement plan pays a monthly pension, the board of trustees must determine the present value of the remaining payments to any retiree in pay status or beneficiary who is receiving an annuity. Present value must be determined by an actuary who meets the definition of approved actuary under section 356.215, subdivision 1, paragraph (c), retained by the relief association. At the discretion of the relief association, the relief association must provide the retiree in pay status or beneficiary receiving the annuity either:

(1) an immediate lump-sum distribution of an amount equal to the present value of the remaining payments as determined by the actuary and permit the retiree in pay status or beneficiary to elect a lump-sum payment or a direct rollover of the amount to an eligible retirement plan as permitted under section 356.633, subdivisions 1 and 2, if the distribution is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph ~~(d)~~ (e); or

(2) continued payments in the same monthly amount under an annuity to be purchased by the board of trustees from a reputable insurance company licensed to do business in the state.

Sec. 201. Minnesota Statutes 2024, section 424B.13, subdivision 6, is amended to read:

Subd. 6. **Allocation of surplus.** (a) If, as of the conversion effective date, the defined benefit plan has a surplus, the board of trustees shall allocate the surplus as follows:

(1) per capita method: each participant's account will receive the same dollar amount;

(2) service-based method: each participant's account will receive a share of the surplus based on the ratio of the participant's years of service to the total years of service for all participants; or

(3) participant and municipality sharing method under paragraph (b).

(b) The board of trustees may allocate the surplus using the participant and municipality sharing method in accordance with this paragraph.

(1) For this purpose, "municipality" means "municipality" or "firefighting corporation," as applicable.

(2) If the fire department is operated by more than one municipality under a joint powers agreement:

(i) any consent by the municipality under this paragraph requires consent by each municipality that is party to the joint powers agreement;

(ii) any payment of surplus to the municipality under this paragraph requires a payment of a pro rata share of surplus to each municipality that is party to the joint powers agreement; and

(iii) any restrictions on the use of surplus applies to each municipality that is party to the joint powers agreement.

(3) Under the participant and municipality sharing method:

(i) first, the municipality will receive a share of the surplus based on the ratio of the municipal contributions made to the defined benefit relief association over a specified period of years to the total of fire state aid paid and municipal contributions made to the defined benefit relief association over the same period; and

(ii) second, any remaining surplus will be allocated to accounts of participants using the per capita or service-based method.

(4) The board of trustees may impose conditions on the use of the surplus by the municipality, as follows:

(i) all or a specified portion of the surplus must be contributed back to the defined contribution relief association over a specified number of future years for allocation to the accounts of participants eligible for an allocation;

(ii) all or a specified portion of the surplus must be used by the municipality for the purposes described in section 424A.08, paragraph (a) or ~~(b)~~ (c); or

(iii) all or a specified portion of the surplus must be used by the municipality to provide health insurance or other welfare benefits for the participants.

(c) The board of trustees shall specify whether the surplus will be allocated only to participants who are members active as of the conversion effective date or whether the surplus will be allocated to all participants, including members who are not active as of the conversion effective date.

Sec. 202. Minnesota Statutes 2024, section 424B.22, subdivision 7, is amended to read:

Subd. 7. **Allocation of surplus.** (a) If the retirement plan is a defined benefit plan and if, after completing the determination of assets, liabilities, and administrative expenses under subdivision 5, there is a surplus, the board of trustees shall transfer to the affiliated municipality the lesser of (1) the amount of the surplus, or (2) the sum of all required contributions, without investment earnings or interest thereon, made by the municipality to the relief association during the year in which the termination of the retirement plan occurs or during the preceding nine years.

(b) If the affiliated municipality did not make any required contributions to the relief association during the current or preceding nine years or if, after the transfer described in paragraph (a), there is surplus remaining, the relief association and the municipality will mutually agree on an allocation between them of the remaining surplus.

(c) If, within 180 days of the date of termination of the retirement plan, the municipality and relief association have not reached an agreement on the allocation of the surplus under paragraph (b), then 50 percent of the surplus shall be retained by the relief association and 50 percent of the surplus shall be transferred to the affiliated municipality.

(d) Any surplus retained by the relief association under paragraph (c) shall be allocated among all participants eligible to share in the surplus in the same proportion that the present value of the accrued benefit for each eligible participant bears to the total present value of the accrued benefits of all participants eligible to share in the surplus, and each eligible participant's benefit, as determined under subdivision 5, paragraph (a), clause (2), shall be increased by the participant's share of the surplus. The board of trustees shall determine

eligibility to share in the surplus, which may include all participants and any former participants who, within the last three years or such other number of years as determined by the board of trustees, separated from active service and received their retirement benefit.

If the board of trustees decides to include former participants in the allocation of the surplus, the board of trustees shall modify the method for allocating the surplus to take into account the former participants.

(e) Any amount of surplus transferred to the affiliated municipality under this subdivision may only be used for the purposes described in section 424A.08, paragraph (a) or ~~(b)~~ (c).

Sec. 203. Minnesota Statutes 2024, section 424B.22, subdivision 8, is amended to read:

Subd. 8. **Immediate distribution of retirement benefits and payment of all other obligations.** (a) The board of trustees shall liquidate the assets of the special fund and pay retirement benefits and administrative expenses under the retirement plan within 210 days after the effective date of the termination of the retirement plan.

(b) If the retirement plan is a defined benefit plan that pays lump-sum benefits or a defined contribution plan, without regard to whether the participant has attained age 50, each participant and other benefit recipient shall be permitted to elect an immediate distribution or a direct rollover of the participant's benefit to an eligible retirement plan as permitted under section 356.633, subdivisions 1 and 2, if the benefit is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph ~~(d)~~ (e).

(c) If the retirement plan is a defined benefit plan that pays monthly pension benefits, the board of trustees shall, at the election of the participant or other benefit recipient, purchase an annuity contract under section 424A.015, subdivision 3, naming the participant or other benefit recipient, as applicable, as the insured or distribute a lump-sum amount that is equal to the present value of the monthly pension benefits to which the participant or other benefit recipient is entitled. If an annuity is elected by the participant or other benefit recipient, the annuity shall provide for commencement at a date elected by the insured, to be paid as an annuity for the life of the insured. Legal title to the annuity contract shall be transferred to the insured. If a lump sum is elected, the option under paragraph (b) to take an immediate distribution or a direct rollover shall apply.

(d) The board of trustees shall complete the distribution of all assets of the special fund by making any remaining distributions or transfers as required under subdivision 9 on behalf of participants or other benefit recipients who cannot be located or are unresponsive and paying any remaining administrative expenses related to the termination of the plan.

Sec. 204. Minnesota Statutes 2024, section 458D.08, is amended to read:

**458D.08 BUDGET.**

The board shall prepare and adopt, on or before ~~December 31, 1971, and on or before~~ November 1~~, 1972, and~~ each year ~~thereafter~~, a budget showing for the following calendar year or other fiscal year determined by the board, sometimes referred to in sections 458D.01 to 458D.24 as the budget year, the estimated revenue from all sources, including but not limited to, income earned in the operation of the district disposal system, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenses for:

(1) credits to each local government unit under section 458D.06, subdivision 4;

(2) deferred payments under section 458D.09, subdivision 3;

(3) costs of operation, administration and maintenance of the district disposal system;

(4) costs of acquisition and betterment of the district disposal system; and

(5) debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 458D.14, obligations assumed under section 458D.06, subdivision 3, and any money judgments entered by a court of competent jurisdiction. Expenses within these general categories, and such others as the board may from time to time determine, shall be itemized in such detail as the board shall prescribe. The board and its officers, agents and employees shall not incur an expense for any purpose other than debt service without having set forth such expense in the budget nor in excess of the amount set forth in the budget therefor, and no obligation to incur such an expense shall be enforceable except as the obligation of the person or persons incurring it; providing that the board may amend the budget at any time by transferring from one purpose to another any revenue except for debt service and bond proceeds and by increasing expenses in any amount by which revenue during the budget year is estimated to exceed the total amounts designated in the original budget. The creation of any obligation pursuant to section 458D.14 or the award of any federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation and interest on it, whether or not specifically included in any annual budget. The budget shall contain, in addition to the provisions above, the estimated revenue from income earned in the operation of solid waste disposal sites or facilities and estimated expenses for the operation of such solid waste disposal sites or facilities. Revenues from the operation of disposal sites or facilities shall not be used to fund in whole or in part the maintenance or operation of the district disposal system as that term is defined in section 458D.02.

Sec. 205. Minnesota Statutes 2024, section 462A.07, subdivision 20, is amended to read:

Subd. 20. **Eligibility for agency programs.** The agency may determine that a household or project unit meets the rent or income requirements for a program if the household or unit receives or participates in income-based state or federal public assistance benefits, including but not limited to:

(1) child care assistance programs under chapter ~~119B~~ 142E;

(2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

(3) housing support under chapter 256I;

(4) Minnesota family investment program and diversionary work program under chapter ~~256J~~ 142G; and

(5) economic assistance programs under chapter 256P.

Sec. 206. Minnesota Statutes 2024, section 469.174, subdivision 10, is amended to read:

Subd. 10. **Redevelopment district.** (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one or more of the following conditions, reasonably distributed throughout the district, exists:

(1) parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;

(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;

(3) tank facilities, or property whose immediately previous use was for tank facilities, as defined in section 115C.02, subdivision 15, if the tank facilities:

(i) have or had a capacity of more than 1,000,000 gallons;

(ii) are located adjacent to rail facilities; and

(iii) have been removed or are unused, underused, inappropriately used, or infrequently used; or

(4) a ~~qualifying~~ qualified disaster area, as defined in subdivision 10b.

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

(c) A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. The municipality may not make such a determination without an interior inspection of the property, but need not have an independent, expert appraisal prepared of the cost of repair and rehabilitation of the building. An interior inspection of the property is not required, if the municipality finds that (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard. Items of evidence that support such a conclusion include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence. Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, paragraph (b), clause (1). Failure of a building to be disqualified under the provisions of this paragraph is a necessary, but not a sufficient, condition to determining that the building is substandard.

(d) A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) or by the improvements described in paragraph (e) if all of the following conditions are met:

(1) the parcel was occupied by a substandard building or met the requirements of paragraph (e), as the case may be, within three years of the filing of the request for certification of the parcel as part of the district with the county auditor;

(2) the substandard building or the improvements described in paragraph (e) were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;

(3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or met the requirements of paragraph (e) and that after demolition and clearance the authority intended to include the parcel within a district; and

(4) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by section 469.177, subdivision 1, paragraph (f).

(e) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.

(f) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a) to be included in the district, and the entire area of the district must satisfy paragraph (a).

Sec. 207. Minnesota Statutes 2024, section 473.4057, subdivision 7, is amended to read:

Subd. 7. **Expenditure of funds and exercise of powers.** In carrying out its responsibilities under this section and notwithstanding any other law to the contrary, the council may expend funds and exercise, both inside and outside the metropolitan area, those powers in this chapter that are necessary or convenient for those purposes. The jurisdiction of the metropolitan transit police under section ~~473.405~~ 473.407 extends to offenses relating to the operation, property, facilities, equipment, employees, and passengers of any commuter rail facilities and services that are subject to this section.

Sec. 208. Minnesota Statutes 2025 Supplement, section 473.4465, subdivision 2, is amended to read:

Subd. 2. **Use of funds; Metropolitan Council.** (a) Sales tax revenue allocated to the council under section 297A.9915, subdivision 4, paragraph (a), clause (1), is available as follows:

(1) five percent for active transportation, as determined by the Transportation Advisory Board under subdivision 3; and

(2) 95 percent for transit system purposes under sections 473.371 to ~~473.452~~ 473.449, including but not limited to operations, maintenance, and capital projects.

(b) The council must expend a portion of sales tax revenue under paragraph (a), clause (2), in each of the following categories:

(1) improvements to regular route bus service levels;

(2) improvements related to transit safety, including additional transit officials, as defined under section 473.4075;

(3) maintenance and improvements to bus accessibility at transit stops and transit centers;

(4) transit shelter replacement and improvements under section 473.41;

(5) planning and project development for expansion of arterial bus rapid transit lines;

(6) operations and capital maintenance of arterial bus rapid transit;

(7) planning and project development for expansion of highway bus rapid transit and bus guideway lines;

(8) operations and capital maintenance of highway bus rapid transit and bus guideways;

(9) zero-emission bus procurement and associated costs in conformance with the zero-emission and electric transit vehicle transition plan under section 473.3927;

(10) demand response microtransit service provided by the council;

(11) financial assistance to replacement service providers under section 473.388, to provide for service, vehicle purchases, and capital investments related to demand response microtransit service;

(12) financial assistance to political subdivisions and tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code for active transportation; and

(13) wage adjustments for Metro Transit hourly operations employees.

Sec. 209. Minnesota Statutes 2024, section 491A.03, subdivision 4, is amended to read:

Subd. 4. **Quarters; supplies.** The county in which the court is established shall provide suitable quarters for the court. Except as otherwise provided by law, all expenses for necessary blanks, stationery, books, furniture, furnishings, and other supplies for the use of the court and the officers of the court shall be included in the budget for the court administrator's office provided by the county board ~~pursuant to section 485.018, subdivision 6~~.

Sec. 210. Minnesota Statutes 2024, section 504B.361, subdivision 1, is amended to read:

Subdivision 1. **Summons and writ.** The state court administrator shall develop a uniform form for the summons and writ of recovery of premises and order to vacate. The summons shall conform to the requirements enumerated under section 504B.321, subdivision ~~3~~ 4. The writ for recovery of premises and order to vacate must include:

(1) the following statement: "You have the right to seek legal help. If you can't afford a lawyer, free legal help may be available. Contact Legal Aid or visit www.LawHelpMN.org to know your rights and find your local Legal Aid office."; and

(2) the following statement: "To apply for financial help, contact your local county or Tribal social services office, apply online at MNBenefits.mn.gov, or call the United Way toll-free information line by dialing 2-1-1 or 800-543-7709."

Sec. 211. Minnesota Statutes 2024, section 518.10, subdivision 1, is amended to read:

Subdivision 1. **Petition.** The petition for dissolution of marriage or legal separation shall state and allege:

(a) the name and address of the petitioner and any prior or other name used by the petitioner;

(b) the name and, if known, the address of the respondent and any prior or other name used by the respondent and known to the petitioner;

(c) the place and date of the marriage of the parties;

(d) in the case of a petition for dissolution, that either the petitioner or the respondent or both:

(1) has resided in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(2) has been a member of the armed services and has been stationed in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(3) has been a domiciliary of this state for not less than 180 days immediately preceding the commencement of the proceeding;

(e) the name at the time of the petition and any prior or other name, Social Security number, age, and date of birth of each living minor or dependent child of the parties born before the marriage or born or adopted during the marriage and a reference to, and the expected date of birth of, a child of the parties conceived during the marriage but not born;

(f) whether or not a separate proceeding for dissolution, legal separation, or custody is pending in a court in this state or elsewhere;

(g) in the case of a petition for dissolution, that there has been an irretrievable breakdown of the marriage relationship;

(h) in the case of a petition for legal separation, that there is a need for a decree of legal separation;

(i) any ~~temporary~~ transitional or ~~permanent~~ indefinite maintenance, child support, child custody, disposition of property, attorneys' fees, costs and disbursements applied for without setting forth the amounts; and

(j) whether an order for protection under chapter 518B or a similar law of another state that governs the parties or a party and a minor child of the parties is in effect and, if so, the district court or similar jurisdiction in which it was entered.

The petition shall be verified by the petitioner or petitioners, and its allegations established by competent evidence.

Sec. 212. Minnesota Statutes 2024, section 518.175, subdivision 6, is amended to read:

Subd. 6. **Remedies.** (a) Each party must follow a court's order for custody and parenting time unless the parties have made another agreement in writing as defined by section 645.44, subdivision 14.

(b) For the purposes of this subdivision, "court-ordered parenting time" means:

(1) parenting time that a court has ordered, regardless of whether the order is temporary or permanent and whether family court or juvenile court has issued the order;

(2) an order by a parenting time consultant, parenting coordinator, special master, or other court-appointed individual who is authorized to establish or modify parenting time; or

(3) a binding agreement or decision under section 518.1751, subdivision 3.

(c) The court shall fully consider providing compensatory parenting time when a parent has intentionally made a substantial amount of court-ordered parenting time unavailable to the other parent unless providing the compensatory parenting time is not consistent with the child's best interests. The court must consider all relevant evidence to determine whether a parent has made a substantial amount of court-ordered parenting time unavailable to the other parent.

(d) If the court finds that a person has been deprived of court-ordered parenting time under paragraph (b), the court shall order the parent who has interfered to allow compensatory parenting time to the other parent. When compensatory parenting time is awarded, additional parenting time must be:

(1) at least of the same type and duration as the deprived parenting time and, at the discretion of the court, may be in excess of or of a different type than the deprived parenting time;

(2) taken within one year after the deprived parenting time; and

(3) at a time acceptable to the parent deprived of parenting time.

(e) If the court finds that a party has repeatedly and intentionally denied or interfered with court-ordered parenting time, the court must, in addition to awarding compensatory parenting time, require the party to reimburse the other party for costs incurred as a result of the party's denial of or interference with court-ordered parenting time and award reasonable attorney fees to the other party, provided that the court finds that the party from whom fees, costs, and disbursements are sought has the means to pay them. The court may:

(1) impose a sanction of up to $500 against the party who denied or interfered with parenting time that is payable to the other party;

(2) modify legal and physical custody of the child by awarding custody of the child to the party whose parenting time was denied or interfered with, in accordance with the procedures under section 518.18; or

(3) award any other remedy that the court finds to be in the best interests of the children involved.

(f) The court shall provide one or more of the remedies available in paragraph (e), clauses (1) and (2), if the court finds that a party has repeatedly and intentionally denied or interfered with court-ordered parenting time after a previous finding that the party repeatedly and intentionally denied or interfered with court-ordered parenting time.

(g) If the court makes written findings that any denial of or interference with court-ordered parenting time was necessary to protect a child's physical or emotional health, the court is not required to comply with paragraphs (d) to (f).

(h) If the court finds that a party has been denied parenting time and has incurred expenses in connection with the denied parenting time, the court may require the party who denied parenting time to post a bond in favor of the other party in the amount of prepaid expenses associated with upcoming planned parenting time.

(i) Proof of an unwarranted denial of or interference with duly established parenting time may constitute contempt of court and may be sufficient cause for reversal of custody.

(j) All parenting time orders must include notice of the provisions of this subdivision.

(k) The required notice under paragraph (j) must be substantially as follows:

"NOTICE REGARDING COMPLIANCE WITH PARENTING TIME ORDER:

The parties are expected to fully comply with the court's order unless the parties mutually agree otherwise in writing as defined by Minnesota Statutes, section 645.44, subdivision 14. Pursuant to Minnesota Statutes, section 518.175, subdivision 6, and Minnesota Statutes, section 518.131, subdivision 11, the parties are hereby notified that:

(1) The court shall award compensatory parenting time to a parent who has been prevented from exercising parenting time.

(2) Deprivation of parental rights is a FELONY crime pursuant to Minnesota Statutes, section ~~609.375~~ 609.26.

(3) If the court finds that one parent has repeatedly and intentionally denied or interfered with another parent's parenting time, then the court shall award attorney fees to the parent who has been denied parenting time and require the parent who has been denying or interfering with parenting time to pay the other parent for costs incurred as a result of enforcing the decision.

(4) If the court finds that one parent has repeatedly and intentionally denied or interfered with parenting time, then the court may also:

(i) transfer custody of the child to the other parent;

(ii) impose a sanction of up to $500 on the parent who repeatedly and intentionally denied or interfered with parenting time; or

(iii) award other relief as determined to be in the best interests of the children involved."

(l) An order issued under this section requiring reimbursement of costs or fees does not require a party to have direct contact with another party.

Sec. 213. Minnesota Statutes 2024, section 518A.40, subdivision 1, is amended to read:

Subdivision 1. **Child care costs.** Unless otherwise agreed to by the parties and approved by the court, the court must order that work-related or education-related child care costs of joint children be divided between the obligor and obligee based on their proportionate share of the parties' combined monthly PICS. The amount of work-related or education-related

child care costs required by this subdivision to be divided between the obligor and obligee is the total amount received by the child care provider from the obligee and any public agency for the joint child or children. Child care costs shall be adjusted by the amount of the estimated federal and state child care credit payable on behalf of a joint child. The Department of ~~Human Services~~ Children, Youth, and Families shall develop tables to calculate the applicable credit based upon the custodial parent's PICS.

Sec. 214. Minnesota Statutes 2024, section 518A.41, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and chapter 518.

(a) "Health care coverage" means private health care coverage, including fee for service, health maintenance organization, preferred provider organization, and other types of private health care coverage. Health care coverage also means public health care coverage under which medical or dental services could be provided to a dependent child.

(b) "Private health care coverage" means a health plan that provides medical, dental, or other health care benefits and is:

(1) provided on an individual or group basis;

(2) provided by an employer or union;

(3) purchased in the private market;

(4) provided through MinnesotaCare under chapter 256L; or

(5) available to a person eligible to carry insurance for the joint child, including a party's spouse or parent.

Private health care coverage includes, but is not limited to, a health plan meeting the definition under section 62A.011, subdivision 3, except that the exclusion of coverage designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause (6), does not apply to the definition of private health care coverage under this section; a group health plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to ~~43A.317~~ 43A.316 and 471.617; and a policy, contract, or certificate issued by a community-integrated service network licensed under chapter 62N.

(c) "Public health care coverage" means health care benefits provided by any form of medical assistance under chapter 256B. Public health care coverage does not include

MinnesotaCare or health plans subsidized by federal premium tax credits or federal cost-sharing reductions.

(d) "Medical support" means providing health care coverage for a joint child by contributing to the cost of health care coverage, unreimbursed health-related expenses, and uninsured health-related expenses of the joint child.

(e) "National medical support notice" means an administrative notice issued by the public authority to enforce health insurance provisions of a support order in accordance with Code of Federal Regulations, title 45, section 303.32, in cases where the public authority provides support enforcement services.

(f) "Uninsured health-related expenses" means a joint child's reasonable and necessary medical and dental expenses if the joint child is not covered by private health insurance care when the expenses are incurred.

(g) "Unreimbursed health-related expenses" means a joint child's reasonable and necessary medical and dental expenses if a joint child is covered by health care coverage and health care coverage does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed health-related expenses do not include the cost of premiums. Unreimbursed health-related expenses include, but are not limited to, deductibles, co-payments, and expenses for orthodontia, and prescription eyeglasses and contact lenses, but not over-the-counter medications if provided through health care coverage.

Sec. 215. Minnesota Statutes 2024, section 518A.51, is amended to read:

**518A.51 FEES FOR IV-D SERVICES.**

(a) When a recipient of IV-D services is no longer receiving assistance under the state's title IV-A, IV-E foster care, or medical assistance programs, the public authority responsible for child support enforcement must notify the recipient, within five working days of the notification of ineligibility, that IV-D services will be continued unless the public authority is notified to the contrary by the recipient. The notice must include the implications of continuing to receive IV-D services, including the available services and fees, cost recovery fees, and distribution policies relating to fees.

(b) In the case of an individual who has never received assistance under a state program funded under title IV-A of the Social Security Act and for whom the public authority has collected at least $550 of support, the public authority must impose an annual federal collections fee of $35 for each case in which services are furnished. This fee must be retained

by the public authority from support collected on behalf of the individual, but not from the first $550 collected.

(c) When the public authority provides full IV-D services to an obligee who has applied for those services, upon written notice to the obligee, the public authority must charge a cost recovery fee of two percent of the amount collected. This fee must be deducted from the amount of the child support and maintenance collected and not assigned under section 518A.81 before disbursement to the obligee. This fee does not apply to an obligee who:

(1) is currently receiving assistance under the state's title IV-A, IV-E foster care, or medical assistance programs; or

(2) has received assistance under the state's title IV-A or IV-E foster care programs, until the person has not received this assistance for 24 consecutive months.

(d) When the public authority provides full IV-D services to an obligor who has applied for such services, upon written notice to the obligor, the public authority must charge a cost recovery fee of two percent of the monthly court-ordered child support and maintenance obligation. The fee may be collected through income withholding, as well as by any other enforcement remedy available to the public authority responsible for child support enforcement.

(e) Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided. The public authority upon written notice to the obligee shall assess a fee of $25 to the person not receiving public assistance for each successful federal tax interception. The fee must be withheld prior to the release of the funds received from each interception and deposited in the general fund.

(f) Federal collections fees collected under paragraph (b) and cost recovery fees collected under paragraphs (c) and (d) retained by the commissioner of ~~human services~~ children, youth, and families shall be considered child support program income according to Code of Federal Regulations, title 45, section 304.50, and shall be deposited in the special revenue fund account established under paragraph (h). The commissioner of ~~human services~~ children, youth, and families must elect to recover costs based on either actual or standardized costs.

(g) The limitations of this section on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under title IV-A and title IV-D of the Social Security Act, United States Code, title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

(h) The commissioner of ~~human services~~ children, youth, and families is authorized to establish a special revenue fund account to receive the federal collections fees collected under paragraph (b) and cost recovery fees collected under paragraphs (c) and (d).

(i) The nonfederal share of the cost recovery fee revenue must be retained by the commissioner and distributed as follows:

(1) one-half of the revenue must be transferred to the child support system special revenue account to support the state's administration of the child support enforcement program and its federally mandated automated system;

(2) an additional portion of the revenue must be transferred to the child support system special revenue account for expenditures necessary to administer the fees; and

(3) the remaining portion of the revenue must be distributed to the counties to aid the counties in funding their child support enforcement programs.

(j) The nonfederal share of the federal collections fees must be distributed to the counties to aid them in funding their child support enforcement programs.

(k) The commissioner of human services shall distribute quarterly any of the funds dedicated to the counties under paragraphs (i) and (j) using the methodology specified in section 518A.84, subdivision 11. The funds received by the counties must be reinvested in the child support enforcement program and the counties must not reduce the funding of their child support programs by the amount of the funding distributed.

Sec. 216. Minnesota Statutes 2024, section 518A.56, subdivision 11, is amended to read:

Subd. 11. **Collections unit recoupment account.** The commissioner of ~~human services~~ children, youth, and families may establish a revolving account to cover funds issued in error due to insufficient funds or other reasons. Appropriations for this purpose and all recoupments against payments from the account shall be deposited in the collections unit's recoupment account and are appropriated to the commissioner. Any unexpended balance in the account does not cancel~~,~~ but is available until expended.

Sec. 217. Minnesota Statutes 2024, section 518C.613, is amended to read:

**518C.613 JURISDICTION TO MODIFY SUPPORT ORDER OF ANOTHER STATE WHEN INDIVIDUAL PARTIES RESIDE IN THIS STATE.**

(a) If all of the parties who are individuals reside in this state and the child does not reside in the issuing state, a tribunal of this state has jurisdiction to enforce and to modify the issuing state's child support order in a proceeding to register that order.

(b) A tribunal of this state exercising jurisdiction as provided in this section shall apply sections 518C.101 to 518C.211 and 518C.601 to 518C.616 to the enforcement or modification proceeding. Sections 518C.301 to ~~518C.508~~ 518C.507 and 518C.701 to 518C.802 do not apply and the tribunal shall apply the procedural and substantive law of this state.

Sec. 218. Minnesota Statutes 2025 Supplement, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice ~~under section 580.03~~ of sale was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice ~~under section 580.03~~ of sale and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

Sec. 219. Minnesota Statutes 2025 Supplement, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale ~~under section 580.03~~ but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (i) execute a sworn affidavit in the form set forth in subdivision 3, (ii) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (iii) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if

publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03 or sections 550.18 and 550.19, as applicable, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

Sec. 220. Minnesota Statutes 2024, section 609.232, subdivision 11, is amended to read:

Subd. 11. **Vulnerable adult.** "Vulnerable adult" means any person 18 years of age or older who:

(1) is a resident inpatient of a facility;

(2) receives services at or from a facility required to be licensed to serve adults under ~~sections 245A.01 to 245A.15~~ chapter 245A, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253B, is not considered a vulnerable adult unless the person meets the requirements of clause (4);

(3) receives services from a home care provider required to be licensed under sections 144A.43 to 144A.482; or from a person or organization that exclusively offers, provides, or arranges for personal care assistance services under the medical assistance program as authorized under sections 256B.0625, subdivision 19a, 256B.0651 to 256B.0654, and 256B.0659; or

(4) regardless of residence or whether any type of service is received, possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction:

(i) that impairs the individual's ability to provide adequately for the individual's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and

(ii) because of the dysfunction or infirmity and the need for assistance, the individual has an impaired ability to protect the individual from maltreatment.

Sec. 221. Minnesota Statutes 2024, section 611A.37, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For purposes of sections 611A.371 to ~~611A.375~~ 611A.373, the terms defined have the meanings given them unless otherwise provided or indicated by the context.

Sec. 222. Minnesota Statutes 2024, section 611A.372, is amended to read:

**611A.372 DUTIES OF DIRECTOR.**

In addition to any other duties imposed by law, the director, with the approval of the commissioner of public safety, shall:

(1) supervise the administration of grant payments to designated shelter facilities;

(2) collect data on shelter facilities;

(3) conduct an annual evaluation of the grant program;

(4) report to the governor and the legislature on the need for emergency secure shelter;

(5) develop an application process for shelter facilities to follow in seeking reimbursement under the grant program; and

(6) adopt rules to implement and administer sections 611A.37 to ~~611A.375~~ 611A.373.

Sec. 223. Minnesota Statutes 2024, section 624.7192, is amended to read:

**624.7192 AUTHORITY TO SEIZE AND CONFISCATE FIREARMS.**

(a) This section applies only during the effective period of a state of emergency proclaimed by the governor relating to a public disorder or disaster.

(b) A peace officer who is acting in the lawful discharge of the officer's official duties without a warrant may disarm a lawfully detained individual only temporarily and only if the officer reasonably believes it is immediately necessary for the protection of the officer

or another individual. Before releasing the individual, the peace officer must return to the individual any seized firearms and ammunition, and components thereof, any firearms accessories and ammunition reloading equipment and supplies, and any other personal weapons taken from the individual, unless the officer: (1) takes the individual into physical custody for engaging in criminal activity or for observation pursuant to section ~~253B.05, subdivision 2~~ 253B.051, subdivision 2; or (2) seizes the items as evidence pursuant to an investigation for the commission of the crime for which the individual was arrested.

(c) Notwithstanding any other law to the contrary, no governmental unit, government official, government employee, peace officer, or other person or body acting under governmental authority or color of law may undertake any of the following actions with regard to any firearms and ammunition, and components thereof; any firearms accessories and ammunition reloading equipment and supplies; and any other personal weapons:

(1) prohibit, regulate, or curtail the otherwise lawful possession, carrying, transportation, transfer, defensive use, or other lawful use of any of these items;

(2) seize, commandeer, or confiscate any of these items in any manner, except as expressly authorized in paragraph (b);

(3) suspend or revoke a valid permit issued pursuant to section 624.7131 or 624.714, except as expressly authorized in those sections; or

(4) close or limit the operating hours of businesses that lawfully sell or service any of these items, unless such closing or limitation of hours applies equally to all forms of commerce.

(d) No provision of law relating to a public disorder or disaster emergency proclamation by the governor or any other governmental or quasi-governmental official, including but not limited to emergency management powers pursuant to chapters 9 and 12, shall be construed as authorizing the governor or any other governmental or quasi-governmental official of this state or any of its political subdivisions acting at the direction of the governor or another official to act in violation of this paragraph or paragraphs (b) and (c).

(e)(1) An individual aggrieved by a violation of this section may seek relief in an action at law or in equity or in any other proper proceeding for damages, injunctive relief, or other appropriate redress against a person who commits or causes the commission of this violation. Venue must be in the district court having jurisdiction over the county in which the aggrieved individual resides or in which the violation occurred.

(2) In addition to any other remedy available at law or in equity, an individual aggrieved by the seizure or confiscation of an item listed in paragraph (c) in violation of this section may make application for the immediate return of the items to the office of the clerk of court for the county in which the items were seized and, except as provided in paragraph (b), the court must order the immediate return of the items by the seizing or confiscating governmental office and that office's employed officials.

(3) In an action or proceeding to enforce this section, the court must award the prevailing plaintiff reasonable court costs and expenses, including attorney fees.

Sec. 224. Laws 2023, chapter 1, section 22, as amended by Laws 2025, First Special Session chapter 13, article 9, section 9, is amended to read:

Sec. 22. **TEMPORARY ADDITIONS AND SUBTRACTIONS; INDIVIDUALS, ESTATES, AND TRUSTS.**

(a) For the purposes of this section:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply to this section;

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision 1, and the rules in that subdivision apply to this section; and

(3) the definitions in Minnesota Statutes, section 290.01, apply to this section.

(b) The following amounts are subtractions:

(1) the amount of wages used for the calculation of the employee retention credit for employers affected by qualified disasters, to the extent not deducted from income, under Public Law 116-94, division Q, section 203, or Public Law 116-260, division EE, section 303;

(2) the amount of wages used for the calculation of the payroll credit for required paid sick leave, to the extent not deducted from income, under Public Law 116-127, section 7001, as amended by section 9641 of Public Law 117-2;

(3) the amount of wages or expenses used for the calculation of the payroll credit for required paid family leave, to the extent not deducted from income, under Public Law 116-127, section 7003, as amended by section 9641 of Public Law 117-2;

(4) the amount of wages used for the calculation of the employee retention credit for employers subject to closure due to COVID-19, to the extent not deducted from income,

under Public Law 116-136, section 2301, as amended by Public Law 116-260, division EE, section 207, and Public Law 117-2, section 9651; and

(5) the amount required to be added to gross income to claim the credit in section 6432 of the Internal Revenue Code.

(c) The following amounts are additions:

(1) the amount subtracted for qualified tuition expenses under section 222 of the Internal Revenue Code, as amended by Public Law 116-94, division Q, section 104;

(2) the amount of above the line charitable contributions deducted under section 2204 of Public Law 116-136;

(3) the amount of meal expenses in excess of the 50 percent limitation under section 274(n)(1) of the Internal Revenue Code allowed under subsection (n), paragraph (2), subparagraph (D), of that section; and

(4) the amount of charitable contributions deducted from federal taxable income by a trust for taxable year 2020 under Public Law 116-136, section 2205(a).

(d) The commissioner of revenue must apply the subtractions in paragraph (b) and the additions in paragraph (c), when calculating the following:

(1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e);

(2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section 290.091; and

(3) "income" for the purposes of determining the tax for composite filers and the pass-through entity tax, means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in Minnesota Statutes, section 290.0131, subdivisions 8 to 10, 16, 17, and 19, and the subtractions provided in (i) Minnesota Statutes, section 290.0132, subdivisions 9, 27, ~~and~~ 28, and 31, to the extent the amount is assignable or allocable to Minnesota under Minnesota Statutes, section 290.17; and (ii) Minnesota Statutes, section 290.0132, subdivision 14. The subtraction allowed under Minnesota Statutes, section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

(e) For the purpose of calculating property tax refunds under Minnesota Statutes, chapter 290A, any amounts allowed as a subtraction in paragraph (b) are excluded from "income," as defined in Minnesota Statutes, section 290A.03, subdivision 3.

Sec. 225. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2026 session of the legislature to sections also amended or repealed in this act, supersede the amendments or repeals in this act, regardless of order of enactment.

Sec. 226. **REPEALER.**

Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2024, section 13.461, subdivision 16a, is repealed.

Subd. 2. **Duplicative definitions.** Minnesota Statutes 2024, section 142E.50, subdivisions 1, 4, and 7, are repealed.

Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2024, section 256.9756, subdivision 3, is repealed.

Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2024, section 256B.092, subdivision 4b, is repealed.

Subd. 5. **Obsolete subdivision.** Minnesota Statutes 2024, section 256R.50, subdivision 6, is repealed.

Subd. 6. **Obsolete definition.** Minnesota Statutes 2024, section 257E.10, subdivision 11, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2024, section 272.02, subdivision 31, is repealed.

Subd. 8. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 19, is repealed.

Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 20, is repealed.

Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.1315, subdivision 1, is repealed.

Subd. 11. **Obsolete section.** Minnesota Statutes 2024, section 273.1385, is repealed.

Subd. 12. **Obsolete subdivision.** Minnesota Statutes 2024, section 289A.60, subdivision 15, is repealed.

Subd. 13. **Obsolete subdivision.** Minnesota Statutes 2024, section 297I.15, subdivision 2, is repealed.

Subd. 14. **Obsolete section.** Minnesota Statutes 2024, section 383B.1511, is repealed.

Subd. 15. **Obsolete section.** Minnesota Statutes 2024, section 477A.18, is repealed.

Subd. 16. **Obsolete section.** Minnesota Statutes 2024, section 480.011, is repealed.

Subd. 17. **Obsolete subdivision.** Minnesota Statutes 2024, section 504B.345, subdivision 2, is repealed.

Subd. 18. **Conflict resolution.** Laws 2024, chapter 79, article 1, section 20, is repealed.

Subd. 19. **Conflict resolution.** Laws 2025, chapter 21, sections 56; and 57, are repealed.

## ARTICLE 2
## METRODOME STATUTES CLEANUP

Section 1. Minnesota Statutes 2024, section 3.9741, subdivision 1, is amended to read:

Subdivision 1. **Metropolitan Commission.** Upon the audit of the financial accounts and affairs of a commission under section ~~473.595,~~ 473.604~~,~~ or 473.703, the affected Metropolitan Commission is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the Metropolitan Commission either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund.

Sec. 2. Minnesota Statutes 2024, section 13.202, subdivision 11, is amended to read:

Subd. 11. **Metropolitan government.** (a) **Affirmative action plans.** Treatment of data relating to metropolitan agency affirmative action plans is governed by section 473.143, subdivisions 5 and 7.

(b) **Contracts for management services.** Data relating to compensation of personnel who work under a management service contract are classified by section 473.405, subdivision 12.

(c) **Arena acquisition.** Certain data in connection with a decision whether to acquire a sports arena are classified under Minnesota Statutes 2024, section 473.598, subdivision 4.

(d) **Airports commission.** Certain airline data submitted to the Metropolitan Airports Commission in connection with the issuance of revenue bonds are classified under section 473.6671, subdivision 3.

(e) **Solid waste landfill fee.** Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.

(f) **Metropolitan airport parking customers.** Data relating to applicants for or users of automated parking facilities at the Minneapolis-St. Paul International Airport are classified under section 473.685.

Sec. 3. Minnesota Statutes 2024, section 13.55, subdivision 1, is amended to read:

Subdivision 1. **Not public classification.** The following data received, created, or maintained by or for publicly owned and operated convention facilities~~,~~ or civic center authorities~~, or the Metropolitan Sports Facilities Commission~~ are classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on individuals pursuant to section 13.02, subdivision 12:

(a) a letter or other documentation from any person who makes inquiry to or who is contacted by the facility regarding the availability of the facility for staging events;

(b) identity of firms and corporations which contact the facility;

(c) type of event which they wish to stage in the facility;

(d) suggested terms of rentals; and

(e) responses of authority staff to these inquiries.

Sec. 4. Minnesota Statutes 2024, section 240A.03, subdivision 6, is amended to read:

Subd. 6. **Disposition of property.** The commission may sell or otherwise dispose of any real or personal property acquired by it that is no longer required for accomplishment of its purposes. The property shall be sold in the manner provided by section 469.065, insofar as practical and consistent with Minnesota Statutes 2024, sections 473.551 to 473.595.

Sec. 5. Minnesota Statutes 2024, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

(1) employees of the Minnesota Historical Society;

(2) employees of the State Horticultural Society;

(3) employees of the Minnesota Crop Improvement Association;

(4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;

(5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;

(6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (6);

(7) employees of the legislature who are appointed without a limit on the duration of their employment;

(8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(9) employees of the Minnesota Safety Council;

(10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, ~~Metropolitan Sports Facilities Commission,~~ or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) personnel who are employed as seasonal employees in the classified or unclassified service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply;

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply;

(19) employees of the Minnesota Sports Facilities Authority;

(20) employees of the Minnesota Association of Professional Employees;

(21) employees of the Minnesota State Retirement System;

(22) employees of the State Agricultural Society;

(23) employees of the Gillette Children's Hospital Board who were employed in the state unclassified service at the former Gillette Children's Hospital on March 28, 1974;

(24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota, employees of Conservation Corps Minnesota so employed on June 30, 2003; and

(25) employees of the Perpich Center for Arts Education who are covered by the general state employees retirement plan of the Minnesota State Retirement System as of July 1, 2016.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 6. Minnesota Statutes 2024, section 473.121, subdivision 5a, is amended to read:

Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks and Open Space Commission, and Metropolitan Airports Commission~~, and Metropolitan Sports Facilities Commission~~.

Sec. 7. Minnesota Statutes 2024, section 473.164, is amended to read:

**473.164 ~~SPORTS,~~ AIRPORT ~~COMMISSIONS~~ COMMISSION TO PAY COUNCIL COSTS.**

Subdivision 1. **Annually reimburse.** The ~~Metropolitan Sports Facilities Commission and the~~ Metropolitan Airports Commission shall annually reimburse the council for costs incurred by the council in the discharge of its responsibilities relating to the commission. The costs may be charged against any revenue sources of the commission as determined by the commission.

Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council shall transmit to ~~each~~ the commission an estimate of the costs which the council will incur in the discharge of its responsibilities related to the commission in the next budget year including, without limitation, costs in connection with the preparation, review, implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The commission shall include the estimates in its budget for the next budget year and may transmit its comments concerning the estimated amount to the council during the budget review process. Prior to December 15 of each year, the amount budgeted by ~~each~~ the commission for the next budget year may be changed following approval by the council. During each budget year, the commission shall transfer budgeted funds to the council in advance when requested by the council.

Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in cooperation with ~~each~~ the commission, shall adopt a final statement of costs incurred by the council for ~~each~~ the commission. Where costs incurred in the budget year have exceeded the amount budgeted, ~~each~~ the commission shall transfer to the council the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year.

Sec. 8. Minnesota Statutes 2024, section 473.755, subdivision 4, is amended to read:

Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities Commission pursuant to Minnesota Statutes 2024, section 473.553.

Sec. 9. Minnesota Statutes 2024, section 473J.12, subdivision 2, is amended to read:

Subd. 2. **Other required agreements.** The NFL team or the authority shall give food, beverage, retail, and concession workers presently employed by the NFL team ~~or the Metropolitan Sports Facilities Commission~~ or its vendors at the existing football stadium the opportunity to continue their employment in comparable positions at the new stadium. Workers who are presently represented under a collective bargaining agreement may seek to continue such representation in the facility and designate such, or another collective bargaining unit, as their representative.

Sec. 10. Minnesota Statutes 2024, section 473J.13, subdivision 3, is amended to read:

Subd. 3. **Public access.** The authority will work to maximize access for public and amateur sports, community, and civic events, and other public events in type and on terms consistent with those ~~currently~~ held at the ~~existing~~ football stadium~~, as~~ defined in Minnesota Statutes 2024, section 473.551, subdivision 9. The authority may provide that these events have exclusive use of the premises at agreed-upon times subject to the scheduling rights of the NFL team under the lease or use agreement.

Sec. 11. **REPEALER.**

Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2024, section 137.50, subdivision 5, is repealed.

Subd. 2. **Obsolete section.** Minnesota Statutes 2024, section 473.551, is repealed.

Subd. 3. **Obsolete section.** Minnesota Statutes 2024, section 473.552, is repealed.

Subd. 4. **Obsolete section.** Minnesota Statutes 2024, section 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, are repealed.

Subd. 5. **Obsolete section.** Minnesota Statutes 2024, section 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17, are repealed.

Subd. 6. **Obsolete section.** Minnesota Statutes 2024, section 473.561, is repealed.

Subd. 7. **Obsolete section.** Minnesota Statutes 2024, section 473.564, subdivisions 2 and 3, are repealed.

Subd. 8. **Obsolete section.** Minnesota Statutes 2024, section 473.565, is repealed.

Subd. 9. **Obsolete section.** Minnesota Statutes 2024, section 473.572, is repealed.

Subd. 10. **Obsolete section.** Minnesota Statutes 2024, section 473.581, is repealed.

Subd. 11. **Obsolete section.** Minnesota Statutes 2024, section 473.592, subdivision 1, is repealed.

Subd. 12. **Obsolete section.** Minnesota Statutes 2024, section 473.595, is repealed.

Subd. 13. **Obsolete section.** Minnesota Statutes 2024, section 473.596, is repealed.

Subd. 14. **Obsolete section.** Minnesota Statutes 2024, section 473.598, is repealed.

Subd. 15. **Obsolete section.** Minnesota Statutes 2024, section 473.599, is repealed.

Subd. 16. **Obsolete section.** Minnesota Statutes 2024, section 473.5995, is repealed.

Subd. 17. **Obsolete section.** Minnesota Statutes 2024, section 473.76, is repealed.

Subd. 18. **Obsolete section.** Minnesota Statutes 2024, section 473.763, is repealed.

APPENDIX
Article locations for 26-06400

ARTICLE 1 MISCELLANEOUS..... Page.Ln 2.40
ARTICLE 2 METRODOME STATUTES CLEANUP..... Page.Ln 214.8

**13.461 HUMAN SERVICES DATA CODED ELSEWHERE.**

Subd. 16a. **Child fatality and near fatality review team.** Data practices of the commissioner of children, youth, and families as part of the child fatality and near fatality review team are governed by section 142A.03, subdivision 8.

**137.50 DEFINITIONS.**

Subd. 5. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

**142E.50 DEFINITIONS.**

Subdivision 1. **Application.** For purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families.

Subd. 7. **Department.** "Department" means the Department of Children, Youth, and Families.

**256.9756 CAREGIVER RESPITE SERVICES GRANTS.**

Subd. 3. **Report.** By January 15, 2026, the board shall submit a progress report about the caregiver respite services grants in this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services finance and policy. The progress report must include metrics of the use of grant program money. This subdivision expires upon submission of the report. The board shall notify the revisor of statutes when the report is submitted.

**256B.092 SERVICES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES.**

Subd. 4b. **Case management for persons receiving home and community-based services.** Persons authorized for and receiving home and community-based services may select from vendors of case management which have provider agreements with the state to provide home and community-based case management service activities. This subdivision becomes effective July 1, 1992, only if the state agency is unable to secure federal approval for limiting choice of case management vendors to the county of financial responsibility.

**256R.50 BED RELOCATIONS.**

Subd. 6. **Determination of rate adjustment.** (a) If the amount determined in subdivision 5 is less than or equal to the amount determined in subdivision 4, the commissioner shall allow a total payment rate equal to the amount used in subdivision 5, clause (3).

(b) If the amount determined in subdivision 5 is greater than the amount determined in subdivision 4, the commissioner shall allow a rate with a case mix index of 1.0 that when used in subdivision 5, clause (3), results in the amount determined in subdivision 5 being equal to the amount determined in subdivision 4.

(c) If the commissioner relies upon provider estimates in subdivision 5, clause (1) or (2), then annually, for three years after the rates determined in this section take effect, the commissioner shall determine the accuracy of the alternative factors of medical assistance case load and the facility average case mix index used in this section and shall reduce the total payment rate if the factors used result in medical assistance costs exceeding the amount in subdivision 4. If the actual medical assistance costs exceed the estimates by more than five percent, the commissioner shall also recover the difference between the estimated costs in subdivision 5 and the actual costs according to section 256B.0641. The commissioner may require submission of data from the receiving facility needed to implement this paragraph.

(d) When beds approved for relocation are put into active service at the destination facility, rates determined in this section must be adjusted by any adjustment amounts that were implemented after the date of the letter of approval.

(e) Rate adjustments determined under this subdivision expire after three full rate years following the effective date of the rate adjustment. This subdivision expires when the final rate adjustment determined under this subdivision expires.

**257E.10 DEFINITIONS.**

Subd. 11. **Presumed parent.** "Presumed parent" means an individual who under sections 257.51 to 257.74 is presumed to be a parent of a child, unless the requirements of section 257.57, subdivision

2, are met; the presumption is overcome in a judicial proceeding; a valid denial of parentage is made under this chapter; or a court adjudicates the individual to be a parent.

**272.02 EXEMPT PROPERTY.**

Subd. 31. **Business incubator property.** Property owned by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code that is intended to be used as a business incubator in a high-unemployment county, is exempt. As used in this subdivision, a "business incubator" is a facility used for the development of nonretail businesses, offering access to equipment, space, services, and advice to the tenant businesses, for the purpose of encouraging economic development, diversification, and job creation in the area served by the organization, and "high-unemployment county" is a county that had an average annual unemployment rate of 7.9 percent or greater in 1997. Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed in the aggregate 40,000 square feet. This exemption expires after taxes payable in 2016.

**273.11 VALUATION OF PROPERTY.**

Subd. 19. **Valuation exclusion for improvements to certain business property.** Property classified under section 273.13, subdivision 24, which is eligible for the preferred classification rate on the market value up to $150,000, shall qualify for a valuation exclusion for assessment purposes, provided all of the following conditions are met:

(1) the building must be at least 50 years old at the time of the improvement or damaged by the 1997 floods;

(2) the building must be located in a city or town with a population of 10,000 or less that is located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2;

(3) the total estimated market value of the land and buildings must be $100,000 or less prior to the improvement and prior to the damage caused by the 1997 floods;

(4) the current year's estimated market value of the property must be equal to or less than the property's estimated market value in each of the two previous years' assessments;

(5) a building permit must have been issued prior to the commencement of the improvement, or if the building is located in a city or town which does not have a building permit process, the property owner must notify the assessor prior to the commencement of the improvement;

(6) the property, including its improvements, has received no public assistance, grants or financing except, that in the case of property damaged by the 1997 floods, the property is eligible to the extent that the flood losses are not reimbursed by insurance or any public assistance, grants, or financing;

(7) the property is not receiving a property tax abatement under section 469.1813; and

(8) the improvements are made after the effective date of Laws 1997, chapter 231, and prior to January 1, 1999.

The assessor shall estimate the market value of the building in the assessment year immediately following the year that (1) the building permit was taken out, or (2) the taxpayer notified the assessor that an improvement was to be made. If the estimated market value of the building has increased over the prior year's assessment, the assessor shall note the amount of the increase on the property's record, and that amount shall be subtracted from the value of the property in each year for five years after the improvement has been made, at which time an amount equal to 20 percent of the excluded value shall be added back in each of the five subsequent assessment years.

For any property, there can be no more than two improvements qualifying for exclusion under this subdivision. The maximum amount of value that can be excluded from any property under this subdivision is $50,000.

The assessor shall require an application, including documentation of the age of the building from the owner, if unknown by the assessor. Applications must be received prior to July 1 of any year in order to be effective for taxes payable in the following year.

For purposes of this subdivision, "population" has the same meaning given in section 477A.011, subdivision 3.

Subd. 20. **Valuation exclusion for improvements to certain business property.** Property classified under section 273.13, subdivision 24, qualifies for a valuation exclusion for assessment purposes, provided all of the following conditions are met:

(1) the building must have been damaged by the 2002 floods;

(2) the building must be located in a city or town with a population of 10,000 or less that is located in a county in the area included in DR-1419;

(3) the total estimated market value of the land and buildings must be $150,000 or less for assessment year 2002;

(4) a building permit must have been issued prior to the commencement of the improvement, or if the building is located in a city or town which does not have a building permit process, the property owner must notify the assessor prior to the commencement of the improvement;

(5) the property is not receiving a property tax abatement under section 469.1813; and

(6) the improvements are made before January 1, 2004.

The assessor shall estimate the market value of the building in the assessment year immediately following the year that (1) the building permit was taken out, or (2) the taxpayer notified the assessor that an improvement was to be made. If the estimated market value of the building has increased over the 2002 assessment before any reassessment due to flood damage, the assessor shall note the amount of the increase on the property's record, and that amount shall be subtracted from the value of the property in each year for five years after the improvement has been made. In each of the next five subsequent assessment years, an amount equal to 20 percent of the value excluded in the fifth year for that improvement shall be added back.

The maximum amount of value that can be excluded for all improvements to any property under this subdivision is $50,000.

The assessor shall require an application. Applications must be received by December 31, 2002, or December 31, 2003, in order to be effective for taxes payable in the following year.

For purposes of this subdivision, "population" has the meaning given in section 477A.011, subdivision 3.

**273.1315 CERTIFICATION OF CLASS 1B PROPERTY.**

Subdivision 1. **Class 1b homestead declaration before 2009.** Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), on or before October 1, 2008, shall file with the commissioner of revenue a 1b homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(1) the information necessary to verify that on or before June 30 of the filing year, the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for 1b classification; and

(2) any additional information prescribed by the commissioner.

The declaration must be filed on or before October 1 to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this subdivision shall be subject to chapter 270B. If approved by the commissioner, the declaration remains in effect until the property no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the commissioner within 30 days that the property no longer qualifies under that paragraph because of a sale, change in occupancy, or change in the status or condition of an occupant shall result in the penalty provided in section 273.124, subdivision 13b, computed on the basis of the class 1b benefits for the property, and the property shall lose its current class 1b classification.

The commissioner shall provide to the assessor on or before November 1 a listing of the parcels of property qualifying for 1b classification.

**273.1385 AID FOR PUBLIC EMPLOYEES RETIREMENT ASSOCIATION EMPLOYER CONTRIBUTION RATE INCREASE.**

Subdivision 1. **Aid to offset rate increase.** Beginning with the December 26, 1997, payment, and according to the schedule for payment of local aid under section 477A.015 thereafter, the commissioner of revenue shall pay to each city, county, town, and other nonschool jurisdiction an

amount equal to 0.35 percent of the fiscal year 1997 payroll for employees who were members of the general plan of the Public Employees Retirement Association. Except for the December 1997 distribution under this section, the amount of aid must be certified before September 1 of the year preceding the distribution year to the affected local government. The executive director of the Public Employees Retirement Association shall certify the general plan fiscal year covered payroll and other information requested by the commissioner of revenue, on or before August 1, 1997, and in subsequent years where necessary, in order to facilitate administration of this section. The amount necessary to make these aid payments is appropriated annually from the general fund to the commissioner of revenue. Expenditures under this section are estimated to be $7,942,500 in fiscal year 1998, and $15,885,000 in each subsequent fiscal year, less any future reductions under subdivision 2.

Subd. 2. **Limit on aid and potential future permanent aid reductions.** (a) The aid amount received by any jurisdiction in fiscal year 2000 or any year thereafter may not exceed the amount it received in fiscal year 1999. The commissioner may, from time to time, request the most recent fiscal year payroll information by jurisdiction to be certified by the executive director of the Public Employees Retirement Association. For any jurisdiction where newly certified public employees retirement association general plan payroll is significantly lower than the fiscal 1997 amount, as determined by the commissioner, the commissioner shall recalculate the aid amount based on the most recent fiscal year payroll information, certify the recalculated aid amount for the next distribution year, and permanently reduce the aid amount to that jurisdiction.

(b) Aid to a jurisdiction must not be reduced under this section due to a transfer of an employee from the general plan of the Public Employees Retirement Association to the local government correctional service plan administered by the Public Employees Retirement Association. The executive director of the Public Employees Retirement Association must provide the commissioner of revenue with any information requested by the commissioner to administer this paragraph.

Subd. 3. **Effect of reorganizations.** The commissioner of revenue may adjust the aid amounts for separate jurisdictions to account for significant changes in boundaries or in the form of government, as determined by the commissioner. If a local government function and the associated Public Employees Retirement Association general plan payroll is assumed by either the state, or a nonpublic organization, the aid amounts attributable to the function under this section must terminate.

Subd. 4. **Aid termination.** The aid provided under this section terminates on June 30, 2020.

**289A.60 CIVIL PENALTIES.**

Subd. 15. **Accelerated payment of June sales tax liability; penalty for underpayment.** (a) For payments made after December 31, 2019 and before December 31, 2021, if a vendor is required by law to submit an estimation of June sales tax liabilities and 87.5 percent payment by a certain date, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of 87.5 percent of the preceding May's liability or 87.5 percent of the average monthly liability for the previous calendar year.

(b) For payments made after December 31, 2021, the penalty must not be imposed if the amount remitted in June equals the lesser of 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the preceding May's liability or 84.5 percent of the average monthly liability for the previous calendar year.

(c) This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

**297I.15 EXEMPTIONS FROM TAX.**

Subd. 2. **Minnesota employees insurance program.** To the extent that the Minnesota employees insurance program under section 43A.317 operates as a self-insured group, the premiums paid to the program are exempt from the taxes imposed under this chapter, but are subject to a Minnesota Comprehensive Health Association assessment under section 62E.11.

**383B.1511 JOB ORDER CONTRACTING.**

Subdivision 1. **Definitions.** (a) In this section, the definitions in this subdivision apply.

(b) "Job order contracting" means a project delivery method that requests a limited number of bids from a list of qualified contractors, selected from a registry of qualified contractors who have been prescreened and who have entered into master contracts with the county, as provided in this section.

(c) "Project" means an undertaking by the county to construct, alter, maintain, repair, or enlarge a building, structure, road, or bridge, or make other improvements.

(d) "Request for qualifications" means the document or publication soliciting qualifications for a job order contracting contract.

Subd. 2. **Authority.** Notwithstanding any law to the contrary, the county may utilize job order contracting for projects that do not exceed a construction cost of $250,000.

Subd. 3. **Job order contracting request for qualifications.** (a) The county is authorized to issue a request for qualifications that includes the criteria that will be used for the projects, provided that these criteria (1) do not unduly restrict competition or impose conditions beyond reasonable requirements, in order to ensure maximum participation of all qualified contractors, and (2) do not relate to the collective bargaining status of the contractor.

(b) The request for qualifications must be publicized in a manner designated by the county that ensures open and unrestricted access for any potential responder. To the extent practical, this must include posting on a county website.

Subd. 4. **Qualified contractors.** (a) The county shall review the responses to the request for qualifications and determine each proposer's ability to enter into the master contract that will be utilized for the projects. The county shall establish a list of qualified contractors based on the proposers' ability to enter into a master contract as described in the request for qualifications.

(b) The county may establish a reasonable limit to the number of contractors on the registry of qualified contractors, based on the reasonable needs of the county. The county may reserve up to 75 percent of the registry for certified small business enterprises that may include minority-owned business enterprises, women-owned business enterprises, and veteran-owned businesses. The remaining 25 percent of the registry may include qualified businesses of any size or ownership.

(c) The county shall establish procedures to allow firms to submit qualifications at least every 24 months to allow placement on the list of contractors qualified to enter into a master contract. The county is not prohibited from accepting qualifications more frequently or on an ongoing or rolling basis.

Subd. 5. **Construction services bidding.** The county shall request bids for construction services for any project using job order contracting from qualified contractors as follows:

(1) for projects up to a maximum cost of $50,000, the county shall request a minimum of two bids;

(2) for projects with a cost greater than $50,000, but less than or equal to $100,000, the county shall request a minimum of three bids; and

(3) for projects with a cost greater than $100,000, but less than or equal to $250,000, the county shall request a minimum of four bids.

Subd. 6. **Qualified contractor selection.** The county shall select the contractor who submits the lowest price bid for the construction services proposed. At the discretion of the county, any or all bids may be rejected if it is determined to be in the best interest of the county.

Subd. 7. **Reasonable distribution of bid requests among qualified contractors.** The county, in requesting bidding for projects using job order contracting as described in this section, shall develop a system to ensure a reasonable opportunity for all qualified contractors to periodically bid on construction services.

Subd. 8. **Expiration.** The authority to enter into new contracts under this section expires on December 31, 2019.

Subd. 9. **Reporting.** Hennepin County must provide reports to the chairs of the committees in the senate and the house of representatives that have jurisdiction over local government operations, describing the uses of the authority provided in this section. Uses of the authority described in the reports may include identifying the total number of projects where this procurement method was used, the total number of contractors qualified by the county, and the total annual expenditures for projects under this section. The first report must be made by January 15, 2018, and subsequent reports must be made on January 15 of each subsequent even-numbered year.

**473.551 DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of sections 473.551 to 473.599, the following terms shall have the meanings given in this section.

Subd. 2. **Cities.** "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 3. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

Subd. 4. **Metrodome debt service.** "Metrodome debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.581.

Subd. 5. **Metropolitan sports area.** "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon including the met center, owned by the cities on May 17, 1977, the date of enactment of sections 473.551 to 473.595, and since transferred to the commission pursuant to sections 473.551 to 473.595.

Subd. 6. **Metropolitan Sports Area Commission.** "Metropolitan Sports Area Commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities were parties on May 17, 1977.

Subd. 7. **Multipurpose sports facility.** "Multipurpose sports facility" means a single unit sports facility suitable for university or major league professional baseball, football, and soccer.

Subd. 8. **Sports facility or sports facilities.** "Sports facility" or "sports facilities" means real or personal property comprising a stadium, stadiums, or arenas suitable for university or major league professional baseball, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including on the effective date of Laws 1994, chapter 648, the metrodome, the met center, and, upon acquisition by the commission, the basketball and hockey arena.

Subd. 9. **Metrodome.** "Metrodome" means the Hubert H. Humphrey Metrodome located in the city of Minneapolis constructed and owned by the commission and financed by the bonds of the council issued pursuant to sections 473.551 to 473.595, including all real estate, buildings, improvements, and equipment in and on them.

Subd. 10. **Basketball and hockey arena.** "Basketball and hockey arena" means the indoor arena building currently occupied and utilized for the playing of university or major league basketball, hockey, and other purposes located in the city of Minneapolis, including all improvements and equipment in the arena and the leasehold or other interest in the arena land appurtenant to the arena, but excluding the health club.

Subd. 11. **Health club.** "Health club" means that separate portion of the basketball and hockey arena building occupied and utilized by a private sports and health club on the effective date of Laws 1994, chapter 648, the improvements and equipment in and on it, and the leasehold or other interest in the arena land appurtenant to it.

Subd. 12. **Met Center.** "Met Center" means the real estate in the city of Bloomington presently owned by the commission, formerly utilized for major league hockey, and all buildings, improvements, and equipment in and on it.

Subd. 13. **Development agreement.** "Development agreement" means the second amended and restated development agreement among the Minneapolis Community Development Agency, Northwest Racquet, Swim & Health Clubs, Inc., and the city of Minneapolis dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 14. **Ground lease.** "Ground lease" means the ground lease of the arena land between the Minneapolis Community Development Agency and Northwest Racquet, Swim & Health Clubs, Inc., dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 15. **Guarantors.** "Guarantors" means the individuals who have guaranteed to the Minneapolis Community Development Agency and the city of Minneapolis the performance of the development agreement, ground lease, and certain other obligations pursuant to written guaranty dated February 17, 1988.

Subd. 16. **Arena land.** "Arena land" means the real estate upon which the basketball and hockey arena and health club have been constructed and any adjacent parcel or parcels which are owned

by the city of Minneapolis and subject to the development agreement or the ground lease and all rights, privileges, and easements appertaining to it.

Subd. 17. **Basketball and hockey arena debt service.** "Basketball and hockey arena debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.599.

**473.552 LEGISLATIVE POLICY; PURPOSE.**

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a Metropolitan Sports Facilities Commission.

**473.553 COMMISSION; MEMBERSHIP; ADMINISTRATION.**

Subdivision 1. **General.** The Metropolitan Sports Facilities Commission is established and shall be organized, structured, and administered as provided in this section.

Subd. 2. **Membership.** The commission shall consist of six members, appointed by the city council of the city in which the stadium is located plus a chair appointed as provided in subdivision 3.

Subd. 3. **Chair.** The chair shall be appointed by the governor as the ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Subd. 4. **Qualifications.** A member shall not during a term of office hold the office of Metropolitan Council member or be a member of another metropolitan agency or hold any judicial office or office of state government. None of the members appointed by the city council of the city in which the stadium is located shall be an elected public official of that city or of another political subdivision any part of whose territory is shared with that city. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the official administering it, shall be filed with the chair of the Metropolitan Council.

Subd. 5. **Terms.** The terms of three members shall end the first Monday in January in the year ending in the numeral "5." The terms of the other members and the chair shall end the first Monday in January in the year ending in the numeral "7." The term of each member and the chair shall be four years. The terms shall continue until a successor is appointed and qualified. Members may be removed only for cause.

Subd. 6. **Vacancies.** A vacancy shall be filled by the appointing authority in the same manner in which the original appointment was made.

Subd. 7. **Compensation.** Each commission member shall be paid $50 for each day when the member attends one or more meetings or provides other services, as authorized by the commission, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties. The chair of the Metropolitan Sports Facilities Commission shall receive, unless otherwise provided by other law, a salary in an amount fixed by the members of the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The annual budget of each commission shall provide as a separate account anticipated expenditures for per diem, travel, and associated

expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted.

Subd. 8. **Regular and special meetings.** The commission shall meet regularly at least once each month, at such time and place as the commission shall by resolution designate. Special meetings may be held at any time upon the call of the chair or a majority of the members, upon written notice to each member at least three days prior to the meeting, or upon such other notice as the commission may by resolution provide. Unless otherwise provided, any action within the authority of the commission may be taken by the affirmative vote of a majority of the members. A majority of all of the members of the commission shall constitute a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members.

Subd. 9. **Personnel code; merit system.** (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commission, except that nothing in Laws 1974, chapter 422, shall impair the rights of the commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, the commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension, or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by the commission of affirmative action plans, as provided in section 473.143. The executive director of the commission shall administer the code, and the commission shall not take any action inconsistent with the personnel code.

(b) When a commission employee has been demoted, suspended, or dismissed by the executive director, the employee may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which the employee was dismissed, the date of dismissal, and the reason for requesting the hearing, full name and present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the executive director. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at the employee's present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the executive director, and in the case of approval the action of the executive director shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

Subd. 10. **Secretary and treasurer.** At its first regular meeting each year the commission shall appoint a secretary and a treasurer or, in the alternative, a secretary-treasurer. The secretary and treasurer, or secretary-treasurer, may, but need not be, members of the commission, and shall hold office at the pleasure of the commission, subject to the terms of any contract of employment which the commission may enter into with the secretary or treasurer. The secretary shall record the minutes of all meetings of the commission and shall be the custodian of all books and records of the commission except such as the commission shall entrust to the custody of a designated employee. The treasurer shall be the custodian of all moneys received by the commission except such as the commission shall entrust to the custody of a designated employee. The commission may appoint a deputy to perform any and all functions of either the secretary or the treasurer.

Subd. 11. **Executive director.** The chair of the commission shall, subject to the approval of the commission, appoint an executive director who shall be chosen solely on the basis of training, experience, and other qualifications, and who shall serve at the pleasure of the commission. The executive director shall attend meetings of the commission, but shall not vote, and shall have the following powers and duties:

(a) See that all resolutions, rules, or orders of the commission are enforced.

(b) Appoint and remove, subject to the provisions of the personnel code adopted pursuant to subdivision 9, upon the basis of merit and fitness, all subordinate officers and regular employees of the commission.

(c) Present to the commission plans, studies, and reports prepared for commission purposes and recommend to the commission for adoption such measures as the executive director deems necessary to enforce or carry out the powers and duties of the commission, or to the efficient administration of the affairs of the commission.

(d) Keep the commission fully advised as to its financial condition, and prepare and submit to the commission its annual budget and such other financial information as it may request.

(e) Recommend to the commission for adoption such rules as the executive director deems necessary for the efficient operation of the commission's functions.

(f) Perform such other duties as may be prescribed by the commission.

Subd. 12. **Commission operating procedures.** (a) The commission shall adopt resolutions and bylaws, an administrative code establishing procedures for commission action, keeping records, approving claims, authorizing and making disbursements, authorizing contracts, safekeeping funds and audit of all financial operations of the commission.

(b) The commission and the council may enter into contracts with each other and with other commissions and governmental units for the joint exercise of powers in the manner provided by section 471.59; provided that the commission shall not enter into any contract with the council which would assign any operations authority, responsibility or function, other than planning or making studies, from the commission to the council.

Subd. 13. **Relocation payment standards.** In all acquisitions the commission shall provide as a cost of acquisition the relocation assistance, services, payments and benefits required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1971), United States Code, title 42, section 4601, et seq.

**473.556 POWERS OF COMMISSION.**

Subdivision 1. **General.** The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. **Actions.** The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. **Acquisition of property.** The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.599 within the limits of the metropolitan area.

Subd. 4. **Exemption of property.** Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.599, including the operation of the metrodome, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property comprising the met center which is leased by the commission for residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Subd. 5. **Facility operation.** The commission may equip, improve, operate, manage, maintain, and control the Metrodome, Met Center, basketball and hockey arena and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Subd. 6. **Disposition of property.** (a) The commission may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in accordance with the procedures provided by section 469.065, insofar as practical and consistent with sections 473.551 to 473.599.

(b) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Subd. 7. **Contracts.** The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the commission to narrow the listing of eligible bidders to those which the commission determines to possess sufficient expertise to perform the intended functions. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the commission and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 8. **Employees; contracts for services.** The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic rules.

Subd. 9. **Gifts and grants.** The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 473.581, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of $2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

Subd. 10. **Research.** The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. **Agreements with university.** The commission and the Board of Regents of the University of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed in sections 473.551 to 473.599.

Subd. 12. **Use agreements.** The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 13. **Insurance.** The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 14. **Small business contracts.** In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 7, 8 and 10, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16C.16 to 16C.19. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16C.19, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16C.18.

Subd. 16. **Agreements with Amateur Sports Commission.** (a) The commission and the Minnesota Amateur Sports Commission created pursuant to chapter 240A may enter into long-term leases, use or other agreements for the conduct of amateur sports activities at the basketball and hockey arena, and the net revenues from the activities may be pledged for basketball and hockey arena debt service. The commission, with the advice of the Minnesota Amateur Sports Commission, shall establish standards to provide reasonable assurances to other public bodies owning or operating an entertainment or sports complex or indoor sports arena in the metropolitan area that the agreements between the commission and the Minnesota Amateur Sports Commission with respect to the basketball and hockey arena shall not remove the conduct of amateur sports activities currently and traditionally held at such facilities.

(b) Any long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission with the commission under paragraph (a) must also:

(1) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement if the legislature repeals or amends a standing appropriation or otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota Amateur Sports Commission; and

(2) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement and permit it to agree to a per event use fee when the bonds issued for the metrodome under section 473.581 have been retired.

(c) No long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission under paragraph (a) may commit the amateur sports commission to paying more than $750,000 per year.

(d) Any long-term lease, use, or other agreement entered into under paragraph (a) shall provide that the Minnesota Amateur Sports Commission shall be entitled to use of the basketball and hockey arena for 50 event days per year. In addition, any long-term lease, use, or other agreement entered into under paragraph (a) shall permit the Minnesota Amateur Sports Commission to allow another person or organization to use one or more of its days.

Subd. 17. **Creating a condominium.** The commission may, by itself or together with the Minneapolis Community Development Agency and any other person, as to real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena and the health club, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the commission may deem necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599. The commission may be a member of an association and the chair, any commissioners and any officers and employees of the commission may serve on the board of an association under chapter 515A or 515B.

**473.561 EXEMPTION FROM COUNCIL REVIEW.**

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to 473.599 and shall not be affected by the provisions of sections 473.165 and 473.173.

**473.564 METROPOLITAN SPORTS AREA.**

Subd. 2. **Assumption of obligations.** Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.

Subd. 3. **Employees.** Upon transfer of ownership all persons then employed by the metropolitan sports area commission shall be transferred to the metropolitan sports facilities commission without loss of right or privilege. Nothing in this section shall be construed to give any such person the right or privilege to continue in the same level or classification of employment previously held. The metropolitan sports facilities commission may assign any such person to an employment level and classification which it deems appropriate and desirable in accordance with its personnel code.

**473.565 POST 1977 SERVICE IN MSRS; EXCEPTIONS.**

Subdivision 1. **In MSRS; exceptions.** All employees of the commission shall be members of the Minnesota State Retirement System with respect to service rendered on or after May 17, 1977, except as provided in this section.

Subd. 2. **Temporary and part-time employees.** Temporary employees hired for a period of less than six months and part-time employees hired to work less than 30 hours per week shall be excluded from membership in the retirement system if the commission certifies them to the executive director of the retirement system as being temporary or part-time employees.

Subd. 3. **PERA election.** Any employee of the commission who was an employee of the Metropolitan Sports Area Commission on May 17, 1977, and who was a member of the Public Employees Retirement Association on account of that employment may elect no later than 30 days following transfer of employment to the commission to remain a member of the Public Employees Retirement Association. The election shall be made on forms provided by the commission, and the commission shall give immediate notice of any such elections to the executive directors of the Public Employees Retirement Association and the Minnesota State Retirement System. Any person who makes such an election shall be excluded from membership in the Minnesota State Retirement System with respect to employment by the commission. The commission shall make the required employer contributions to the Public Employees Retirement Association.

Subd. 4. **Retroactive pay, inclusion.** Any permanent full-time employee of the commission who was a permanent full-time employee of the Metropolitan Sports Area Commission on May 17, 1977, for whom the prior employment was not covered by the Public Employees Retirement Association, may obtain allowable service credit in the Minnesota State Retirement System by paying to the retirement system (a) an amount equal to four percent of current salary rate multiplied by the days and months of such prior service for which the employee desires to obtain allowable service credit plus (b) a matching amount representing the employer's required contributions, except that the commission may agree to pay the matching amount on behalf of its employees. Proof of prior permanent full-time service and the duration thereof shall be established by the certification of the commission to the executive director of the retirement system. The payments shall be made either in a lump sum or by payroll deduction arranged for on or before July 1, 1978.

**473.572 REVISED FINAL DETERMINATION.**

Subdivision 1. **Determinations before bonds.** The council shall make all determinations required by sections 473.581, subdivision 3, and 473.599 before it authorizes the issuance of bonds.

Subd. 2. **Self-supporting effort.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of section 473.581, subdivision 3, impose rates, rentals and other charges in the operation of the metrodome which will make the metrodome self supporting so that the taxes imposed under section 473.592 for the metrodome will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.595.

**473.581 DEBT OBLIGATIONS.**

Subdivision 1. **Bonds.** The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of the Metrodome by the commission pursuant to sections 473.551 to 473.595;

(b) To refund bonds issued hereunder; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the Metrodome and the Met Center.

Subd. 2. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other

subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of the city of Minneapolis to levy a tax pursuant to agreements made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. **Limitations.** The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to $55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to $42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to $37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing Metropolitan Stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to $25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use the Metrodome for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the Metrodome. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the use of the Metrodome by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the Metrodome may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission for expenditures on the Metrodome, to construct or remodel and to furnish the Metrodome proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of the Metrodome or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the

receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of the Metrodome of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of the Metrodome for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the Metrodome has been accepted by the Environmental Quality Board, and the Pollution Control Agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the Metrodome.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the Metrodome are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the Metrodome plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The city of Minneapolis has entered into an agreement as contemplated in section 473.592 as security for the Metrodome debt service.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the Metrodome where the game is to be played or at the box office closest to the Metrodome, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets.

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Subd. 4. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the Metrodome, the tax and other revenues of the commission described in section 473.595, subdivision 1, and any other revenues of the commission

attributable to the Metrodome shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the Metrodome until all bonds and certificates issued pursuant to this section are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other Metrodome and Met Center revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax and other revenues referred to in sections 473.551 to 473.595 (excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, taxes described in section 473.592 for the basketball and hockey arena, and other revenues attributable to the basketball and hockey arena) from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 5. **Revenue anticipation certificates.** At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the Metrodome, and in anticipation of the proceeds from the taxes under section 473.592 for the Metrodome and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the first annual budget of the commission, the council may authorize up to $300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after May 26, 1979, shall not be used to pay capital costs of the Metrodome constructed or remodeled pursuant to sections 473.551 to 473.595.

**473.592 TAX REVENUES.**

Subdivision 1. **Local sales tax.** The city of Minneapolis may enter into agreements with the Metropolitan Council and the commission which requires the municipality to impose a sales tax, supplemental to the general sales tax imposed in chapter 297A, for the purposes and in accordance with the requirements specified in sections 473.551 to 473.599. The tax may be imposed:

(a) on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the municipality,

(b) notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality,

(c) on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city, or

(d) on any one or combination of the foregoing.

A tax under this subdivision shall be imposed only within a downtown taxing area to be determined by the council.

The agreement or agreements between the city, the Metropolitan Council, and the commission shall require the municipality to impose the tax or taxes at whatever rate or rates may be necessary to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service on bonds and revenue anticipation certificates issued under section 473.599, and all expenses of operation, administration, and maintenance of the Metrodome and the basketball and hockey arena. When it is determined that a tax must be imposed under this subdivision after the effective date of Laws 1994, chapter 648, there shall be added to the rate of the tax imposed for the purposes described in the previous sentence a tax at a rate of 0.25 percent for use by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth through the Minneapolis Park and Recreation Board. The agreements shall provide for the suspension, reimposition, reduction, or increase in tax collections upon determination by the Metropolitan Council that such actions are appropriate or necessary for the purposes for which the tax is imposed, provided that the balance in each of the Metrodome debt service and the basketball and hockey arena debt service fund or funds, including any reserve for debt service, shall be maintained at least at an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding one year period and, except as otherwise provided by agreement, shall not be maintained at an amount greater than that required to pay principal and interest on bonds which will become due within the next succeeding two-year period. Once the tax is imposed by the city, the tax imposed for the benefit of the Minneapolis Park and Recreation Board shall remain in effect at the rate of 0.25 percent until the bonds issued under section 473.599 have been retired. The agreements shall be executed by the city, after approval by resolution of the city council and before the issuance of the bonds under section 473.581 and commencement of construction of the Metrodome or the issuance of bonds under section 473.599 and acquisition of the basketball and hockey arena and shall constitute a contract or contracts with and for the security of all holders of the bonds and revenue anticipation certificates secured by the tax. The Metrodome shall not be constructed or remodeled in a municipality which has not entered into an agreement for the Metrodome in accordance with this section. A basketball and hockey arena shall not be acquired in the city of Minneapolis unless the city has entered into an agreement in accordance with this section as security for bonds issued pursuant to section 473.599 and expenses of operation, administration, and maintenance of the basketball and hockey arena. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the Metropolitan Council and the city of Minneapolis for use by the Minneapolis Park and Recreation Board. The commissioner of revenue shall deduct from the proceeds remitted to the council and the city an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state. The proceeds remitted with respect to the Metrodome shall be placed, together with the net revenues of the commission attributable to the Metrodome under section 473.595, into the debt service fund or reserve or special funds, established under section 473.581, and any funds established to secure payment of operating deficits of the commission arising from its ownership and operation of the Metrodome. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.581, and expenses of operation, administration, and maintenance of the Metrodome. The proceeds shall not be used for any capital costs of the Metrodome, except that the proceeds may be used to pay interest on bonds during the construction period.

The proceeds remitted with respect to the basketball and hockey arena shall be placed, together with the net revenues of the commission attributable to the basketball and hockey arena under section 473.595, subdivision 1a, into the debt service fund or reserve or special funds, established under section 473.599, and any funds established to secure payment of operating deficits of the commission arising from its acquisition, ownership, operation, or maintenance of the basketball and hockey arena. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.599, and expenses of operation, administration, and maintenance of the basketball and hockey arena.

**473.595 COMMISSION FINANCES.**

Subdivision 1. **Metrodome admission tax.** The commission shall by resolution impose and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the

Metrodome. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the Metrodome is discretionary with the commission.

Subd. 1a. **Arena admission tax.** The commission shall impose a ten percent admission tax on all tickets sold, issued, granted, or distributed for the privilege of admission to the basketball and hockey arena. In addition, the commission shall impose a surcharge in an amount to be determined by the commission, but not less than $1 per ticket, on all tickets sold, issued, granted, or distributed for the privilege of admission to activities at the basketball and hockey arena. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon such a sale or distribution. The admission tax and surcharge for the privilege of admission to activities at the basketball and hockey arena shall be charged and added to the sales price of the ticket, and imposed and collected in the same manner provided for the Metrodome pursuant to subdivision 1. The tax and surcharge provided for in this subdivision shall be effective from and after the date of the commission's acquisition of the basketball and hockey arena.

Subd. 2. **Rentals; fees; charges.** Rentals, fees, and charges provided for in use agreements at the Metrodome and basketball and hockey arena entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to the Met Center, the Metrodome, and the basketball and hockey arena meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the metropolitan area, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.

Subd. 3. **Budget preparation; review and approval.** The commission shall prepare a proposed budget by August 1 of each year. The budget shall include operating revenues and expenditures for operation, administration, and maintenance. In addition, the budget must show for each year:

(a) The estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(b) Capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year; all in such detail and form as the council may prescribe; and

(c) The estimated source and use of pass-through funds.

As early as practicable before August 15 of each year, the commission shall hold a public hearing on a draft of the proposed budget. Along with the draft, the commission shall publish a report on user charges. The report must include an estimate and analysis of the changes in user charges, rates, and fees that will be required by the commission's budget. Not less than 14 days before the hearing, the commission shall publish notice of the hearing in a newspaper having general circulation in the metropolitan area, stating the date, time, and place of hearing, and the place where the proposed budget and report on user charges may be examined by any interested person. Following the hearing, the commission shall publish a report of the hearing that summarizes the comments received and the commission's response. The council shall approve or disapprove the entire budget by October 1 of each year. Before December 15 of each year, the commission shall by resolution adopt a final budget. The commission shall file its final budget with the council on or before December 20 of

each year. The council shall file the budgets with the secretary of the senate and the clerk of the house of representatives not later than January 1 of each year.

Except in an emergency, for which procedures must be established by the commission, the commission and its officers, agents, and employees may not spend money for any purpose, other than debt service, without an appropriation by the commission, and no obligation to make such an expenditure shall be enforceable except as the obligation of the person or persons incurring it. The creation of any debt obligation or the receipt of any federal or state grant is a sufficient appropriation of the proceeds for the purpose for which it is authorized, and of the tax or other revenues pledged to pay the obligation and interest on it whether or not specifically included in any annual budget. After obtaining approval of the council, the commission may amend the budget at any time by transferring any appropriation from one purpose to another, except appropriations of the proceeds of bonds issued for a specific purpose.

Subd. 4. **Payment of council costs.** The commission shall comply with the provisions of section 473.164.

Subd. 5. **Audit.** The legislative auditor shall make an independent audit of the commission's books and accounts once each year or as often as the legislative auditor's funds and personnel permit. The costs of the audits shall be paid by the commission pursuant to section 3.9741. The council may examine the commission's books and accounts at any time.

Subd. 6. **General.** The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its Metrodome debt service funds, at the times required by resolution of the council, the net revenue attributable to the Metrodome in excess of these requirements and for deposit in its basketball and hockey arena debt service fund or funds, at the times required by resolution of the council, the net revenue attributable to the basketball and hockey arena in excess of these requirements.

Subd. 7. **Sale of seats.** The commission may sell seats in any multipurpose sports facility constructed after June 30, 1979 at prices and subject to conditions consistent with this section. Ownership of a seat shall give the owner first preference for purchase of a season ticket of admission for professional sports exhibitions with a right to be seated in the owned seat. An owner may sell or otherwise transfer the rights on whatever terms the owner chooses. Rights to a seat may not be divided. No fee may be charged for a transfer of ownership of a seat. The commission may charge a maintenance fee not exceeding $10 per year for each seat.

**473.596 HIGHWAY USER TAX FUND FOR METRODOME ACCESS; LIMITS.**

No money derived from the highway user tax distribution fund shall be used to construct, relocate, or improve any streets, highways, or other public thoroughfares, except ones included in the municipal state aid street system established pursuant to article XIV, section 4, of the Minnesota Constitution if such work is done in order to provide or improve access to the metrodome constructed pursuant to sections 473.551 to 473.595. The commissioner of transportation shall determine whether expenditures are in violation of this section.

**473.598 ARENA ACQUISITION.**

Subdivision 1. **Commission determination.** The commission shall first determine whether to pursue negotiations to acquire the basketball and hockey arena.

Subd. 2. **Examination and disclosure of loan terms.** Before making a final decision to acquire the basketball and hockey arena, the commission must obtain and examine all the terms, conditions, covenants, and other provisions of any loan agreements between the owners of the arena and third parties that provided financing secured by mortgages on or other security interests in the basketball and hockey arena. These terms specifically include any agreements that require a professional team affiliated with the owner to lease or use the arena or that restrict or limit the authority of the team owners or affiliates to relocate the team. The commission shall make the terms of the agreements available for public inspection.

Subd. 3. **Commission proposal.** (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the Metropolitan Council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the proposal for the council, shall

require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. In evaluating whether to acquire the basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the Metropolitan Council under paragraph (a), the commission shall submit the proposal to the Department of Management and Budget for review, evaluation, and comment. Any data which is not public data under subdivision 4 shall remain not public data when given to the Department of Management and Budget.

Subd. 4. **Treatment of data.** (a) Except as specifically provided in this subdivision, all data received by the commission or council in the course of its negotiations and acquisition of the basketball and hockey arena is public data.

(b) The commission may keep confidential data received or prepared by its accountants or counsel for purposes of negotiations with existing or potential lessees of the basketball and hockey arena. That data shall be confidential data on individuals under section 13.02, subdivision 3, or protected nonpublic data under section 13.02, subdivision 13, as the case may be, unless the commission determines that public release of the data would advance the negotiations, or until the potential lessees have executed agreements with the commission or the negotiations are unfavorably concluded.

(c) The following data shall be private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, as the case may be:

(1) data received by the commission or council from the present lessees or potential lessees of the basketball and hockey arena which if made public would, due to the disclosure, permit a competitive economic advantage to other persons;

(2) data relating to affiliated entities of the parties referred to in subdivision 3 which is not relevant to the due diligence and economic feasibility study referred to under subdivision 3; and

(3) data on individuals which is not relevant to the finances of the basketball and hockey arena or useful to demonstrate the financial ability of the potential lessees of the arena to perform their agreements with the commission.

(d) For purposes of this subdivision, the terms "commission" and "council" include their members and employees, accountants, counsel, and consultants and the firm of independent certified public accountants to be engaged under subdivision 2.

(e) Notwithstanding the exceptions in this subdivision, summary data which demonstrates the financial ability of the lessees and potential lessees of the basketball and hockey arena to perform their obligations under agreements with the commission and data which relates in any way to the value of the basketball and hockey arena and the amount by which the owners' investment in the arena, including debt obligations, exceeds the commission's payments to and assumption of the owners' debt obligations, shall be public data.

Subd. 5. **Hockey agreement.** The commission shall exercise its best efforts, consistent with its other obligations under sections 473.551 to 473.599 to attempt to secure an agreement with a major league professional hockey organization to play its home games at the basketball and hockey arena.

**473.599 DEBT OBLIGATIONS.**

Subdivision 1. **Revenues.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of this section, impose rates, rentals, and other charges in the operation of the basketball and hockey arena which together with the admissions tax and surcharge provided in section 473.595, subdivision 1a, will make the basketball and hockey

arena self-supporting so that the taxes imposed under section 473.592 for the basketball and hockey arena will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.599.

Subd. 2. **Bonds.** The council shall by resolution authorize the sale and issuance of its bonds for any of the following purposes upon its determination that the conditions of subdivision 4 have been met:

(a) To provide funds for the acquisition or betterment of the basketball and hockey arena by the commission pursuant to sections 473.598 and 473.599;

(b) To refund bonds issued under this section; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the basketball and hockey arena.

Subd. 3. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.599, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475. The council may pledge for the payment of the bonds the net revenues of the commission arising from the commission's operation of the basketball and hockey arena, the tax provided by section 473.592 for the basketball and hockey arena, and the admission tax and surcharge authorized in section 473.595, subdivision 1a. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.599, and shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, but nothing in this section shall affect the obligation of the city of Minneapolis to levy a tax pursuant to an agreement made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 4.

Subd. 4. **Limits.** The principal amount of the bonds issued pursuant to subdivision 2, clause (a), exclusive of any original issue discount, shall not exceed the total amount of $42,000,000 plus such amount as the council determines necessary to pay the costs of issuance, fund reserves for operation and debt service, and pay for any bond insurance or other credit enhancement. The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine. The proceeds of the bonds issued pursuant to subdivision 2, clause (a), shall be used only for acquisition and betterment of sports facilities suitable for a basketball and hockey arena and the arena land and the related purposes referred to in this subdivision, and for reimbursement of any expenses of the commission related to its determination of whether to acquire the basketball and hockey arena, whenever incurred. The council shall issue its bonds pursuant to subdivision 2, clause (a), and the commission may acquire the basketball and hockey arena and the arena land when the council has made the following determinations:

(a) The commission, the city of Minneapolis or the Minneapolis Community Development Agency, or any or all of them, as the commission may deem appropriate, has executed agreements with a major league professional basketball organization to use the arena for all scheduled regular season home games and play-off home games, and for at least one of its exhibition games played each season. The agreements shall be for a period of 30 years. The agreements may contain provisions negotiated with the organization which provide for earlier termination of the use of the basketball and hockey arena by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. The agreements shall afford to the commission, the city of Minneapolis, or the Minneapolis Community Development Agency, or each or all of them, as the commission deems appropriate, the remedies that are deemed necessary and appropriate to provide reasonable assurances that the major league professional basketball organization or another major league professional basketball organization shall comply with the agreements. The remedies shall include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements and any additional remedies or security arrangements the commission reasonably determines to be effective in accomplishing the purposes of this paragraph. The damages payment may be payable in a lump sum or in installments as the commission may deem appropriate. The commission may require that the agreements include other terms and conditions to provide reasonable assurances that the major league professional basketball team or a successor major league professional basketball team will play the required games at the basketball and hockey arena during the 30-year term of the agreements, or, in the event of a breach, to assure the payment of the required damages. The agreements shall address contingencies that may arise in the event of change of ownership of the professional teams. The agreements with the professional

basketball organization for the use of the basketball and hockey arena shall provide for arrangements which the commission may deem necessary or appropriate to accommodate a future agreement between the commission and a professional hockey organization to occupy the basketball and hockey arena, consistent with this section.

(b) The commission has exercised its reasonable efforts to obtain assurances and/or agreements from the professional basketball major league to the extent permitted under applicable federal and state law, that it will not approve the relocation of the major league professional basketball organization if the relocation is in violation of the terms of the agreements referred to in paragraph (a).

(c) The professional basketball team has provided information sufficient to satisfy the council and the commission of the team's ability to comply with the terms of the 30-year lease.

(d) The proceeds of bonds provided for in this subdivision will be sufficient for the purposes for which they are issued.

(e) The commission has acquired, or has contracted to acquire, (i) leasehold title to the arena land together with the estate of the tenant and other rights demised under the ground lease, subject to amendment as provided in clause (o), (ii) ownership of all real and personal property comprising the basketball and hockey arena, and (iii) all easements, appurtenances and other rights, title, or interest deemed by the commission necessary or desirable in connection with the acquisition, financing, ownership, and operation of the basketball and hockey arena.

(f) The percentage of the private boxes provided for in the commission's proposal for the basketball and hockey arena are sold or leased for the period that the commission finds advisable.

(g) The anticipated admission taxes and surcharges and other revenue from the operation of the basketball and hockey arena will be sufficient to pay when due all basketball and hockey arena debt service plus all administration, operating and maintenance expense of the arena.

(h) The city of Minneapolis has entered into an agreement as contemplated in clause (n) and an agreement or agreements as contemplated in section 473.592 with respect to the basketball and hockey arena.

(i) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commission related to them, shall not be conditioned upon or impaired by the council's determination made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the commission and council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(j) The commission has entered into arrangements with any other persons to create a condominium or leasehold condominium, or common interest community or leasehold common interest community, with respect to the building containing the basketball and hockey arena, including the arena playing and spectator areas, and all other portions of the building, and together with the arena land and all other related improvements, easements and other appurtenant and ancillary property and property rights. The Minneapolis Community Development Agency in its capacity as ground lease landlord may be a party to the condominium or common interest community declaration. The condominium or common interest community declaration shall establish the portion of the building containing the health club as a separate unit of the condominium or common interest community, and the commission shall have entered into an agreement or agreements with a private sports and health club organization which shall require that the organization shall purchase or retain ownership of the unit with its own funds and at no cost or expense to the commission, and that the organization shall pay for all utility and other operating costs and expenses including allocated common expenses and pay ad valorem property taxes for the unit. The condominium or common interest community declaration may also establish other units in the condominium or common interest community which shall include the arena playing and spectator areas and may also include office space, restaurant space, locker rooms, private spectator suites or boxes, signage, and other areas, and may also establish common elements, limited common elements and other easements and interests as the commission deems necessary or appropriate. The agreement or agreements

between the commission and the private sports and health club organization may also address additional matters which may be the subject of the bylaws or other agreements or arrangements among unit owners of condominiums or common interest communities, either as part of, or separately from, the provisions of chapter 515A or 515B, or any other items as may be ordinarily and customarily negotiated between the commission and the organization.

(k) The private sports and health club organization has executed an assessment agreement pursuant to section 469.177, subdivision 8, obligating payment of ad valorem taxes based on a minimum market value of the health club of at least $10,000,000 with the city of Minneapolis or the Minneapolis Community Development Agency.

(l) The commission has executed an agreement requiring the commission to remit annually to the Minneapolis Community Development Agency or appropriate agency an amount which together with any ad valorem taxes or other amounts received by the city of Minneapolis or the Minneapolis Community Development Agency from the health club as tax increments equals the debt service required by the tax increment district attributable to the basketball and hockey arena until the current outstanding indebtedness or any refunding thereof has been paid or retired.

(m) The development agreement shall be amended:

(i) so that no payments are due to the city of Minneapolis or the Minneapolis Community Development Agency from the commission or any other person with respect to the sale, ownership or operation of the basketball and hockey arena, except as provided in clauses (k), (l), and (n); and

(ii) to confirm the satisfactory performance of the obligations of the parties to the development agreement on the effective date of the commission's acquisition; provided, that the city of Minneapolis and the Minneapolis Community Development Agency shall not be required to release any claim they may have under the development agreement with respect to the operations or sale of the health club (except as such claim may arise from the commission's acquisition of the basketball and hockey arena and the contemporaneous sale or transfer of the health club to those persons who own the basketball and hockey arena and the health club on the date of the commission's acquisition) or from the operations or sale of the professional basketball organization occupying the basketball and hockey arena or the security they may have under the development agreement or the ground lease to assure its performance, pursuant to the guaranty of the guarantors in the event of any default of the commission under the ground lease, or of the owners of the health club with respect to the payment of ad valorem taxes or any payment due from them under the development agreement as amended in accordance with the provisions of this subdivision.

(n) The commission has executed an agreement with the city of Minneapolis providing that for so long as the commission owns the basketball and hockey arena the city shall not impose any entertainment tax or surcharge on tickets purchased for any and all events at the basketball and hockey arena. The agreement may also provide that the commission shall compensate the city for the forbearance of the entertainment tax in effect on the effective date of Laws 1994, chapter 648, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance, and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. The required funding of the capital reserve shall be in an amount mutually agreed to by the commission and the city.

(o) The ground lease shall be amended by the Minneapolis Community Development Agency to the reasonable satisfaction of the commission to provide:

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (1) from the net revenues of the commission attributable to the operation of the basketball and hockey arena;

(ii) that the term of the lease shall be 99 years;

(iii) that the commission shall have the option to purchase the arena land upon the payment of $10 at any time during the term of the ground lease, but, unless otherwise agreed to by the Minneapolis Community Development Agency, only after the payment or retirement of the general obligation tax increment bonds previously issued by the city of Minneapolis to assist in financing the acquisition of the arena land; and

(iv) other amendments as the commission deems necessary and reasonable to accomplish its purposes as provided in sections 473.598 and 473.599.

(p) The commission has received a report or reports by qualified consultants on the basketball and hockey arena, the health club and the arena land, based on thorough inspection in accordance with generally accepted professional standards and any correction, repair, or remediation disclosed by the reports has been made to the satisfaction of commission.

Subd. 5. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the basketball and hockey arena, the tax, surcharge and other revenues of the commission described in section 473.595, subdivision 1a, attributable to the basketball and hockey arena and any other revenues of the commission attributable to the basketball and hockey arena shall be and remain pledged and appropriated for the purposes specified in Laws 1994, chapter 648, article 1, and for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the basketball and hockey arena until all bonds referred to in section 473.599, subdivision 2, are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax, surcharge and other revenues attributable to the basketball and hockey arena referred to in sections 473.592, 473.595, subdivision 1a, 473.598, and 473.599 from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council under sections 473.592 to the extent of the tax imposed as security for the debt service of the basketball and hockey arena, 473.595, subdivision 1a, 473.598, and 473.599, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of them, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make the covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

Subd. 6. **Revenue anticipation certificates.** After approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the basketball and hockey arena, and in anticipation of the proceeds from the taxes under section 473.592 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms that it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the annual budget of the commission, the council may authorize revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest on them shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax, surcharge and other revenues received attributable to the basketball and hockey arena, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 2 may be used.

Subd. 7. **Arena free of mortgages, liens, and obligations.** With the exception of the obligations imposed by sections 473.598 and 473.599, the commission shall not assume any notes, pledges, mortgages, liens, encumbrances, contracts, including advertising contracts or marquee agreements, or other obligations upon acquisition of the basketball and hockey arena or the arena land, including but not by way of limitation, management or concession agreements. Upon acquisition by the commission, the basketball and hockey arena and the arena land shall be free of all liens and encumbrances, including the foregoing but excluding the easements and rights-of-way that the commission shall determine do not materially impair or affect its ownership and operation of the basketball and hockey arena. Upon acquisition, the commission shall, through a process involving statewide public participation, select a name for the basketball and hockey arena. In the process of

selecting the name, the commission shall consider its obligation under section 473.599, subdivision 1, but that obligation must not be the principal consideration in making the selection.

Subd. 8. **Reimbursement to state.** The commission shall compensate the state for its contribution from the general fund under Minnesota Statutes 2008, section 240A.08, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. Compensation paid to the state shall occur at the same time that compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on a basis proportionate to the amount of forbearance of the entertainment tax or surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under Minnesota Statutes 2008, section 240A.08, to that date. No reimbursement will be paid under this subdivision after (1) the aggregate amount of the appropriations granted under Minnesota Statutes 2008, section 240A.08, to that time, plus accrued interest, has been reimbursed under this subdivision, or (2) December 31, 2024, whichever is earlier.

**473.5995 FOOTBALL STADIUM ACCOUNT.**

Subdivision 1. **Creation.** A football stadium account is created in the special revenue fund in the state treasury. On July 1, 2002, the Metropolitan Sports Facilities Commission must deposit $500,000 from its cash reserves in the football stadium account.

Subd. 2. **Transfer; sale of the Metrodome.** Upon sale of the Metrodome, the Metropolitan Sports Facilities Commission must transfer the net sales proceeds as follows:

(1) $5,000,000 to Hennepin County to offset expenditures for grants for capital improvement reserves for a ballpark under section 473.757; and

(2) the remainder to the football stadium account to be used to pay debt service on bonds issued to pay for the construction of a football stadium for the Minnesota Vikings.

**473.76 METROPOLITAN SPORTS FACILITIES COMMISSION.**

The Metropolitan Sports Facilities Commission may authorize, by resolution, technical, professional, or financial assistance to the county and authority for the development and operation of the ballpark upon such terms and conditions as the county or authority and the Metropolitan Sports Facilities Commission may agree, including reimbursement of financial assistance from the proceeds of the bonds authorized in this chapter. Without limiting the foregoing permissive powers, the Metropolitan Sports Facilities Commission shall transfer $300,000 from its cash reserves to the county on or prior to January 1, 2007, for use in connection with preliminary ballpark and public infrastructure costs, which amount shall be repaid by the county from collections of the tax authorized by section 473.757, if any.

**473.763 COMMUNITY OWNERSHIP.**

Subdivision 1. **Purpose.** The legislature determines that:

(1) a professional baseball franchise is an important asset to the state of Minnesota and ensuring that a franchise remains in Minnesota is an important public purpose;

(2) providing broad-based local ownership of a Major League Baseball franchise develops trust among fans, taxpayers, and the team, and helps ensure this important asset will remain in the state;

(3) providing community ownership of a professional baseball franchise ensures that the financial benefits of any increased value of the franchise will accrue to those members of the community who own the franchise; and

(4) enacting legislation providing for community ownership indicates to Major League Baseball continuing support for professional baseball in Minnesota.

Subd. 2. **Acquisition.** Subject to the rules of Major League Baseball, the governor and the Metropolitan Sports Facilities Commission must attempt to facilitate the formation of a corporation to acquire the baseball franchise and to identify an individual private managing owner of the corporation. The corporation formed to acquire the franchise shall have a capital structure in compliance with all of the following provisions:

(1) there may be two classes of capital stock: common stock and preferred stock. Both classes of stock must give holders voting rights with respect to any relocation or voluntary contraction of the franchise;

(2) the private managing owner must own no less than 25 percent and no more than 35 percent of the common stock. For purposes of this restriction, shares of common stock owned by the private managing owner include shares of common stock owned by any related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended. Other than the rights of all other holders of common stock and preferred stock with respect to relocation or voluntary contraction of the franchise, the private managing owner must control all aspects of the operation of the corporation;

(3) other than the private managing owner, no individual or entity may own more than five percent of the common stock of the corporation;

(4) at least 50 percent of the ownership of the common stock must be sold to members of the general public in a general solicitation and a person or entity must not own more than one percent of common stock of the corporation; and

(5) the articles of incorporation, bylaws, and other governing documents must provide that the franchise may not move outside of the state or agree to voluntary contraction without approval of at least 75 percent of the shares of common stock and at least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval requirements shall not be amended by the shareholders or by any other means.

Except as specifically provided by Laws 2006, chapter 257, no state agency may spend money from any state fund for the purpose of generating revenue under this subdivision or for the purpose of providing operating support or defraying operating losses of a professional baseball franchise.

**477A.18 PRODUCTION PROPERTY TRANSITION AID.**

Subdivision 1. **Definitions.** (a) When used in this section, the following terms have the meanings indicated in this subdivision.

(b) "Local unit" means a home rule charter or statutory city, or a town.

(c) "Net tax capacity differential" means the positive difference, if any, by which the local unit's net tax capacity was reduced from assessment year 2014 to assessment year 2015 due to the change in the definition of real property in section 272.03, subdivision 1, enacted by Laws 2014, chapter 308, article 2, section 9. For purposes of determining the net tax capacity differential, any property in a job opportunity building zone under section 469.314 may not be included when calculating a local unit's net tax capacity.

Subd. 2. **Aid eligibility; payment.** (a) If the net tax capacity differential of the local unit exceeds five percent of its 2015 net tax capacity, the local unit is eligible for transition aid computed under paragraphs (b) to (f).

(b) For aids payable in 2016, transition aid under this section for an eligible local unit equals (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2015.

(c) For aids payable in 2017, transition aid under this section for an eligible local unit equals 80 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2016.

(d) For aids payable in 2018, transition aid under this section for an eligible local unit equals 60 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2017.

(e) For aids payable in 2019, transition aid under this section for an eligible local unit equals 40 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2018.

(f) For aids payable in 2020, transition aid under this section for an eligible local unit equals 20 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2019.

(g) No aids shall be payable under this section in 2021 and thereafter.

(h) The commissioner of revenue shall compute the amount of transition aid payable to each local unit under this section. On or before August 1 of each year, the commissioner shall certify the amount of transition aid computed for aids payable in the following year for each recipient local unit. The commissioner shall pay transition aid to local units annually at the times provided in section 477A.015.

(i) The commissioner of revenue may require counties to provide any data that the commissioner deems necessary to administer this section.

Subd. 3. **Appropriation.** An amount sufficient to pay transition aid under this section is annually appropriated to the commissioner of revenue from the general fund.

**480.011 OFFICE OF ASSOCIATE JUSTICE; CONTINUANCE IN OFFICE.**

The reduction of two offices of associate justice abolished by section 480.01 shall become effective upon the first two vacancies occurring in that office on the supreme court. Each justice of the supreme court serving on August 1, 1983 may continue to serve until the justice is not elected or does not seek reelection. If a justice who was serving on August 1, 1983, is defeated for reelection by another person, that other person shall be deemed to have been in office as of August 1, 1983, for the purposes of this section.

**504B.345 JUDGMENT; EXECUTION.**

Subd. 2. **Expedited writ.** If the court enters judgment for the plaintiff in an action brought under section 504B.291 as required by section 609.5317, subdivision 1, the court may not stay issuance of the writ of recovery of premises and order to vacate unless the court makes written findings specifying the extraordinary and exigent circumstances that warrant staying the writ for a reasonable period, not to exceed seven days.

***Laws 2024, chapter 79, article 1, section 20 by Laws 2026, chapter 88, article 1, section 226***

Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2024, section 13.461, subdivision 16a, is repealed.

Subd. 2. **Duplicative definitions.** Minnesota Statutes 2024, section 142E.50, subdivisions 1, 4, and 7, are repealed.

Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2024, section 256.9756, subdivision 3, is repealed.

Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2024, section 256B.092, subdivision 4b, is repealed.

Subd. 5. **Obsolete subdivision.** Minnesota Statutes 2024, section 256R.50, subdivision 6, is repealed.

Subd. 6. **Obsolete definition.** Minnesota Statutes 2024, section 257E.10, subdivision 11, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2024, section 272.02, subdivision 31, is repealed.

Subd. 8. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 19, is repealed.

Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 20, is repealed.

Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.1315, subdivision 1, is repealed.

Subd. 11. **Obsolete section.** Minnesota Statutes 2024, section 273.1385, is repealed.

Subd. 12. **Obsolete subdivision.** Minnesota Statutes 2024, section 289A.60, subdivision 15, is repealed.

Subd. 13. **Obsolete subdivision.** Minnesota Statutes 2024, section 297I.15, subdivision 2, is repealed.

Subd. 14. **Obsolete section.** Minnesota Statutes 2024, section 383B.1511, is repealed.

Subd. 15. **Obsolete section.** Minnesota Statutes 2024, section 477A.18, is repealed.

Subd. 16. **Obsolete section.** Minnesota Statutes 2024, section 480.011, is repealed.

Subd. 17. **Obsolete subdivision.** Minnesota Statutes 2024, section 504B.345, subdivision 2, is repealed.

Subd. 18. **Conflict resolution.** Laws 2024, chapter 79, article 1, section 20, is repealed.

Subd. 19. **Conflict resolution.** Laws 2025, chapter 21, sections 56; and 57, are repealed.

***Laws 2025, chapter 21, section 56 by Laws 2026, chapter 88, article 1, section 226***

Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2024, section 13.461, subdivision 16a, is repealed.

Subd. 2. **Duplicative definitions.** Minnesota Statutes 2024, section 142E.50, subdivisions 1, 4, and 7, are repealed.

Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2024, section 256.9756, subdivision 3, is repealed.

Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2024, section 256B.092, subdivision 4b, is repealed.

Subd. 5. **Obsolete subdivision.** Minnesota Statutes 2024, section 256R.50, subdivision 6, is repealed.

Subd. 6. **Obsolete definition.** Minnesota Statutes 2024, section 257E.10, subdivision 11, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2024, section 272.02, subdivision 31, is repealed.

Subd. 8. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 19, is repealed.

Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 20, is repealed.

Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.1315, subdivision 1, is repealed.

Subd. 11. **Obsolete section.** Minnesota Statutes 2024, section 273.1385, is repealed.

Subd. 12. **Obsolete subdivision.** Minnesota Statutes 2024, section 289A.60, subdivision 15, is repealed.

Subd. 13. **Obsolete subdivision.** Minnesota Statutes 2024, section 297I.15, subdivision 2, is repealed.

Subd. 14. **Obsolete section.** Minnesota Statutes 2024, section 383B.1511, is repealed.

Subd. 15. **Obsolete section.** Minnesota Statutes 2024, section 477A.18, is repealed.

Subd. 16. **Obsolete section.** Minnesota Statutes 2024, section 480.011, is repealed.

Subd. 17. **Obsolete subdivision.** Minnesota Statutes 2024, section 504B.345, subdivision 2, is repealed.

Subd. 18. **Conflict resolution.** Laws 2024, chapter 79, article 1, section 20, is repealed.

Subd. 19. **Conflict resolution.** Laws 2025, chapter 21, sections 56; and 57, are repealed.

***Laws 2025, chapter 21, section 57 by Laws 2026, chapter 88, article 1, section 226***

Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2024, section 13.461, subdivision 16a, is repealed.

Subd. 2. **Duplicative definitions.** Minnesota Statutes 2024, section 142E.50, subdivisions 1, 4, and 7, are repealed.

Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2024, section 256.9756, subdivision 3, is repealed.

Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2024, section 256B.092, subdivision 4b, is repealed.

Subd. 5. **Obsolete subdivision.** Minnesota Statutes 2024, section 256R.50, subdivision 6, is repealed.

Subd. 6. **Obsolete definition.** Minnesota Statutes 2024, section 257E.10, subdivision 11, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2024, section 272.02, subdivision 31, is repealed.

Subd. 8. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 19, is repealed.

Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.11, subdivision 20, is repealed.

Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2024, section 273.1315, subdivision 1, is repealed.

Subd. 11. **Obsolete section.** Minnesota Statutes 2024, section 273.1385, is repealed.

Subd. 12. **Obsolete subdivision.** Minnesota Statutes 2024, section 289A.60, subdivision 15, is repealed.

Subd. 13. **Obsolete subdivision.** Minnesota Statutes 2024, section 297I.15, subdivision 2, is repealed.

Subd. 14. **Obsolete section.** Minnesota Statutes 2024, section 383B.1511, is repealed.

Subd. 15. **Obsolete section.** Minnesota Statutes 2024, section 477A.18, is repealed.

Subd. 16. **Obsolete section.** Minnesota Statutes 2024, section 480.011, is repealed.

Subd. 17. **Obsolete subdivision.** Minnesota Statutes 2024, section 504B.345, subdivision 2, is repealed.

Subd. 18. **Conflict resolution.** Laws 2024, chapter 79, article 1, section 20, is repealed.

Subd. 19. **Conflict resolution.** Laws 2025, chapter 21, sections 56; and 57, are repealed.

## SPECIAL ORDER

**S.F. No. 2971:** A bill for an act relating to transportation; requiring data collection on bridge-related suicides; requiring development of best practices for suicide prevention on bridges; requiring implementation of suicide reduction railings on bridge projects identified as appropriate and feasible; proposing coding for new law in Minnesota Statutes, chapter 165.

President Pro Tem Rest resumed the Chair.

S.F. No. 2971 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 4, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Rarick |
| Boldon | Fateh | Johnson Stewart | Maye Quade | Rasmusson |
| Carlson | Frentz | Klein | McEwen | Rest |
| Champion | Gruenhagen | Koran | Miller | Seeberger |
| Clark | Gustafson | Kreun | Mohamed | Utke |
| Coleman | Hauschild | Kunesh | Murphy | Weber |
| Cwodzinski | Hawj | Kupec | Nelson | Wesenberg |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Westrom |
| Dornink | Hoffman | Lieske | Pha | Wiklund |
| Draheim | Housley | Limmer | Port | Xiong |
| Drazkowski | Howe | Mann | Pratt | |
| Duckworth | Jasinski | Marty | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Fateh, Klein, Port, Putnam, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, Johnson, Lieske, Rarick, and Westrom.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Holmstrom | Lucero |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4244:** A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2024, sections 3.9215, subdivision 4; 3.9741, subdivision 1; 13.202, subdivision 11; 13.3806, subdivision 22; 13.461, subdivision 7a; 13.55, subdivision 1; 13.825, subdivision 2; 34.02; 43A.34, subdivision 3; 52.09, subdivision 2; 60D.18, subdivision 5; 62A.318, subdivision 5; 65A.35, subdivision 5; 65B.133, subdivision 1; 65B.15, subdivision 1; 66A.16, subdivision 2; 80E.13; 115.48, subdivision 2; 115A.28, subdivision 2; 118A.09, subdivision 3; 120B.234, subdivision 2; 120B.303, subdivision

1; 121A.15, subdivisions 3b, 11; 121A.425, subdivision 1; 124D.03, subdivision 3; 124D.094, subdivision 2; 124D.096; 124D.59, subdivision 2; 125A.76, subdivision 2f; 126C.05, subdivision 1; 126C.17, subdivision 9; 126C.40, subdivision 5; 135A.15, subdivision 1; 136A.031, subdivision 3; 136A.1241, subdivision 2; 136A.829, subdivision 3; 136A.84, subdivision 1; 142A.03, subdivision 32; 142A.05; 142A.604, subdivision 2; 142B.01, subdivision 8; 142B.03, subdivisions 1, 2; 142B.05, subdivisions 7, 8; 142B.10, subdivision 1; 142B.12, subdivision 4; 142B.41, subdivision 3; 142D.08, subdivisions 5, 6; 142D.20, subdivision 2; 142D.32, subdivision 2; 142E.16, subdivision 2; 142G.22, subdivision 1; 142G.25; 142G.40, subdivision 1; 142G.57, subdivisions 2, 4; 144E.28, subdivision 8; 145.882, subdivision 5a; 145.8821; 148B.59; 148F.165, subdivision 2; 148F.205, subdivision 5; 148F.2051; 151.72, subdivision 2; 152.29, subdivision 5; 157.22; 169.223, subdivision 4; 169.99, subdivision 1; 181.211, subdivision 10; 204B.06, subdivision 9; 211B.04, subdivision 3; 214.06, subdivision 1a; 216B.16, subdivisions 6b, 6c; 216B.2411, subdivisions 1, 2; 216B.2425, subdivision 7; 216B.2427, subdivisions 1, 2; 216C.437, subdivision 19; 216I.06, subdivision 2; 240A.03, subdivision 6; 245A.03, subdivisions 6, 7; 245A.07, subdivision 2a; 245D.03, subdivision 2; 245F.03; 245G.11, subdivision 1; 245G.22, subdivision 6; 253B.02, subdivision 4c; 256.017, subdivision 2; 256.043, subdivision 1; 256.9657, subdivisions 1a, 3; 256.975, subdivisions 7d, 9; 256B.04, subdivision 15; 256B.051, subdivision 7; 256B.0624, subdivision 4; 256B.0658; 256B.0911, subdivision 29; 256B.15, subdivision 1h; 256B.196, subdivision 2; 256B.1973, subdivision 1; 256B.431, subdivision 17d; 256B.69, subdivision 16; 256B.77, subdivisions 4, 5; 256B.85, subdivisions 7b, 20; 256D.01, subdivisions 1, 1e, 2; 256D.02, subdivision 1; 256D.03, subdivision 1; 256D.04; 256D.045; 256D.05, subdivision 8; 256D.06, subdivision 7; 256D.07; 256D.16; 256F.10, subdivisions 6, 7; 256I.04, subdivision 1; 256I.05, subdivision 1c; 256K.10, subdivision 3; 256S.21, subdivision 3; 257.05, subdivision 3; 257.0755, subdivision 3; 259.41, subdivision 1; 259.83, subdivision 1; 260.67, subdivision 2; 260C.001, subdivision 1; 260C.4411, subdivision 1; 260C.4412; 260E.17, subdivision 2; 260E.33, subdivision 6a; 260E.35, subdivision 3; 275.011, subdivisions 1, 2; 290.01, subdivision 19; 290.0132, subdivision 32; 290.095, subdivision 11; 295.50, subdivision 4; 295.81, subdivision 1; 296A.06, subdivision 1; 297A.9915, subdivision 5; 297I.20, subdivisions 1, 3; 298.75, subdivision 2; 309.531, subdivision 2; 321.1109; 325F.071, subdivision 1; 327B.04, subdivision 8; 332.30; 336.7-209; 336.9-317; 352.01, subdivision 2a; 353D.07, subdivision 5; 353G.18, subdivision 2; 353G.19, subdivision 6; 356.47, subdivision 3; 363A.07, subdivision 4; 363A.08, subdivision 4; 424A.05, subdivision 5; 424B.13, subdivisions 5, 6; 424B.22, subdivisions 7, 8; 458D.08; 462A.07, subdivision 20; 469.174, subdivision 10; 473.121, subdivision 5a; 473.164; 473.4057, subdivision 7; 473.755, subdivision 4; 473J.12, subdivision 2; 473J.13, subdivision 3; 491A.03, subdivision 4; 504B.361, subdivision 1; 518.10, subdivision 1; 518.175, subdivision 6; 518A.40, subdivision 1; 518A.41, subdivision 1; 518A.51; 518A.56, subdivision 11; 518C.613; 609.232, subdivision 11; 611A.37, subdivision 1; 611A.372; 624.7192; Minnesota Statutes 2025 Supplement, sections 13.46, subdivisions 2, 4; 65B.05; 120B.117, subdivision 4; 124F.01, subdivision 2; 136A.054; 142G.01, subdivision 3; 148.6404; 148.6408, subdivision 2; 161.14, subdivision 109; 161.45, subdivision 4; 168.012, subdivision 1; 168A.01, subdivisions 18, 19, 20; 171.301, subdivision 1; 216B.1622, subdivision 2; 245A.04, subdivision 1; 245A.191; 245C.08, subdivision 1; 253B.10, subdivision 1; 254B.0507, subdivision 2; 256B.055, subdivision 12; 256B.0615, subdivision 1; 256B.0616, subdivision 1; 256B.0924, subdivision 6; 256B.0943, subdivision 9; 256B.761, subdivision 2; 257.0769, subdivision 1; 260.65; 297I.20, subdivision 7; 299C.061, subdivision 1; 353D.07, subdivision 2; 357.021, subdivision 1a; 423A.022, subdivision 2; 424A.015, subdivision 4; 473.4465, subdivision 2; 580.07, subdivisions 1, 2; Laws 2023, chapter 1, section 22, as amended;

repealing Minnesota Statutes 2024, sections 13.461, subdivision 16a; 137.50, subdivision 5; 142E.50, subdivisions 1, 4, 7; 256.9756, subdivision 3; 256B.092, subdivision 4b; 256R.50, subdivision 6; 257E.10, subdivision 11; 272.02, subdivision 31; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 289A.60, subdivision 15; 297I.15, subdivision 2; 383B.1511; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.565; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.596; 473.598; 473.599; 473.5995; 473.76; 473.763; 477A.18; 480.011; 504B.345, subdivision 2; Laws 2024, chapter 79, article 1, section 20; Laws 2025, chapter 21, sections 56; 57.

S.F. No. 4244 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 4, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Mathews | Rarick |
| Bahr | Farnsworth | Johnson | Maye Quade | Rasmusson |
| Boldon | Fateh | Johnson Stewart | McEwen | Rest |
| Carlson | Frentz | Klein | Miller | Seeberger |
| Champion | Gruenhagen | Koran | Mohamed | Utke |
| Clark | Gustafson | Kreun | Murphy | Weber |
| Coleman | Hauschild | Kunesh | Nelson | Wesenberg |
| Cwodzinski | Hawj | Kupec | Oumou Verbeten | Westlin |
| Dahms | Heintzeman | Lang | Pappas | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pha | Wiklund |
| Dornink | Hoffman | Limmer | Port | Xiong |
| Draheim | Housley | Mann | Pratt | |
| Drazkowski | Howe | Marty | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Fateh, Klein, Port, Putnam, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, Johnson, Rarick, Utke, and Westrom.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Green | Holmstrom | Lieske | Lucero |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Lieske.

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senators Koran and Nelson were excused from the Session of today from 12:55 to 1:05 p.m. Senator Weber was excused from the Session of today from 1:40 to 1:50 p.m.

# 098. HF 3593

**Vote:** 2026-04-23 | **Workbook row:** 103
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Zumbrota; portion of marked Trunk Highway 58 designated as "Officer/Firefighter Gary L. Schroeder, Jr. Memorial Highway."

## Included complete bill documents

**1. Introduction, posted 2026-02-20** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3593/versions/0/pdf/

## Original Senate journal context

PDF pages 21-22. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260423063.pdf#page=21

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3593/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 3593

02/23/2026 Authored by Jacob, Altendorf and Allen
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
03/18/2026 Adoption of Report: Re-referred to the Committee on Ways and Means
04/09/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
04/20/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/27/2026 Passed by the Senate and returned to the House
05/04/2026 Presented to Governor
05/05/2026 Governor Approval

A bill for an act

relating to transportation; designating a portion of marked Trunk Highway 58 in Zumbrota as "Officer / Firefighter Gary L. Schroeder, Jr. Memorial Highway"; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to read:

Subd. 111. **Officer / Firefighter Gary L. Schroeder, Jr. Memorial Highway.** That segment of marked Trunk Highway 58 within the city of Zumbrota is designated as "Officer / Firefighter Gary L. Schroeder, Jr. Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

**H.F. No. 3825:** A bill for an act relating to public safety; requiring judge to inquire whether victim has been notified of plea and sentencing hearings; protecting victim from identification in prosecutor's petition for sentence adjustment; expanding victim notification of defendant eligibility for automatic expungement; protecting identity of minor victim in a crime involving sexual performance; expanding protection from employer retaliation to victims of stalking; amending Minnesota Statutes 2024, sections 609.133, subdivision 4; 609.3471; 611A.03, subdivision 1, by adding a subdivision; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1.

H.F. No. 3825 was read the second time.

Senator Murphy moved that H.F. No. 3825 be laid on the table. The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 3593 and 3453; S.F. Nos. 4223 and 476.

## SPECIAL ORDER

**H.F. No. 3593:** A bill for an act relating to transportation; designating a portion of marked Trunk Highway 58 in Zumbrota as "Officer / Firefighter Gary L. Schroeder, Jr. Memorial Highway"; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

H.F. No. 3593 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |
| Farnsworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim and Housley.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3453:** A bill for an act relating to public safety; controlled substances; establishing the legal age to possess kratom as 21 years of age or older; amending Minnesota Statutes 2024, section 152.027, subdivision 7.

H.F. No. 3453 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 10, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | McEwen | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Miller | Rest |
| Carlson | Green | Klein | Mohamed | Seeberger |
| Champion | Gruenhagen | Koran | Murphy | Utke |
| Clark | Gustafson | Kunesh | Nelson | Weber |
| Coleman | Hawj | Kupec | Oumou Verbeten | Westlin |
| Cwodzinski | Heintzeman | Lang | Pappas | Wiklund |
| Dahms | Hemmingsen-Jaeger | Latz | Pha | Xiong |
| Dibble | Hoffman | Limmer | Port | |
| Dornink | Housley | Mann | Pratt | |
| Draheim | Howe | Marty | Putnam | |
| Duckworth | Jasinski | Maye Quade | Rarick | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim and Housley.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Farnsworth | Kreun | Lucero | Wesenberg |
| Drazkowski | Holmstrom | Lieske | Mathews | Westrom |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4223:** A bill for an act relating to elections; modifying campaign finance reporting requirements; modifying disclaimer requirements; expanding disclosure requirements; modifying provisions related to noncoordinated expenditures; classifying certain street address data as private data; modifying campaign finance laws related to security-related expenses; making various changes related to election administration; modifying provisions related to absentee voting; modifying timelines; making technical and clarifying changes; modifying definitions; requiring studies and reports; imposing penalties; amending Minnesota Statutes 2024, sections 10A.01, subdivision 24, by adding subdivisions; 10A.02, by adding a subdivision; 10A.027; 10A.04, subdivision 6; 10A.07, subdivisions 1, 2; 10A.08, subdivision 1; 10A.09, subdivisions 2, 5, 5a, 5b, 6a; 10A.16; 10A.175,

# 099. SF 1714

**Vote:** 2026-04-27 | **Workbook row:** 104
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 0 nays

**Workbook subject:** Public contracts payment transparency requirement provision

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-03-25** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1714/versions/2/pdf/

## Original Senate journal context

PDF pages 79-79. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260427064.pdf#page=79

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/1714/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1714

**(SENATE AUTHORS: JOHNSON STEWART, Rarick, Lang, McEwen and Mathews)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/20/2025 | 457 | Introduction and first reading |
| | | Referred to State and Local Government |
| 03/09/2026 | 6539a | Comm report: To pass as amended and re-refer to Labor |
| | 6578 | Author added Mathews |
| 03/25/2026 | 6968a | Comm report: To pass as amended |
| | 6974 | Second reading |
| 04/27/2026 | 9183 | Special Order |
| | 9183 | Third reading Passed |
| 05/07/2026 | 9978a | Returned from House with amendment |
| | 9978 | Senate concurred and repassed bill |
| | 9978 | Third reading Passed as amended |
| | 10056 | Reconsidered |
| | 10056 | Third Reading Repassed |

A bill for an act

relating to state government; requiring payment transparency in public contracts; amending Minnesota Statutes 2024, section 15.72, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 15.72, is amended by adding a subdivision to read:

Subd. 1a. **Payment information requests.** (a) Upon written request from a contractor or subcontractor of any tier that can provide documentation of participating in the public improvement project, a public contracting agency must provide information regarding any progress payment, retainage payment, final payment, or other payment made by the contracting agency.

(b) The information provided under paragraph (a) must include:

(1) the amount of the payment;

(2) the date the payment was made or approved; and

(3) a copy of the payment application submitted by the contractor.

For highway construction contracts, a copy of the estimate or voucher generated by the public contracting agency meets this requirement.

(c) The public contracting agency must provide the requested information within seven calendar days of receipt of the request.

(d) The public contracting agency must make available to subcontractors the contact information for the public contracting agency for payment information under this section.

If the public contracting agency has a website it must post the contact information on its public website for solicitations or bids or on another apparent location on its website. If a public contracting agency has an automated internet-based system to provide this information, the agency may request a requestor to use that system.

(e) No cost or fees may be charged to the contractor or subcontractor providing information required under this section.

| | | | |
|---|---|---|---|
| Lieske | Lucero | Rarick | Utke |
| Limmer | Mathews | Rasmusson | Wesenberg |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Wesenberg.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 1714:** A bill for an act relating to state government; requiring payment transparency in public contracts; amending Minnesota Statutes 2024, section 15.72, by adding a subdivision.

S.F. No. 1714 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Mann | Rarick |
| Bahr | Farnsworth | Jasinski | Marty | Rasmusson |
| Boldon | Fateh | Johnson Stewart | Mathews | Rest |
| Carlson | Frentz | Klein | Maye Quade | Seeberger |
| Champion | Green | Koran | Miller | Utke |
| Clark | Gruenhagen | Kreun | Mohamed | Weber |
| Coleman | Gustafson | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hauschild | Kupec | Oumou Verbeten | Westlin |
| Dahms | Hawj | Lang | Pappas | Westrom |
| Dibble | Heintzeman | Latz | Pha | Wiklund |
| Dornink | Hemmingsen-Jaeger | Lieske | Port | Xiong |
| Draheim | Hoffman | Limmer | Pratt | |
| Drazkowski | Holmstrom | Lucero | Putnam | |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Mann, Murphy, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Miller, Pratt, and Wesenberg.

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senators Howe, Johnson, and Nelson were excused from the Session of today.

## ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 11:00 a.m., Tuesday, April 28, 2026. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

# 100. SF 3887

**Vote:** 2026-04-28 | **Workbook row:** 105
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 1 nays

**Workbook subject:** Watershed districts, watershed management organizations, and towns permission to self-insure for certain employee health benefits

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-28** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3887/versions/2/pdf/

## Original Senate journal context

PDF pages 5-5. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260428065.pdf#page=5

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3887/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3887

**(SENATE AUTHORS: PRATT and Klein)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/26/2026 | 6400 | Introduction and first reading |
| | | Referred to State and Local Government |
| 03/05/2026 | 6499a | Comm report: To pass as amended |
| | 6514 | Second reading |
| 03/18/2026 | 6822 | Special Order |
| | 6822 | Third reading Passed |
| 04/28/2026 | 9189a | Returned from House with amendment |
| | 9189 | Senate concurred and repassed bill |
| | 9189 | Third reading Passed as amended |
| | | Presentment date 05/04/2026 |
| | 9976 | Governor's action Approval 05/05/26 |
| | 9976 | Secretary of State Chapter 66 05/05/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to local government; allowing towns and watershed districts to self-insure for certain employee health benefits; making technical changes; amending Minnesota Statutes 2024, section 471.617, subdivisions 1, 2, 4, 4a, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 471.617, subdivision 1, is amended to read:

Subdivision 1. **If more than 100 employees; conditions.** A statutory or home rule charter city, county, town, school district, watershed district, watershed management organization, or instrumentality thereof which has more than 100 employees, may by ordinance or resolution self-insure for any employee health benefits including long-term disability, but not for employee life benefits. Any self-insurance plan shall provide all benefits which are required by law to be provided by group health insurance policies. Self-insurance plans must be certified as provided by section 62E.05 and must be filed and certified by the Department of Commerce before they are issued or delivered to any person in this state.

Sec. 2. Minnesota Statutes 2024, section 471.617, subdivision 2, is amended to read:

Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, towns, school districts, watershed districts, watershed management organizations, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same requirements as an individual self-insurer under subdivision 1. Self-insurance pools under this section are subject to section 62L.045. A self-insurance pool

established and operated by one or more service cooperatives governed by section 123A.21 to provide coverage described in this subdivision qualifies under this subdivision, but the individual school district members of such a pool shall not be considered to be self-insured for purposes of section 471.6161, subdivision 8, paragraph (g). The commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or guidelines for the operation and administration of self-insurance pools.

Sec. 3. Minnesota Statutes 2024, section 471.617, subdivision 4, is amended to read:

Subd. 4. **Exclusive representative.** (a) No statutory or home rule charter city ~~or~~, county ~~or~~, town, school district, watershed district, watershed management organization, or instrumentality of any of them shall adopt a ~~self insured~~ self-insured health benefit plan for any employees represented by an exclusive representative certified pursuant to section 179A.12 without prior notification and consultation on ten days' written notice to the exclusive representative and agreement by the exclusive representative that represents the largest number of employees to be included in the plan.

(b) Prior to a decision to dissolve any self-insurance, trust fund, or dedicated insurance fund created by a single statutory or home rule charter city, county, town, school district, watershed district, watershed management organization, or instrumentality of any of them, either by ordinance or resolution, the employer must provide 30 days' written notice to each exclusive representative of employees and each individual currently receiving health benefits, and also obtain approval for the proposed action by the exclusive representative that represents the largest number of employees included in the plan. All assets from the trust fund must be audited before closure, and remaining assets must be dedicated for use for health insurance benefits for all individuals currently receiving health benefits. This paragraph does not apply to joint self-insurance trusts or pools.

(c) The assets or liabilities of a joint self-insurance trust or pool that is dissolved must be distributed to members of the joint trust or pool in accordance with the joint trust or pool agreement, if any.

Sec. 4. Minnesota Statutes 2024, section 471.617, subdivision 4a, is amended to read:

Subd. 4a. **May choose, pay for insurance.** A statutory or home rule charter city, county, town, school district, watershed district, watershed management organization, or instrumentality of any of these entities with a self-insurance health benefit plan, may, upon request of the exclusive representative of its employees as certified pursuant to section

179A.12, allow the employees of the exclusive representative to enroll, at their own expense, in the health insurance benefit plan.

Sec. 5. Minnesota Statutes 2024, section 471.617, is amended by adding a subdivision to read:

Subd. 7. **Definition.** For the purposes of this section, "watershed management organization" has the meaning under section 103B.205, subdivision 13.

| | | | | |
|---|---|---|---|---|
| Bahr | Gruenhagen | Koran | Miller | Westrom |
| Drazkowski | Holmstrom | Lieske | Rasmusson | |
| Green | Jasinski | Lucero | Wesenberg | |

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 3887:** A bill for an act relating to local government; allowing watershed districts, watershed management organizations, and towns to self-insure for certain employee health benefits; making technical changes; amending Minnesota Statutes 2024, section 471.617, subdivisions 1, 2, 4, 4a.

Senate File No. 3887 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 27, 2026

## CONCURRENCE AND REPASSAGE

Senator Pratt moved that the Senate concur in the amendments by the House to S.F. No. 3887 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 3887:** A bill for an act relating to local government; allowing towns and watershed districts to self-insure for certain employee health benefits; making technical changes; amending Minnesota Statutes 2024, section 471.617, subdivisions 1, 2, 4, 4a, by adding a subdivision.

S.F. No. 3887 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Hoffman | Kupec | Miller |
| Bahr | Duckworth | Holmstrom | Lang | Mohamed |
| Boldon | Farnsworth | Housley | Latz | Murphy |
| Carlson | Fateh | Howe | Lieske | Nelson |
| Champion | Frentz | Jasinski | Limmer | Oumou Verbeten |
| Clark | Gruenhagen | Johnson | Lucero | Pappas |
| Cwodzinski | Gustafson | Johnson Stewart | Mann | Pha |
| Dahms | Hauschild | Klein | Marty | Port |
| Dibble | Hawj | Koran | Mathews | Pratt |
| Dornink | Heintzeman | Kreun | Maye Quade | Putnam |
| Draheim | Hemmingsen-Jaeger | Kunesh | McEwen | Rarick |

# 101. SF 2814

**Vote:** 2026-04-28 | **Workbook row:** 106
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Disciplinary sanction matrix establishment

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/2814/versions/1/pdf/

## Original Senate journal context

PDF pages 18-18. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260428065.pdf#page=18

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/2814/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 2814

**(SENATE AUTHORS: WEBER, Dahms and Frentz)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/20/2025 | 931 | Introduction and first reading |
| | | Referred to Commerce and Consumer Protection |
| 04/07/2026 | 7209a | Comm report: To pass as amended |
| | 7904 | Second reading |
| 04/28/2026 | 9202 | Special Order |
| | 9202 | Third reading Passed |
| 05/07/2026 | 9976 | Returned from House |
| | | Presentment date 05/11/2026 |
| | 10596 | Governor's action Approval 05/12/26 |
| | 10596 | Secretary of State Chapter 87 05/12/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to real estate appraisers; establishing a disciplinary sanction matrix; proposing coding for new law in Minnesota Statutes, chapter 82B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[82B.26] DISCIPLINARY SANCTION MATRIX.**

When establishing a sanction for an appraiser, the commissioner may consider the current version of the Voluntary Disciplinary Action Matrix published by the Appraisal Foundation as nonbinding guidance. The commissioner retains discretion to determine the appropriate sanction based on the specific facts of each case, regardless of the suggestions contained within the matrix.

BOARD OF ANIMAL HEATH
Jessica Koppien-Fox

The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 2814; H.F. Nos. 3676, 4133, 3782, and 3827.

## SPECIAL ORDER

**S.F. No. 2814:** A bill for an act relating to real estate appraisers; establishing a disciplinary sanction matrix; proposing coding for new law in Minnesota Statutes, chapter 82B.

S.F. No. 2814 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | Mathews | Rasmusson |
| Bahr | Frentz | Johnson Stewart | Maye Quade | Rest |
| Boldon | Green | Klein | McEwen | Seeberger |
| Carlson | Gruenhagen | Koran | Miller | Utke |
| Champion | Gustafson | Kreun | Mohamed | Weber |
| Clark | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |
| Farnsworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Fateh, Hauschild, Mann, Marty, Murphy, Pappas, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, and Lang.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3676:** A bill for an act relating to public safety; providing protections, remedies, and modifying various provisions of the Safe at Home program; establishing criminal penalties; amending Minnesota Statutes 2024, sections 5B.02; 5B.03, subdivision 1; 5B.11; 5B.13; 171.01, subdivision

# 102. HF 3676

**Vote:** 2026-04-28 | **Workbook row:** 107
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Safe at Home program; protections, remedies, and various provisions provided and modified; and criminal penalties established.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-03-18** - 9 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3676/versions/2/pdf/

## Original Senate journal context

PDF pages 18-19. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260428065.pdf#page=19

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3676/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 3676**

| | |
|---|---|
| 02/25/2026 | Authored by Nash and Mueller |
| | The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law |
| 03/02/2026 | Adoption of Report: Amended and re-referred to the Committee on State Government Finance and Policy |
| 03/09/2026 | Adoption of Report: Re-referred to the Committee on Transportation Finance and Policy |
| 03/18/2026 | Adoption of Report: Placed on the General Register as Amended |
| | Read for the Second Time |
| 04/20/2026 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 04/28/2026 | Passed by the Senate and returned to the House |
| 05/04/2026 | Presented to Governor |
| 05/05/2026 | Governor Approval |

A bill for an act

relating to public safety; providing protections, remedies, and modifying various provisions of the Safe at Home program; establishing criminal penalties; amending Minnesota Statutes 2024, sections 5B.02; 5B.03, subdivision 1; 5B.11; 5B.13; 171.01, subdivision 45d; 171.0605, subdivision 5; 480.30, subdivision 1; Minnesota Statutes 2025 Supplement, section 43A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 5B.02, is amended to read:

**5B.02 DEFINITIONS.**

(a) For purposes of this chapter and unless the context clearly requires otherwise, the definitions in this section have the meanings given ~~them~~.

(b) "Address" means an individual's work address, school address, or residential street address, as specified on the individual's application to be a program participant under this chapter.

(c) "Applicant" means an adult, a parent or guardian acting on behalf of an eligible minor, an emancipated minor, or a guardian acting on behalf of an incapacitated person, as defined in section 524.5-102.

(d) "Domestic violence" means an act as defined in section 518B.01, subdivision 2, paragraph (a), and includes a threat of such acts committed against an individual in a domestic situation, regardless of whether these acts or threats have been reported to law enforcement officers.

(e) "Eligible person" means an adult, a minor, or an incapacitated person, as defined in section 524.5-102 for whom there is good reason to believe (1) that the eligible person is a victim of domestic violence, sexual assault, or harassment or stalking, or (2) that the eligible person fears for the person's safety, the safety of another person who resides in the same household, or the safety of persons on whose behalf the application is made. In order to be an eligible person, an individual must reside in Minnesota or must certify that the individual intends to reside in Minnesota within 60 days. A person registered or required to register as a predatory offender under section 243.166 or 243.167, or the law of another jurisdiction, is not an eligible person.

(f) "Guardian acting on behalf of an eligible minor" means an adult who has legal custody of a child pursuant to section 260C.325 or 260C.515, or another custody arrangement that is approved by a court and that cannot be terminated without a court order.

~~(f)~~ (g) "Mail" means first class letters and flats delivered via the United States Postal Service, including priority, express, and certified mail, and excluding (1) periodicals and catalogues, and (2) packages and parcels unless they are clearly identifiable as nonrefrigerated pharmaceuticals or clearly indicate that they are sent by the federal government or a state or county government agency of the continental United States, Hawaii, District of Columbia, or United States territories.

~~(g)~~ (h) "Program participant" means an individual certified as a program participant under section 5B.03.

~~(h)~~ (i) "Harassment" or "stalking" means acts criminalized under section 609.749 and includes a threat of such acts committed against an individual, regardless of whether these acts or threats have been reported to law enforcement officers.

Sec. 2. Minnesota Statutes 2024, section 5B.03, subdivision 1, is amended to read:

Subdivision 1. **Application.** The secretary of state shall certify an eligible person as a program participant when the secretary receives an application that must contain:

(1) the full legal name and date of birth of the eligible person;

(2) a statement by the applicant that the applicant has good reason to believe (i) that the eligible person listed on the application is a victim of domestic violence, sexual assault, or harassment or stalking, or (ii) that the eligible person fears for the person's safety, the safety of another person who resides in the same household, or the safety of persons on whose behalf the application is made, and (iii) that the eligible person is not applying for certification as a program participant in order to avoid prosecution for a crime;

(3) a designation of the secretary of state as agent for purposes of service of process and for the purpose of receipt of mail;

(4) the ~~phone~~ telephone number or numbers where the applicant or eligible person can be called by the secretary of state;

(5) the physical residential address of the eligible person, disclosure of which will increase the risk of domestic violence, sexual assault, or harassment or stalking;

(6) if mail cannot be delivered to the residential address of the eligible person, the address to which mail should be sent;

(7) a statement whether the eligible person would like information on becoming an ongoing absentee ballot recipient pursuant to section 5B.06;

(8) a statement from the eligible person that gives the secretary of state consent to confirm the eligible person's participation in Safe at Home to a third party who provides the program participant's first and last name and date of birth or Safe at Home lot number listed on the program participant's card;

(9) the signature of the applicant, an indicator of the applicant's authority to act on behalf of the eligible person, if appropriate, the name and signature of any individual or representative of any person who assisted in the preparation of the application, and the date on which the application was signed; ~~and~~

(10) if the applicant is a guardian acting on behalf of an eligible minor or incapacitated person, the court order establishing the applicant's guardianship or legal custody of the eligible minor or incapacitated person; and

~~(10)~~ (11) any other information as required by the secretary of state.

Sec. 3. Minnesota Statutes 2024, section 5B.11, is amended to read:

**5B.11 LEGAL PROCEEDINGS; PROTECTIVE ORDER.**

(a) If a program participant's address is protected under section 5B.05, no person or entity shall be compelled to disclose the participant's actual address during the discovery phase of or during a proceeding before a court or other tribunal unless the court or tribunal finds that:

(1) there is a reasonable belief that the address is needed to obtain information or evidence without which the investigation, prosecution, or litigation cannot proceed; and

(2) there is no other practicable way of obtaining the information or evidence.

(b) The court must provide the program participant with notice that address disclosure is sought and an opportunity to present evidence regarding the potential harm to the safety of the program participant if the address is disclosed. In determining whether to compel disclosure, the court must ~~consider whether~~ find that the potential harm to the safety of the participant is outweighed by the interest in disclosure. In a criminal proceeding, the court must order disclosure of a program participant's address if protecting the address would violate a defendant's constitutional right to confront a witness.

(c) Disclosure of a participant's actual address under this section shall be limited under the terms of the order to ensure that the disclosure and dissemination of the actual address will be no wider than necessary for the purposes of the investigation, prosecution, or litigation.

(d) Before a court or tribunal directs a participant to disclose the participant's address or any portion of the address, the court or tribunal must issue a written order that makes findings addressing the factors in paragraphs (a), (b), and (c). The court or tribunal must serve the order on the secretary of state. The secretary of state has standing to request reconsideration of an order or intervene in a proceeding involving potential disclosure of a program participant's address. An order regarding disclosure of a program participant's address cannot be enforced until at least 30 days after the order is served on the secretary of state. A court may waive the requirements of this paragraph if the court finds in writing that these requirements would violate a defendant's constitutional right to a speedy trial.

(e) Nothing in this section prevents the court or other tribunal from issuing a protective order to prevent disclosure of information other than the participant's actual address that could reasonably lead to the discovery of the program participant's location.

Sec. 4. Minnesota Statutes 2024, section 5B.13, is amended to read:

**5B.13 CRIMINAL PENALTY.**

(a) When the performance of any act is prohibited under this chapter ~~as of February 1, 2015~~, but no criminal or civil penalty is provided, the commission of the act is a misdemeanor.

(b) If a person's performance of an act prohibited by this chapter causes bodily harm as defined in section 609.02, subdivision 7, the person is guilty of a gross misdemeanor.

Sec. 5. **[5B.14] NONDISCRIMINATION.**

Subdivision 1. **Prohibition of discrimination.** A person or entity must not, on the basis of an individual's status as a program participant where a reasonable person, considering all the circumstances, would conclude that the refusal, different terms or requirements, or other action was motivated by the individual's status as a program participant rather than by a legitimate, nondiscriminatory business purpose, safety or operational concern, or a requirement of federal or state law:

(1) refuse to provide services to an individual, including housing, banking, education, or any other services;

(2) provide services to an individual on different terms or with different requirements than an individual who is not a program participant; or

(3) otherwise discriminate against an individual.

Subd. 2. **Remedies.** In addition to any other remedies available, an individual who has been subjected to discrimination in violation of this section may initiate a civil action in a court of competent jurisdiction to enjoin violations of this section. It is an affirmative defense to any action brought under this subdivision that the challenged action was taken: (1) in good-faith compliance with any applicable federal or state statute, regulation, or rule; or (2) for any other legitimate, nondiscriminatory reason that would apply equally to an individual who is not a program participant.

Sec. 6. Minnesota Statutes 2025 Supplement, section 43A.36, subdivision 1, is amended to read:

Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

(b) The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall provide recruiting assistance and make the applicant database available to appointing authorities to use in making appointments to positions in the unclassified service.

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

(d) The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

(e) Pursuant to section 43A.431, the head of each agency in the executive branch shall designate an ADA coordinator who shall have primary responsibility for the administration of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall report directly to the agency head.

(f) The head of each agency in the executive branch must designate a Safe at Home coordinator who shall serve as the initial contact for staff of the Safe at Home program under chapter 5B. The coordinator is the designated employee of the government entity who must respond to inquiries from Safe at Home program staff regarding program participants, maintain knowledge of program requirements and procedures, communicate with entity staff and leadership about the entity's obligations under the Safe at Home program, and respond to inquiries from program participants regarding the entity's treatment of data protected under the Safe at Home program. This designation must occur by August 1, 2026. If a Safe at Home coordinator is not designated, the agency head shall serve as the coordinator.

Sec. 7. Minnesota Statutes 2024, section 171.01, subdivision 45d, is amended to read:

Subd. 45d. **Residence address and permanent mailing address.** "Residence address" and "permanent mailing address" mean, for purposes of a driver's license or Minnesota identification card~~,~~:

(1) the postal address of the permanent domicile within this state where an individual:

~~(1)~~ (i) resides;

~~(2)~~ (ii) intends to reside within 30 calendar days after the date of application; or

~~(3)~~ (iii) intends to return whenever absent~~.~~; or

(2) for a participant in the Safe at Home address confidentiality program administered by the secretary of state, the designated address under section 5B.05 that is listed on the participant's current and unexpired program participation card.

Sec. 8. Minnesota Statutes 2024, section 171.0605, subdivision 5, is amended to read:

Subd. 5. **Evidence; residence in Minnesota.** (a) Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

(1) a home utility services bill issued no more than 12 months before the application;

(2) a home utility services hook-up work order issued no more than 12 months before the application;

(3) United States bank or financial information issued no more than 12 months before the application, with account numbers redacted, including:

(i) a bank account statement;

(ii) a credit card or debit card statement;

(iii) a brokerage account statement;

(iv) a money market account statement;

(v) a Health Savings Account statement; or

(vi) a retirement account statement;

(4) a certified transcript from a United States high school, if issued no more than 180 days before the application;

(5) a certified transcript from a Minnesota college or university, if issued no more than 180 days before the application;

(6) a student summary report from a United States high school signed by a school principal or designated authority and issued no more than 180 days before the application;

(7) an employment pay stub issued no more than 12 months before the application that lists the employer's name and address;

(8) a Minnesota unemployment insurance benefit statement issued no more than 12 months before the application;

(9) a statement from an assisted living facility licensed under chapter 144G, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 12 months before the application;

(10) a current policy or card for health, automobile, homeowner's, or renter's insurance;

(11) a federal or state income tax return for the most recent tax filing year;

(12) a Minnesota property tax statement for the current or prior calendar year or a proposed Minnesota property tax notice for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(13) a Minnesota vehicle certificate of title;

(14) a filed property deed or title for current residence;

(15) a Supplemental Security Income award statement issued no more than 12 months before the application;

(16) mortgage documents for the applicant's principal residence;

(17) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;

(18) an affidavit of residence for an applicant whose principal residence is a group home, communal living arrangement, cooperative, or a religious order issued no more than 90 days before the application;

(19) an assisted living or nursing home statement issued no more than 90 days before the application;

(20) a valid driver's license, including an instruction permit, issued under this chapter;

(21) a valid Minnesota identification card;

(22) an unexpired Minnesota professional license;

(23) an unexpired Selective Service card;

(24) military orders that are still in effect at the time of application;

(25) a cellular phone bill issued no more than 12 months before the application; ~~or~~

(26) a valid license issued pursuant to the game and fish laws~~.~~<u>; or</u>

(27) an unexpired Safe at Home card, as defined by Minnesota Rules, part 8290.0100, subpart 19. A participant may not use a card with a "temporary" designation on the card for this purpose.

(b) In lieu of one of the two documents required by paragraph (a), an applicant under the age of 18 may use a parent or guardian's proof of principal residence as provided in this paragraph. The parent or guardian of the applicant must provide a document listed under paragraph (a) that includes the parent or guardian's name and the same address as the address on the document provided by the applicant. The parent or guardian must also certify that the applicant is the child of the parent or guardian and lives at that address.

(c) A document under paragraph (a) must include the applicant's name and principal residence address in Minnesota.

(d) For purposes of this subdivision, Internet service and cable service are utilities.

Sec. 9. Minnesota Statutes 2024, section 480.30, subdivision 1, is amended to read:

Subdivision 1. **Child abuse; domestic abuse; harassment.** The supreme court's judicial education program must include ongoing training for district court judges on child and adolescent sexual abuse, domestic abuse, harassment, stalking, and related civil and criminal court issues. The program must include the following:

(1) information about the specific needs of victims;

(2) education on the causes of sexual abuse and family violence;

(3) education on culturally responsive approaches to serving victims;

(4) education on the impacts of domestic abuse and domestic abuse allegations on children and the importance of considering these impacts when making parenting time and child custody decisions under chapter 518; ~~and~~

(5) information on alleged and substantiated reports of domestic abuse, including~~,~~ but not limited to~~,~~ Department of Human Services survey data~~.~~; and

(6) information on the Safe at Home program under chapter 5B, including information on legal proceedings subject to section 5B.11.

The program also must emphasize the need for the coordination of court and legal victim advocacy services and include education on sexual abuse and domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system.

BOARD OF ANIMAL HEATH
Jessica Koppien-Fox

The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 2814; H.F. Nos. 3676, 4133, 3782, and 3827.

## SPECIAL ORDER

**S.F. No. 2814:** A bill for an act relating to real estate appraisers; establishing a disciplinary sanction matrix; proposing coding for new law in Minnesota Statutes, chapter 82B.

S.F. No. 2814 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | Mathews | Rasmusson |
| Bahr | Frentz | Johnson Stewart | Maye Quade | Rest |
| Boldon | Green | Klein | McEwen | Seeberger |
| Carlson | Gruenhagen | Koran | Miller | Utke |
| Champion | Gustafson | Kreun | Mohamed | Weber |
| Clark | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |
| Farnsworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Fateh, Hauschild, Mann, Marty, Murphy, Pappas, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, and Lang.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3676:** A bill for an act relating to public safety; providing protections, remedies, and modifying various provisions of the Safe at Home program; establishing criminal penalties; amending Minnesota Statutes 2024, sections 5B.02; 5B.03, subdivision 1; 5B.11; 5B.13; 171.01, subdivision

45d; 171.0605, subdivision 5; 480.30, subdivision 1; Minnesota Statutes 2025 Supplement, section 43A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5B.

Senator Clark moved that the amendment made to H.F. No. 3676 by the Committee on Rules and Administration in the report adopted April 22, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3676 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson | Mathews | Rasmusson |
| Bahr | Frentz | Johnson Stewart | Maye Quade | Rest |
| Boldon | Green | Klein | McEwen | Seeberger |
| Carlson | Gruenhagen | Koran | Miller | Utke |
| Champion | Gustafson | Kreun | Mohamed | Weber |
| Clark | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |
| Farnsworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Fateh, Hauschild, Mann, Marty, Murphy, Pappas, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, and Lang.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4133:** A bill for an act relating to insurance; prohibiting certain exclusions in homeowner's insurance policies when damage is done by a peace officer; amending Minnesota Statutes 2024, section 65A.27, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 65A.

Senator Westlin moved that the amendment made to H.F. No. 4133 by the Committee on Rules and Administration in the report adopted April 22, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

President Champion assumed the Chair.

H.F. No. 4133 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

# 103. HF 3827

**Vote:** 2026-04-28 | **Workbook row:** 108
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Grants from Bureau of Criminal Apprehension to local law enforcement clarified as reimbursements, law related to recording of crimes updated, process for determining how certain criminal records are ineligible for sealing established, and court required to provide order for protection for access by law enforcement.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-20** - 7 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3827/versions/1/pdf/

## Original Senate journal context

PDF pages 21-21. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260428065.pdf#page=21

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3827/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 3827

| | |
|---|---|
| 03/02/2026 | Authored by Duran |
| | The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy |
| 03/16/2026 | Adoption of Report: Re-referred to the Committee on Judiciary Finance and Civil Law |
| 04/07/2026 | Adoption of Report: Placed on the General Register |
| | Read for the Second Time |
| 04/20/2026 | Calendar for the Day, Amended |
| | Read Third Time as Amended |
| | Passed by the House as Amended and transmitted to the Senate to include Floor Amendments |
| 04/28/2026 | Passed by the Senate and returned to the House |
| 05/04/2026 | Presented to Governor |
| 05/05/2026 | Governor Approval |

A bill for an act

relating to public safety; clarifying certain grants from the Bureau of Criminal Apprehension to local law enforcement as reimbursements; updating law related to recording of crimes; establishing process for determining how certain criminal records are ineligible for sealing; requiring court to provide orders for protection for access by law enforcement; amending Minnesota Statutes 2024, sections 299C.05; 299C.065; 299C.46, subdivision 6; 609A.015, subdivision 5; Minnesota Statutes 2025 Supplement, section 609.2334, subdivision 11; repealing Minnesota Statutes 2024, section 299C.12.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 299C.05, is amended to read:

**299C.05 CRIME DATA COLLECTION.**

It shall be the duty of this division to collect, and preserve as a record of the bureau, information concerning the number and nature of offenses known to have been committed in the state, of the legal steps taken in connection therewith from the inception of the complaint to the final discharge of the defendant, and such other information as may be useful in the study of crime and the administration of justice. The information shall be provided in a form prescribed by the superintendent. The information so collected and preserved shall include such data as may be requested by the United States Department of Justice, at Washington, under its national system of crime reporting. To the extent possible, the superintendent must utilize a nationally recognized system or standard approved by the Federal Bureau of Investigation to collect and preserve crime data.

Sec. 2. Minnesota Statutes 2024, section 299C.065, is amended to read:

**299C.065 UNDERCOVER BUY FUND; WITNESS AND VICTIM PROTECTION.**

Subdivision 1. ~~**Grants**~~ **Reimbursements.** The commissioner of public safety shall make ~~grants~~ reimbursements to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322 or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution;

(5) for partial reimbursement of local costs associated with unanticipated, intensive, long-term, multijurisdictional criminal investigations that exhaust available local resources, except that the commissioner may not reimburse the costs of a local investigation involving a child who is reported to be missing and endangered unless the law enforcement agency complies with section 299C.53 and the agency's own investigative policy; and

(6) for partial reimbursement of local costs associated with criminal investigations into the activities of violent criminal gangs and gang members.

Subd. 1a. **Witness and victim protection fund.** (a) A witness and victim protection fund is created under the administration of the commissioner of public safety. The commissioner may make ~~grants~~ reimbursements to local officials to provide for the relocation or other protection of a victim, witness, or potential witness who is involved in a criminal prosecution and who the commissioner has reason to believe is or is likely to be the target of a violent crime or a violation of section 609.498 or 609.713, in connection with that prosecution. The awarding of ~~grants~~ reimbursements under this subdivision is not limited to the crimes and investigations described in subdivision 1.

(b) The commissioner may award ~~grants~~ reimbursements for any of the following actions in connection with the protection of a witness or victim under this subdivision:

(1) to provide suitable documents to enable the person to establish a new identity or otherwise protect the person;

(2) to provide housing for the person;

(3) to provide for the transportation of household furniture and other personal property to the person's new residence;

(4) to provide the person with a payment to meet basic living expenses for a time period the commissioner deems necessary;

(5) to assist the person in obtaining employment; and

(6) to provide other services necessary to assist the person in becoming self-sustaining.

Subd. 2. **Application for ~~grant~~ reimbursement.** A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a ~~grant~~ reimbursement for any of the purposes described in subdivision 1 or 1a, on forms and pursuant to procedures developed by the superintendent. For ~~grants~~ reimbursements under subdivision 1, the application shall describe the type of intended criminal investigation, an estimate of the amount of money required, and any other information the superintendent deems necessary.

Subd. 3. **Investigation report.** A report shall be made to the commissioner at the conclusion of an investigation for which a ~~grant~~ reimbursement was made under subdivision 1 stating (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money," of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each even-numbered year a report of investigations receiving ~~grants~~ reimbursements under subdivision 1.

Subd. 3a. **Accounting report.** The head of a law enforcement agency that receives a ~~grant~~ reimbursement under subdivision 1a shall file a report with the commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare and submit to the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each even-numbered year a summary report of witness assistance services provided under this section.

Subd. 4. **Data classification.** An application to the commissioner for money is a confidential record. Information within investigative files that identifies or could reasonably be used to ascertain the identity of assisted witnesses, sources, or undercover investigators is a confidential record. A report at the conclusion of an investigation is a public record, except that information in a report pertaining to the identity or location of an assisted witness is private data.

Sec. 3. Minnesota Statutes 2024, section 299C.46, subdivision 6, is amended to read:

Subd. 6. **Orders for protection; no contact orders; harassment restraining orders.** (a) As used in this subdivision, "no contact orders" include orders issued as pretrial orders under section 629.72, subdivision 2, orders under section 629.75, and orders issued as probationary or sentencing orders at the time of disposition in a criminal domestic abuse case.

(b) The data communications network must include orders for protection issued under section 518B.01 or 609.2334, harassment restraining orders, and no contact orders issued against adults and juveniles. A no contact order must be accompanied by a photograph of the offender for the purpose of enforcement of the order, if a photograph is available and verified by the court to be an image of the defendant.

(c) Data from orders for protection, harassment restraining orders, or no contact orders and data entered by law enforcement to assist in the enforcement of those orders are classified as private data on individuals as defined in section 13.02, subdivision 12. Data about the offender can be shared with the victim for purposes of enforcement of the order.

Sec. 4. Minnesota Statutes 2025 Supplement, section 609.2334, subdivision 11, is amended to read:

Subd. 11. **Copy to law enforcement agency; lead investigative agency.** Within 24 hours of issuance of an order or continuance of an order under this section, the court administrator must forward the order for protection and any continuance of the order for protection to the local law enforcement agency with jurisdiction over the residence of the vulnerable adult and the lead investigative agency that received the report pursuant to subdivision 6. The court administrator shall make available to law enforcement officers in Minnesota, through a system of verification, information as to the existence and status of an order for protection issued under this section. Section 518B.01, subdivision 13, ~~applies~~ paragraphs (b) and (c), apply to orders granted under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 5. Minnesota Statutes 2024, section 609A.015, subdivision 5, is amended to read:

Subd. 5. **Bureau of Criminal Apprehension to identify eligible persons and grant expungement relief.** (a) The Bureau of Criminal Apprehension shall identify any records that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1, 2, or 3. The Bureau of Criminal Apprehension shall make an initial determination of

eligibility within 30 days of the end of the applicable waiting period. If a record is not eligible for a grant of expungement at the time of the initial determination, the Bureau of Criminal Apprehension shall make subsequent eligibility determinations annually until the record is eligible for a grant of expungement.

(b) In making the determination under paragraph (a), the Bureau of Criminal Apprehension shall identify individuals who are the subject of relevant records through the use of fingerprints and thumbprints where fingerprints and thumbprints are available. Where fingerprints and thumbprints are not available, the Bureau of Criminal Apprehension shall identify individuals through the use of the person's name and date of birth. Records containing the same name and date of birth shall be presumed to refer to the same individual unless other evidence establishes, by a preponderance of the evidence, that they do not refer to the same individual. The Bureau of Criminal Apprehension is not required to review any other evidence in making a determination.

(c) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying persons and seal its own records without requiring an application, petition, or motion. Records shall be sealed 60 days after notice is sent to the judicial branch pursuant to paragraph (e) unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(d) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension and subject to a grant of expungement relief shall display a notation stating "expungement relief granted pursuant to section 609A.015."

(e) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases for which expungement relief was granted pursuant to this section. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Upon receipt of notice, the judicial branch shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and shall issue any order deemed necessary to achieve this purpose.

(f) If the Bureau of Criminal Apprehension subsequently determines that a sealed record did not qualify for expungement relief under this section, the Bureau of Criminal Apprehension shall unseal the record and notify the judicial branch. Upon notification, the judicial branch shall unseal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge. The Bureau of Criminal Apprehension shall make this

determination based only on a record stored in the Bureau of Criminal Apprehension's criminal history system.

~~(f)~~ (g) The Bureau of Criminal Apprehension shall inform each law enforcement agency that its records may be affected by a grant of expungement relief. Notification may be through electronic means. Each notified law enforcement agency that receives a request to produce records shall first determine if the records were subject to a grant of expungement under this section. The law enforcement agency must not disclose records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and must maintain the data consistent with the classification in paragraph ~~(g)~~ (h). This paragraph does not apply to requests from a criminal justice agency as defined in section 609A.03, subdivision 7a, paragraph (f).

~~(g)~~ (h) Data on the person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph ~~(f)~~ (g), are private data on individuals as defined in section 13.02, subdivision 12.

~~(h)~~ (i) The prosecuting attorney shall notify the victim that an offense qualifies for automatic expungement under this section in the manner provided in section 611A.03, subdivisions 1 and 2.

~~(i)~~ (j) In any subsequent prosecution of a person granted expungement relief, the expunged criminal record may be pleaded and has the same effect as if the relief had not been granted.

~~(j)~~ (k) The Bureau of Criminal Apprehension is directed to develop, modify, or update a system to provide criminal justice agencies with uniform statewide access to criminal records sealed by expungement.

Sec. 6. **REPEALER.**

Minnesota Statutes 2024, section 299C.12, is repealed.

**299C.12 RECORD KEPT BY PEACE OFFICER; REPORT.**

Every peace officer shall keep or cause to be kept a permanent written record, in such form as the superintendent may prescribe, of all felonies reported to or discovered by the officer within the officer's jurisdiction and of all warrants of arrest for felonies and search warrants issued to the officer in relation to the commission of felonies, and shall make or cause to be made to the sheriff of the county and the bureau reports of all such crimes, upon such forms as the superintendent may prescribe, including a statement of the facts and a description of the offender, so far as known, the offender's method of operation, the action taken by the officer, and such other information as the superintendent may require.

| | | | |
|---|---|---|---|
| Rarick | Rest | Weber | Wiklund |
| Rasmusson | Seeberger | Westlin | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Mann, Marty, Murphy, Pappas, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, and Lang.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Gruenhagen | Lieske | Utke | Westrom |
| Holmstrom | Lucero | Wesenberg | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3827:** A bill for an act relating to public safety; clarifying certain grants from the Bureau of Criminal Apprehension to local law enforcement as reimbursements; updating law related to recording of crimes; establishing process for determining how certain criminal records are ineligible for sealing; requiring court to provide orders for protection for access by law enforcement; amending Minnesota Statutes 2024, sections 299C.05; 299C.065; 299C.46, subdivision 6; 609A.015, subdivision 5; Minnesota Statutes 2025 Supplement, section 609.2334, subdivision 11; repealing Minnesota Statutes 2024, section 299C.12.

H.F. No. 3827 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Howe | Mann | Pratt |
| Bahr | Fateh | Jasinski | Marty | Putnam |
| Boldon | Frentz | Johnson Stewart | Mathews | Rarick |
| Carlson | Green | Klein | Maye Quade | Rasmusson |
| Champion | Gruenhagen | Koran | McEwen | Rest |
| Clark | Gustafson | Kreun | Miller | Seeberger |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Utke |
| Dahms | Hawj | Kupec | Murphy | Weber |
| Dibble | Heintzeman | Lang | Nelson | Wesenberg |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westlin |
| Draheim | Hoffman | Lieske | Pappas | Westrom |
| Drazkowski | Holmstrom | Limmer | Pha | Wiklund |
| Duckworth | Housley | Lucero | Port | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Mann, Marty, Murphy, Pappas, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley, Howe, and Lang.

So the bill passed and its title was agreed to.

# 104. HF 3875

**Vote:** 2026-04-29 | **Workbook row:** 109
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 0 nays

**Workbook subject:** Judiciary policy bill.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-23** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3875/versions/2/pdf/

## Original Senate journal context

PDF pages 49-49. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260429066.pdf#page=49

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3875/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3875


03/02/2026 Authored by Liebling and Scott
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
04/09/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/23/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
04/30/2026 Passed by the Senate and returned to the House
05/06/2026 Presented to Governor
05/07/2026 Governor Approval


A bill for an act

relating to judiciary; clarifying publication process for court notices and provisions regarding restitution and conciliation court; clarifying certain notices to public authorities in dissolution cases; modifying expiration of the Supreme Court Council on Child Protection; amending Minnesota Statutes 2024, sections 331A.03, subdivision 1; 518A.44; 611A.04, subdivision 3; Laws 2024, chapter 115, article 12, section 30, subdivisions 6, 7; article 22, section 6; proposing coding for new law in Minnesota Statutes, chapter 484.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 331A.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Except as provided in subdivision 2 or section 484.085, a public notice shall be published in a qualified newspaper, and except as otherwise provided by law, in one that is likely to give notice in the affected area or to whom it is directed. When a statute or other law requires publication in a newspaper located in a designated political subdivision or area and no qualified newspaper is located there, publication shall be made in a qualified newspaper likely to give notice unless the particular statute or law expressly provides otherwise. If no qualified newspaper exists, then publication is not required.

Sec. 2. **[484.085] PUBLICATION OF NOTICE.**

Subdivision 1. **Authority.** Notwithstanding any statute specifically requiring publication of a notice in a qualified newspaper, the district court may publish a notice, summons, order, or process in judicial proceedings required by statute, rule, or court order by posting the notice, summons, order, or process on the official website of the Minnesota judicial branch

if the judicial branch determines that there is no qualified local newspaper that is likely to give notice in the affected area or to whom notice is directed.

Subd. 2. **Effect.** Publication in accordance with this section meets the definition of published notice under section 645.11.

Subd. 3. **Optional use.** Nothing in this section requires the district court to publish a notice on its website in lieu of or in addition to publication in a qualified newspaper.

Subd. 4. **Scope.** This section applies only to notices, summonses, orders, or processes in judicial proceedings that are required by statute, rule, or court order to be published by or through the district court. Nothing in this section authorizes any other person, entity, or political subdivision to post notices, summonses, orders, or processes in judicial proceedings on the website of the Minnesota judicial branch.

Subd. 5. **Form and duration.** A notice, summons, order, or process in judicial proceedings published under this section must be posted in substantially the same form and for the same period of time as required for publication in a qualified newspaper for that particular notice, summons, order, or process in judicial proceedings.

Sec. 3. Minnesota Statutes 2024, section 518A.44, is amended to read:

**518A.44 NOTICE TO PUBLIC AUTHORITY.**

The petitioner shall notify the public authority of all proceedings for dissolution with children, legal separation with children, determination of parentage, or for the custody of a child, if either party is receiving public assistance or applies for it subsequent to the commencement of the proceeding. The notice must contain the full names of the parties to the proceeding, their Social Security account numbers, and their birth dates. After receipt of the notice, the court shall set child support as provided in section 518A.35. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of section 518A.35. In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in section 518A.43 and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

Sec. 4. Minnesota Statutes 2024, section 611A.04, subdivision 3, is amended to read:

Subd. 3. **Effect of order for restitution.** An order of restitution may be enforced by any person named in the order to receive the restitution, or by the Crime Victims Reimbursement Board in the same manner as a judgment in a civil action. Any order for restitution in favor of a victim shall also operate as an order for restitution in favor of the Crime Victims Reimbursement Board, if the board has paid reimbursement to the victim or on the victim's behalf. Filing fees for docketing an order of restitution as a civil judgment are waived for any victim named in the restitution order. An order of restitution shall be docketed as a civil judgment, in the name of any person named in the order and in the name of the Crime Victims Reimbursement Board, by the court administrator of the district court in the county in which the order of restitution was entered. Notwithstanding section 541.04 or any other law or rule to the contrary, an order of restitution docketed as a civil judgment does not expire until satisfied or otherwise discharged pursuant to a court order. The court administrator also shall notify the commissioner of revenue of the restitution debt in the manner provided in chapter 270A, the Revenue Recapture Act. A juvenile court is not required to appoint a guardian ad litem for a juvenile offender before docketing a restitution order. Interest shall accrue on the unpaid balance of the judgment as provided in section 549.09. Whether the order of restitution has been docketed or not, it is a debt that is not dischargeable in bankruptcy. A decision for or against restitution in any criminal or juvenile proceeding is not a bar to any civil action by the victim or by the state pursuant to section 611A.61 against the offender. The offender shall be given credit, in any order for judgment in favor of a victim in a civil action, for any restitution paid to the victim for the same injuries for which the judgment is awarded.

Sec. 5. Laws 2024, chapter 115, article 12, section 30, subdivision 6, is amended to read:

Subd. 6. **Reports.** By July 15, 2025, the Supreme Court Council on Child Protection must submit a progress report on the council's duties under subdivision 5 to the governor, the chief justice of the supreme court, and the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. By ~~January~~ December 15, 2026, the council must submit its final report to the governor, the chief justice of the supreme court, and the chairs and ranking minority members of the legislative committees with jurisdiction over child protection, detailing the comprehensive blueprint developed under subdivision 5.

Sec. 6. Laws 2024, chapter 115, article 12, section 30, subdivision 7, is amended to read:

Subd. 7. **Expiration.** The Supreme Court Council on Child Protection expires ~~upon the submission of its final report under subdivision 6~~ on June 30, 2027.

Sec. 7. Laws 2024, chapter 115, article 22, section 6, is amended to read:

| | | | | |
|---|---|---|---|---|
| Sec. 6. **SUPREME COURT** | **$** | **-0-** | **$** | **1,000,000** |
| **Supreme Court Council on Child Protection.** $1,000,000 in fiscal year 2025 is for the establishment and administration of the Supreme Court Council on Child Protection. This is a onetime appropriation and is available until June 30, ~~2026~~ 2027. | | | | |

| | | | | |
|---|---|---|---|---|
| Holmstrom | Kreun | Lucero | Rasmusson | Westrom |
| Jasinski | Lang | Mathews | Weber | |
| Koran | Lieske | Pratt | Wesenberg | |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3875:** A bill for an act relating to judiciary; clarifying publication process for court notices and provisions regarding restitution and conciliation court; clarifying certain notices to public authorities in dissolution cases; modifying expiration of the Supreme Court Council on Child Protection; amending Minnesota Statutes 2024, sections 331A.03, subdivision 1; 518A.44; 611A.04, subdivision 3; Laws 2024, chapter 115, article 12, section 30, subdivisions 6, 7; article 22, section 6; proposing coding for new law in Minnesota Statutes, chapter 484.

Senator Westlin moved that the amendment made to H.F. No. 3875 by the Committee on Rules and Administration in the report adopted April 28, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3875 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lucero | Pratt |
| Bahr | Farnsworth | Jasinski | Mann | Putnam |
| Boldon | Fateh | Johnson | Marty | Rasmusson |
| Carlson | Frentz | Johnson Stewart | Mathews | Rest |
| Champion | Green | Klein | Maye Quade | Seeberger |
| Clark | Gruenhagen | Koran | McEwen | Utke |
| Coleman | Gustafson | Kreun | Mohamed | Weber |
| Cwodzinski | Hauschild | Kunesh | Murphy | Wesenberg |
| Dahms | Hawj | Kupec | Nelson | Westlin |
| Dibble | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Draheim | Hoffman | Lieske | Pha | Xiong |
| Drazkowski | Holmstrom | Limmer | Port | |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Dahms.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4502:** A bill for an act relating to financial institutions; establishing a trusted contact program to mitigate financial exploitation and fraud; limiting liability; proposing coding for new law in Minnesota Statutes, chapter 45A.

# 105. HF 4502

**Vote:** 2026-04-29 | **Workbook row:** 110
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Trusted contact program established to mitigate financial exploitation and fraud, and liability limited.

## Included complete bill documents

**1. Introduction, posted 2026-03-18** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4502/versions/0/pdf/

## Original Senate journal context

PDF pages 49-50. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260429066.pdf#page=50

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4502/

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in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 4502

03/18/2026 Authored by Perryman, Repinski and Davids
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
04/07/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
04/23/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to financial institutions; establishing a trusted contact program to mitigate financial exploitation and fraud; limiting liability; proposing coding for new law in Minnesota Statutes, chapter 45A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[45A.08] SUSPECTED FRAUD OR FINANCIAL EXPLOITATION; TRUSTED CONTACT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "trusted contact" means a person who has attained the age of 18 years and who a financial services provider customer designates as a person a financial services provider may contact if (1) an emergency occurs, (2) the financial services provider loses contact with the customer, or (3) the financial services provider suspects third-party fraud or financial exploitation targeting the customer.

Subd. 2. **Fraudulent activity; financial exploitation; reporting.** Notwithstanding any other law to the contrary, a financial services provider may report suspected fraudulent activity or financial exploitation targeting a customer to a federal, state, county, or municipal law enforcement agency or an appropriate public protective agency.

Subd. 3. **Trusted contact program.** (a) Notwithstanding any other law to the contrary, a financial services provider may offer a trusted contact program to customers. A customer may designate one or more trusted contacts for the financial services provider to contact in the event (1) a customer is not responsive to financial services provider communications, (2) the financial services provider is presented with an urgent matter or emergency involving the customer and the financial services provider is unable to locate the customer, (3) the financial services provider suspects fraudulent activity or financial exploitation targeting

the customer, or (4) the customer's account is deemed dormant and the financial services provider is attempting to verify the customer's status and location. A financial services provider may establish procedures, requirements, and forms the financial services provider deems appropriate and necessary to implement a trusted contact program under this section.

(b) A customer may terminate a person's appointment as a trusted contact at any time. A trusted contact may withdraw the person's status as a trusted contact at any time. The financial services provider may require documentation or verification the financial services provider determines is necessary to establish a trusted contact's termination or withdrawal.

Subd. 4. **Account security.** Notwithstanding any other law to the contrary, a financial services provider may voluntarily offer customers an account with convenience and security features that set transaction limits and permit limited access for one or more trusted contacts to view account activity.

Subd. 5. **Certain liability limited.** (a) A financial services provider is not liable for a trusted contact's actions. A financial services provider is not liable for declining to interact with a trusted contact if the financial services provider, in good faith and exercising reasonable care, determines a trusted contact is not acting in the customer's best interests.

(b) A financial services provider is not civilly liable for actions taken to report suspected fraudulent activity or financial exploitation under subdivision 2.

(c) A financial services provider is not civilly liable for implementing or not implementing, or for actions or omissions related to providing or administering, a trusted contact program.

(d) A trusted contact who acts in good faith and exercises reasonable care is immune from liability.

| | | | | |
|---|---|---|---|---|
| Holmstrom | Kreun | Lucero | Rasmusson | Westrom |
| Jasinski | Lang | Mathews | Weber | |
| Koran | Lieske | Pratt | Wesenberg | |

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3875:** A bill for an act relating to judiciary; clarifying publication process for court notices and provisions regarding restitution and conciliation court; clarifying certain notices to public authorities in dissolution cases; modifying expiration of the Supreme Court Council on Child Protection; amending Minnesota Statutes 2024, sections 331A.03, subdivision 1; 518A.44; 611A.04, subdivision 3; Laws 2024, chapter 115, article 12, section 30, subdivisions 6, 7; article 22, section 6; proposing coding for new law in Minnesota Statutes, chapter 484.

Senator Westlin moved that the amendment made to H.F. No. 3875 by the Committee on Rules and Administration in the report adopted April 28, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3875 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lucero | Pratt |
| Bahr | Farnsworth | Jasinski | Mann | Putnam |
| Boldon | Fateh | Johnson | Marty | Rasmusson |
| Carlson | Frentz | Johnson Stewart | Mathews | Rest |
| Champion | Green | Klein | Maye Quade | Seeberger |
| Clark | Gruenhagen | Koran | McEwen | Utke |
| Coleman | Gustafson | Kreun | Mohamed | Weber |
| Cwodzinski | Hauschild | Kunesh | Murphy | Wesenberg |
| Dahms | Hawj | Kupec | Nelson | Westlin |
| Dibble | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Draheim | Hoffman | Lieske | Pha | Xiong |
| Drazkowski | Holmstrom | Limmer | Port | |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Dahms.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4502:** A bill for an act relating to financial institutions; establishing a trusted contact program to mitigate financial exploitation and fraud; limiting liability; proposing coding for new law in Minnesota Statutes, chapter 45A.

Senator Duckworth moved to amend H.F. No. 4502 as follows (A-1):

Page 1, line 13, delete "Notwithstanding any"

Page 1, line 14, delete "other law to the contrary,"

Page 1, line 17, delete "Notwithstanding any other law to the contrary,"

Page 2, line 9, delete "Notwithstanding any other law to the contrary,"

The motion prevailed. So the amendment was adopted.

H.F. No. 4502 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lucero | Port |
| Bahr | Farnsworth | Jasinski | Mann | Pratt |
| Boldon | Fateh | Johnson | Marty | Putnam |
| Carlson | Frentz | Johnson Stewart | Mathews | Rasmusson |
| Champion | Green | Klein | Maye Quade | Rest |
| Clark | Gruenhagen | Koran | McEwen | Seeberger |
| Coleman | Gustafson | Kreun | Miller | Utke |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Weber |
| Dahms | Hawj | Kupec | Murphy | Wesenberg |
| Dibble | Heintzeman | Lang | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westrom |
| Draheim | Hoffman | Lieske | Pappas | Wiklund |
| Drazkowski | Holmstrom | Limmer | Pha | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1606:** A bill for an act relating to commerce; prohibiting access to nudification technology; proposing coding for new law in Minnesota Statutes, chapter 325E.

Senator Maye Quade moved that the amendment made to H.F. No. 1606 by the Committee on Rules and Administration in the report adopted April 28, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Holmstrom moved to amend H.F. No. 1606 as follows (A-1):

Page 2, line 18, before "Penalties" insert "Civil"

# 106. HF 1606

**Vote:** 2026-04-29 | **Workbook row:** 111
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Nudification technology access prohibited.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-07** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/1606/versions/2/pdf/

## Original Senate journal context

PDF pages 50-52. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260429066.pdf#page=51

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/1606/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 1606

02/26/2025 Authored by Hanson, J.; Bahner; Stephenson; Smith; Davids and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
03/16/2026 Adoption of Report: Amended and re-referred to the Committee on Judiciary Finance and Civil Law
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/23/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/30/2026 Passed by the Senate and returned to the House
05/06/2026 Presented to Governor
05/07/2026 Governor Approval

A bill for an act

relating to commerce; prohibiting access to nudification technology; proposing coding for new law in Minnesota Statutes, chapter 325E.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[325E.91] PROHIBITION ON NUDIFICATION TECHNOLOGY.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Identifiable individual" means a person that is identifiable:

(1) from the image itself, by the person depicted in the image, or by another person; or

(2) from personal information displayed in connection with the image.

(c) "Intimate part" has the meaning given in section 609.341, subdivision 5.

(d) "Nudify" or "nudified" means the process by which:

(1) an image or video is altered or generated to depict an intimate part not depicted in an original unaltered image or video of an identifiable individual; and

(2) the altered or generated image or video is so realistic that a reasonable person would believe that the intimate part belongs to the identifiable individual.

(e) "Technical skill" means substantial application of individualized technological or artistic skill and judgment by a human creator in directing, shaping, or controlling the output.

Subd. 2. **Nudification prohibited.** (a) A person who owns or controls a website, application, software, program, or other service must not:

(1) allow a user to access, download, or use the website, application, software, program, or other service to nudify an image or video; or

(2) nudify an image or video on behalf of a user.

(b) No person may advertise or promote any website, application, software, program, or other service that performs the actions described in paragraph (a).

Subd. 3. **Exemption.** The prohibitions in subdivision 2 do not apply when the website, application, software, program, or other service requires the technical skill of a user to nudify an image or video.

Subd. 4. **Civil action; damages.** An individual depicted in an image or video that was nudified in violation of this section may bring a civil action in district court against the person who violated this section for:

(1) compensatory damages, including mental anguish or suffering, in an amount up to three times the actual damages sustained;

(2) punitive damages;

(3) injunctive relief;

(4) reasonable attorney fees, costs, and disbursements; and

(5) other relief the court deems just and equitable.

Subd. 5. **Penalties.** (a) The attorney general may enforce this section under section 8.31. In addition to other remedies or penalties, a person who violates this section is subject to a civil penalty not to exceed $500,000 for each unlawful access, download, or use under subdivision 2.

(b) Notwithstanding any contrary provision in law, including but not limited to section 16A.151, any civil penalty recovered under this subdivision must be deposited into the general fund. On July 1 each year, the accumulated balance of civil penalties collected in the previous year is appropriated to the commissioner of public safety for the Office of Justice Programs to provide grants to organizations to provide direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing:

(1) direct client assistance to crime victims;

(2) competitive wages for direct service staff;

(3) hotel stays and other housing-related supports and services;

(4) culturally responsive programming;

(5) prevention programming, including domestic abuse transformation and restorative justice programming; and

(6) for other needs of organizations and crime victim survivors.

Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. Up to five percent of the appropriation is available for grant administration.

Subd. 6. **Jurisdiction; venue.** (a) A court has jurisdiction over a civil action filed pursuant to this section if the plaintiff or defendant resides in this state.

(b) A civil action arising under this section may be filed in the county where the plaintiff resides.

Subd. 7. **Immunity.** This section does not alter or amend the liabilities and protections granted by United States Code, title 47, section 230, and shall be construed in a manner consistent with federal law.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to causes of action accruing on or after that date.

Senator Duckworth moved to amend H.F. No. 4502 as follows (A-1):

Page 1, line 13, delete "Notwithstanding any"

Page 1, line 14, delete "other law to the contrary,"

Page 1, line 17, delete "Notwithstanding any other law to the contrary,"

Page 2, line 9, delete "Notwithstanding any other law to the contrary,"

The motion prevailed. So the amendment was adopted.

H.F. No. 4502 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lucero | Port |
| Bahr | Farnsworth | Jasinski | Mann | Pratt |
| Boldon | Fateh | Johnson | Marty | Putnam |
| Carlson | Frentz | Johnson Stewart | Mathews | Rasmusson |
| Champion | Green | Klein | Maye Quade | Rest |
| Clark | Gruenhagen | Koran | McEwen | Seeberger |
| Coleman | Gustafson | Kreun | Miller | Utke |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Weber |
| Dahms | Hawj | Kupec | Murphy | Wesenberg |
| Dibble | Heintzeman | Lang | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westrom |
| Draheim | Hoffman | Lieske | Pappas | Wiklund |
| Drazkowski | Holmstrom | Limmer | Pha | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, McEwen, Pha, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 1606:** A bill for an act relating to commerce; prohibiting access to nudification technology; proposing coding for new law in Minnesota Statutes, chapter 325E.

Senator Maye Quade moved that the amendment made to H.F. No. 1606 by the Committee on Rules and Administration in the report adopted April 28, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Holmstrom moved to amend H.F. No. 1606 as follows (A-1):

Page 2, line 18, before "Penalties" insert "Civil"

Page 3, after line 8, insert:

"Subd. 6. **Criminal penalty.** A person who intentionally nudifies an image or video of another knowing or having reason to know that the subject of the image or video did not consent to the nudification is guilty of a gross misdemeanor."

Renumber the subdivisions in sequence

Page 3, line 16, after "to" insert "crimes and"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Lucero | Weber |
| Bahr | Farnsworth | Johnson | Mathews | Wesenberg |
| Coleman | Green | Koran | Miller | Westrom |
| Dahms | Gruenhagen | Kreun | Nelson | |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Holmstrom | Lieske | Rasmusson | |
| Drazkowski | Housley | Limmer | Utke | |

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Coleman, Jasinski, Johnson, Miller, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Klein | McEwen | Putnam |
| Carlson | Gustafson | Kunesh | Mohamed | Rest |
| Champion | Hauschild | Kupec | Murphy | Seeberger |
| Clark | Hawj | Latz | Oumou Verbeten | Westlin |
| Cwodzinski | Hemmingsen-Jaeger | Mann | Pappas | Wiklund |
| Dibble | Hoffman | Marty | Pha | Xiong |
| Fateh | Johnson Stewart | Maye Quade | Port | |

Pursuant to Rule 40, Senator Hauschild cast the negative vote on behalf of the following Senators: Carlson, Fateh, Klein, McEwen, Pappas, Pha, and Port.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1606 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dahms | Frentz | Hoffman | Kreun |
| Bahr | Dibble | Green | Holmstrom | Kunesh |
| Boldon | Dornink | Gruenhagen | Housley | Kupec |
| Carlson | Draheim | Gustafson | Jasinski | Lang |
| Champion | Drazkowski | Hauschild | Johnson | Latz |
| Clark | Duckworth | Hawj | Johnson Stewart | Lieske |
| Coleman | Farnsworth | Heintzeman | Klein | Limmer |
| Cwodzinski | Fateh | Hemmingsen-Jaeger | Koran | Lucero |

| | | | | |
|---|---|---|---|---|
| Mann | Miller | Pappas | Rasmusson | Wesenberg |
| Marty | Mohamed | Pha | Rest | Westlin |
| Mathews | Murphy | Port | Seeberger | Westrom |
| Maye Quade | Nelson | Pratt | Utke | Wiklund |
| McEwen | Oumou Verbeten | Putnam | Weber | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, McEwen, Pappas, Pha, and Port.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Coleman, Jasinski, Johnson, Miller, and Pratt.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4052:** A bill for an act relating to telecommunications; modifying and clarifying various provisions governing telephone company regulation, facilities and property, pricing plans, service classification, and reporting requirements; amending Minnesota Statutes 2024, sections 237.035; 237.036; 237.069; 237.07, subdivision 1; 237.11; 237.164; 237.626, subdivisions 1, 3; 237.66, by adding subdivisions; 237.70, subdivision 7; 237.762, subdivision 5; repealing Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.75; 237.766; 237.768; 237.772; 237.775.

H.F. No. 4052 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lucero | Port |
| Bahr | Farnsworth | Jasinski | Mann | Pratt |
| Boldon | Fateh | Johnson | Marty | Putnam |
| Carlson | Frentz | Johnson Stewart | Mathews | Rasmusson |
| Champion | Green | Klein | Maye Quade | Rest |
| Clark | Gruenhagen | Koran | McEwen | Seeberger |
| Coleman | Gustafson | Kreun | Miller | Utke |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Weber |
| Dahms | Hawj | Kupec | Murphy | Wesenberg |
| Dibble | Heintzeman | Lang | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westrom |
| Draheim | Hoffman | Lieske | Pappas | Wiklund |
| Drazkowski | Holmstrom | Limmer | Pha | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, Maye Quade, McEwen, Pappas, Pha, and Port.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Coleman, Jasinski, Johnson, Miller, and Pratt.

So the bill passed and its title was agreed to.

# 107. HF 4052

**Vote:** 2026-04-29 | **Workbook row:** 112
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Various provisions governing telephone company regulation, facilities and property, pricing plans, service classification, and reporting requirements.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 20 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4052/versions/1/pdf/

## Original Senate journal context

PDF pages 52-52. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260429066.pdf#page=52

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4052/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4052**

03/09/2026 Authored by Kresha and Repinski
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/23/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/30/2026 Passed by the Senate and returned to the House
05/06/2026 Presented to Governor
05/07/2026 Governor Approval

A bill for an act

relating to telecommunications; modifying and clarifying various provisions governing telephone company regulation, facilities and property, pricing plans, service classification, and reporting requirements; amending Minnesota Statutes 2024, sections 237.035; 237.036; 237.069; 237.07, subdivision 1; 237.11; 237.164; 237.626, subdivisions 1, 3; 237.66, by adding subdivisions; 237.70, subdivision 7; 237.762, subdivision 5; repealing Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.75; 237.766; 237.768; 237.772; 237.775.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 237.035, is amended to read:

**237.035 TELECOMMUNICATIONS CARRIER EXEMPTION.**

(a) Telecommunications carriers are subject to regulation under this chapter only to the extent required under paragraphs (b) to (e).

(b) Telecommunications carriers shall comply with sections 237.121 and 237.74.

(c) Telecommunications carriers shall comply with section 237.16, ~~subdivisions~~ subdivision 8 ~~and 9~~.

(d) To the extent a telecommunications carrier offers local service, it shall obtain a certificate under section 237.16 for that local service.

(e) In addition, a telecommunications carrier's local service is subject to this chapter except that:

(1) a telecommunications carrier is not subject to rate-of-return or earnings investigations under section 237.075 or 237.081; and

(2) a telecommunications carrier is not subject to section 237.22.

Sec. 2. Minnesota Statutes 2024, section 237.036, is amended to read:

**237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.**

~~(a) Neither commission approval nor a commission certificate is required to:~~

~~(1) site a coin-operated or public pay telephone in the state; or~~

~~(2) implement changes in service, services offered, rates, or location regarding a coin-operated or public pay telephone. Registration under section 237.64 is required to own or operate a coin-operated or public pay telephone in the state.~~

~~(b) This section does not change the authority of other state or local government entities to regulate aspects of coin-operated or public pay telephone ownership, location, or operation; however, an entity may not regulate aspects of these services that it did not regulate prior to May 26, 1999. The commission shall retain the authority delegated to it under federal and state law to protect the public interest with regard to coin-operated or public pay telephones.~~

~~(c) Owners and operators of coin-operated or public pay telephones are exempt from sections 237.06, 237.07, 237.075, 237.09, 237.23, and 237.295, and the annual reporting requirement of section 237.11.~~

~~(d)~~ Owners of coin-operated or public pay telephones shall:

(1) provide immediate coin-free access, to the extent technically feasible, to 911 emergency service or to another approved emergency service; and

(2) provide free access to the telecommunications relay service for people with communication disabilities.

~~(e) Owners of coin-operated or public pay telephones must post at each coin-operated or public pay telephone location:~~

~~(1) customer service and complaint information, including the name, address, and telephone number of the owner of the coin-operated or public pay telephone and the operator service handling calls from the coin-operated or public pay telephone; a toll-free number of the appropriate telephone company for the resolution of complaints; and the toll-free number of the public utilities commission; and~~

~~(2) a toll-free number at which consumers can obtain pricing information regarding rates, charges, terms, and conditions of local and long-distance calls.~~

Sec. 3. Minnesota Statutes 2024, section 237.069, is amended to read:

**237.069 TRACER; HARASSING TELEPHONE CALL; RULES.**

~~The commission shall adopt rules to govern how telephone companies respond to requests for tracers made by persons who allege receiving harassing telephone calls. The rules must address when a request for a tracer may be denied or delayed.~~ A telecommunications carrier operating in Minnesota must ensure the telecommunications carrier's equipment, facilities, and services are capable of enabling authorized law enforcement agencies to conduct lawful interception and access call-identifying information in a manner consistent with United States Code, title 47, sections 1001 to 1010.

Sec. 4. Minnesota Statutes 2024, section 237.07, subdivision 1, is amended to read:

Subdivision 1. **Filing of charges.** Every telephone company shall keep on file with the department a specific rate, toll, or charge for every kind of noncompetitive service and a price list for every kind of service subject to emerging competition, together with all rules and classifications used by it in the conduct of the telephone business, including limitations on liability. The filings are governed by chapter 13. When a company sells services subject to emerging competition on an individually priced basis, it shall file a statement of the charges to its customers with the commission and the department. ~~The department shall require each telephone company to keep open for public inspection, at designated offices, so much of these rates, price lists, and rules as it deems necessary for the public information.~~

Sec. 5. Minnesota Statutes 2024, section 237.11, is amended to read:

**237.11 INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.**

(a) Every telephone company subject to the provisions of this chapter, wherever organized, shall ~~keep an office in this state, and~~ make such reports to the department as it shall from time to time require. All books, records, and files~~, whether they relate to competitive or noncompetitive services,~~ and all of its property shall be at all times subject to inspection by the commission and the department. It shall close its accounts and take therefrom a balance sheet on December 31 of each year, and on or before May 1 following, such balance sheet, together with such other information as the department shall require, verified by an officer of the telephone company, shall be filed with the commission and the department, except that a local exchange carrier or a competitive local exchange carrier, as

defined in Minnesota Rules, chapter 7811, is only required to file an annual report that includes the company's name, contact person, annual revenue, and status of its 911 update plan.

(b) In the event that any telephone company shall fail to file its annual report, as provided by this section, the department is authorized to make such an examination of the books, records, and vouchers of the company as is necessary to procure the necessary data for the annual report and cause the same to be prepared. The expense of procuring this data and preparing this report shall be paid by the telephone company failing to report, and the amount paid shall be credited by the commissioner of management and budget to funds appropriated for the expense of the department.

(c) The department is authorized to force collection of such sum by an action at law in the name of the department.

Sec. 6. Minnesota Statutes 2024, section 237.164, is amended to read:

**237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.**

~~The commission shall establish intrastate service discounts for schools and libraries by order to the extent necessary to enable schools and libraries to receive federally supported discounts.~~ A school, school district, or library is eligible to receive telecommunications service at discounted rates, consistent with the E-rate program administered by the Universal Service Administrative Company under United States Code, title 47, section 254, and Code of Federal Regulations, title 47, part 54.

Sec. 7. Minnesota Statutes 2024, section 237.626, subdivision 1, is amended to read:

Subdivision 1. **Promotions.** A telephone company or telecommunications carrier may promote the use of its services by offering a waiver of part or all of a recurring or a nonrecurring charge, a redemption coupon, or a premium with the purchase of a service. Section 237.09 does not apply to promotions under this section, but the customer group to which the promotion is available must be based on reasonable distinctions among customers. The service being promoted must have a price that is above the incremental cost of the service, including amortized cost of the promotion. ~~A promotion may take effect the day after the notice is filed with the commission. The notice must identify customers to whom the promotion is available.~~

Sec. 8. Minnesota Statutes 2024, section 237.626, subdivision 3, is amended to read:

Subd. 3. **Promotions available for resale.** Any promotional offering ~~lasting more than 90 days and filed with the commission under subdivision 1 must be~~ does not need to be made available to qualifying carriers for resale. ~~A~~ If a telephone company or telecommunications carrier makes a promotional offering available to a qualifying carrier for resale, the qualifying carrier must hold a certificate of authority from the commission and must have an approved interconnection agreement with the company offering the promotion, the terms of which include language governing the resale of services.

Sec. 9. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to read:

Subd. 4. **Notice; local residential customers.** A telephone company must notify a residential customer regarding the price for all service options available to the customer. A notice must be provided:

(1) at the time the customer initially requests service;

(2) when the customer requests a service change; and

(3) at any time upon the customer's request.

Sec. 10. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to read:

Subd. 5. **Customer notice; prior authorization.** A telephone company may provide the notice under subdivision 4 to a customer using paper billing, electronic billing, or other electronic communication methods if:

(1) the customer affirmatively opts in to electronic billing or electronic communication;

(2) the information in the notice is provided clearly and accessibly; and

(3) the customer is allowed to request a paper copy of service option pricing at any time at no charge to the customer.

Sec. 11. Minnesota Statutes 2024, section 237.70, subdivision 7, is amended to read:

Subd. 7. **Application, notice, financial administration, complaint investigation.** The telephone assistance plan must be administered jointly by the commission, the Department of Commerce, and the local service providers in accordance with the following guidelines:

(a) The commission and the Department of Commerce shall develop an application form that must be completed by the subscriber for the purpose of certifying eligibility for telephone assistance plan credits to the local service provider. The application must contain the applicant's Social Security number. Applicants who refuse to provide a Social Security number will be denied telephone assistance plan credits. The application form must also include a statement that the applicant household is currently eligible for one of the programs that confers eligibility for the federal Lifeline Program. The application must be signed by the applicant, certifying, under penalty of perjury, that the information provided by the applicant is true.

(b) Each local service provider shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT .....

(c) An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf. On completing the application certifying that the statutory criteria for eligibility are satisfied, the applicant must return the application to the subscriber's local service provider. On receiving a completed application from an applicant, the subscriber's local service provider shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the application. The applicant must receive telephone assistance plan credits until the earliest possible month following the service provider's receipt of information that the applicant is ineligible.

If the telephone assistance plan credit is not itemized on the subscriber's monthly charges bill for local telephone service, the local service provider must notify the subscriber of the approval for the telephone assistance plan credit.

(d) The commission shall serve as the coordinator of the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

~~(2) establish a uniform statewide level of telephone assistance plan credit that each local service provider shall extend to each eligible household in its service area;~~

~~(3)~~ (2) require each local service provider to account to the commission on a periodic basis for surcharge revenues collected by the provider, expenses incurred by the provider, not to include expenses of collecting surcharges, and credits extended by the provider under the telephone assistance plan;

~~(4)~~ (3) require each local service provider to remit surcharge revenues to the Department of Public Safety for deposit in the fund; and

~~(5)~~ (4) remit to each local service provider from the surcharge revenue pool the amount necessary to compensate the provider for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each local service provider shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the Department of Commerce with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The Department of Commerce shall investigate complaints against local service providers with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 12. Minnesota Statutes 2024, section 237.762, subdivision 5, is amended to read:

Subd. 5. **Income-neutral change.** Other than as authorized in this subdivision, an initial alternative regulation plan must not permit income-neutral rate changes for price-regulated services during the plan except as is necessary to implement extended area service or any successor to that service. Any plan must provide that after the rules issued pursuant to section 237.16 are adopted, rates for price-regulated services may be increased, as approved by the commission, to the extent necessary to carry out the purpose of those rules. ~~However, rate~~

~~increases, if any, for those services must be incorporated with a universal service fund so that the effective rate for the customers of those services does not increase during the first three years of the plan.~~

Sec. 13. **REPEALER.**

Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, and 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, and 3; 237.75; 237.766; 237.768; 237.772; and 237.775, are repealed.

**237.065 RATE FOR SCHOOL OR PURCHASING COOPERATIVE.**

Subdivision 1. **Basic service; flat rate.** Each telephone company that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to 12th grade shall provide, upon request, additional service to the school that is sufficient to ensure access to basic telephone service from each classroom and other areas within the school, as determined by the school board. Each company shall set a flat rate for this additional service that is less than the company's flat rate for an access line for a business and the same as or greater than the company's flat rate for an access line for a residence in the same local telephone service exchange. When a company's flat rates for businesses and residences are the same, the company shall use the residential rate for service to schools under this section. The rate required under this section is available only for a school that installs additional service that includes access to basic telephone service from each classroom and other areas within the school, as determined by the school board.

Subd. 2. **Basic and advanced telecommunication service; reduced rate.** (a) Notwithstanding the provisions of sections 237.09, 237.14, 237.60, subdivision 3, and 237.74, each telephone company and telecommunications carrier that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to grade 12, a public library, or a telecommunication services purchasing cooperative may provide, upon request, basic and advanced telecommunication services at reduced or no cost to that school, library, or may provide, upon request, advanced telecommunication services at reduced wholesale rates to the members of a telecommunication services purchasing cooperative. For purposes of this section, a "telecommunication services purchasing cooperative" means a cooperative organized under section 308A.210. A school or library receiving telecommunications services at reduced or no cost may not resell or sublease the discounted services. No members of a telecommunication services purchasing cooperative may resell or sublease the discounted services. A purchasing cooperative is not required to negotiate or provide a uniform rate for its members. Telecommunications services shall be provided in accordance with Public Law 104-104, and the regulations of the Federal Communications Commission adopted under the act.

(b) An agent that provides telecommunications services to a school or library may request the favorable rate on behalf of and for the exclusive benefit of the school or library. The school or library must authorize the agent to make the request of the local telephone company or telecommunications carrier. The telephone company or telecommunications carrier is not required to offer the same price discount to the agent that it would offer to the school district or library. An agent that receives a price discount for telecommunications services on behalf of a school or library may only resell or sublease the discounted services to that school or library.

(c) For the purposes of this subdivision, "school" includes a public school as defined in section 120A.05, nonpublic, and church or religious organization schools that provide instruction in compliance with sections 120A.22, 120A.24, and 120A.41.

**237.066 STATE GOVERNMENT PRICING PLANS.**

Subdivision 1. **Purpose.** A state government or Tribal government telecommunications pricing plan is authorized and found to be in the public interest as it will:

(1) provide and ensure availability of high-quality, technologically advanced telecommunications services at a reasonable cost to the state or Tribal government; and

(2) further the state telecommunications goals as set forth in section 237.011.

Subd. 2. **Program participation.** A state government or Tribal government telecommunications pricing plan may be available to serve individually or collectively: state agencies; Tribal governments; educational institutions, including public schools and Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonpublic schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public corporations; and political subdivisions of the state or a Tribal Nation. Plans shall be available to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18 and shall also be available to those entities not using the commissioner for contracting for telecommunications services.

Subd. 3. **Rates.** Notwithstanding section 237.09, 237.14, 237.60, subdivision 3, or 237.74, a telephone company or a telecommunications carrier may, individually or in cooperation with other telephone companies or telecommunications carriers, develop and offer basic or advanced telecommunications services at discounted or reduced rates as a state government or Tribal government telecommunications pricing plan. Any telecommunications services provided under any state government or Tribal government telecommunications pricing plan shall be used exclusively

by the entities described in subdivision 2 subject to the plan solely for the entities' own use and shall not be made available to any other entities by resale, sublease, or in any other way.

Subd. 4. **Applicability to other customers.** A telephone company or telecommunications carrier providing telecommunications services under a state government or Tribal government telecommunications pricing plan is not required to provide any other person or entity those services at the rates made available to the state or Tribal government.

Subd. 5. **Commission review.** (a) The terms and conditions of any state government or Tribal government telecommunications pricing plan must be submitted to the commission for review and approval within 90 days before implementation to:

(1) ensure that the terms and conditions benefit the state or Tribal Nation and not any private entity;

(2) ensure that the rates for any telecommunications service in any state government or Tribal government telecommunications pricing plan are at or below any applicable tariffed rates; and

(3) ensure that the state telecommunications or Tribal government pricing plan meets the requirements of this section and is in the public interest.

(b) The commission shall reject any state government or Tribal government telecommunications pricing plan that does not meet the criteria in paragraph (a).

**237.067 ESTABLISHMENT EXEMPT FROM REGULATION.**

Subdivision 1. **Definition.** For purposes of this section, "establishment" means an individual hotel, motel, restaurant, lodging house, boarding house, resort, or place of refreshment licensed under chapter 157.

Subd. 2. **Exemption; conditions.** An establishment that provides telephone service to patrons on the premises of the establishment is not subject to regulation under this chapter, except that the establishment:

(1) shall comply with the requirement of section 237.06 that rates charged must be fair and reasonable;

(2) shall provide notice of charges and service providers to patrons as required in section 325F.99; and

(3) is subject to the complaint and investigation procedures of section 237.081.

**237.071 SPECIAL PRICING.**

Except as prohibited by section 237.60, subdivision 3, prices unique to a particular customer or group of customers may be allowed for noncompetitive services and for services subject to emerging competition when differences in the cost of providing a service or a service element justifies a different price for a particular customer or group of customers. Individual pricing for services subject to emerging competition may be allowed when a uniform price should not be required because of market conditions. Unique or individual prices for services or service elements in effect before July 1, 1989, are deemed to have been approved under this section.

**237.072 LIMITATION ON RATE CHANGE.**

(a) After December 15, 1997, the commission, notwithstanding any provision to the contrary, shall not allow an incumbent telephone company with more than 1,000,000 access lines in Minnesota to change its retail rates for telecommunications services without a determination of its revenue requirement pursuant to section 237.075 unless the incumbent telephone company is regulated pursuant to sections 237.76 to 237.773.

(b) If, prior to December 15, 1997, the incumbent telephone company petitions the commission to become subject to an alternative regulation plan under sections 237.76 to 237.773, paragraph (a) shall not apply to the petitioning company until 270 days after the date of the filing of the petition.

**237.075 RATE CHANGE.**

Subdivision 1. **Notice.** Unless the commission otherwise orders, no telephone company shall change a rate which has been duly established under this chapter, except upon 60 days' notice to the commission. The notice shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect. The filing

telephone company shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.

Subd. 2. **Suspension of proposed rate; hearing; final determination defined.** (a) Whenever there is filed with the commission as provided in subdivision 1 a schedule modifying or resulting in a change in any rate then in force, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected telephone company a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date except as provided in paragraph (b). During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the department can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the Office of Administrative Hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the telephone company's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the Department of Commerce. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; except if a settlement has been submitted to and rejected by the commission, the schedule is deemed to have been approved 12 months after the initial filing.

(b) If the commission finds that it has insufficient time during the suspension period to make a final determination of a case involving changes in general rates because of the need to make final determinations of other previously filed cases involving changes in general rates under this section or section 216B.16, the commission may extend the suspension period to the extent necessary to allow itself 20 working days to make the final determination after it has made final determinations in the previously filed cases. An extension of the suspension period under this paragraph does not alter the setting of interim rates under subdivision 3.

(c) For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Subd. 3. **Interim rate; refund.** Notwithstanding any order of suspension of a proposed increase in rates, the commission shall order an interim rate schedule into effect not later than 60 days after the initial filing date. The commission shall order the interim rate schedule ex parte without a public hearing. Notwithstanding the provisions of sections 216.25 and 237.25, no interim rate schedule ordered by the commission pursuant to this subdivision shall be subject to an application for a rehearing or an appeal to a court until the commission has rendered its final determination. Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test-year cost of capital, rate base, and expenses, except that it shall include: (1) a rate of return on common equity for the company equal to that authorized by the commission in the company's most recent rate proceeding; (2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the company's most recent rate proceeding; and (3) no change in the existing rate design, except for products and services offered by nonregulated competitors. In the case of a company which has not been subject to a prior commission determination or has not had a general rate adjustment in the preceding three years, the commission shall base the interim rate schedule on its most recent determination concerning a similar company.

If, at the time of its final determination, the commission finds that the interim rates are in excess of the rates in the final determination, the commission shall order the company to refund the excess amount collected under the interim rate schedule, including interest on it which shall be at the rate of interest determined by the commission. The company shall commence distribution of the refund to its customers within 120 days of the final order, not subject to rehearing or appeal. If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the company will recover

the difference in revenues from the date of the final determination to the date the new rate schedules are put into effect.

If the telephone company fails to make refunds within the period of time prescribed by the commission, the commission shall sue therefor and may recover on behalf of all persons entitled to a refund. In addition to the amount of the refund and interest due, the commission shall be entitled to recover reasonable attorney's fees, court costs and estimated cost of administering the distribution of the refund to persons entitled thereto. No suit under this subdivision shall be maintained unless instituted within two years after the end of the period of time prescribed by the commission for repayment of refunds. The commission shall not order an interim rate schedule in a general rate case into effect as provided by this subdivision until at least four months after it has made a final determination concerning any previously filed change of the rate schedule or the change has otherwise become effective under subdivision 2, unless:

(1) the commission finds that a four-month delay would unreasonably burden the company, its customers, or its shareholders and that an earlier imposition of interim rates is therefore necessary; or

(2) the company files a second general rate case at least 12 months after it has filed a previous general rate case for which the commission has extended the suspension period under subdivision 2.

Subd. 4. **Burden of proof.** The burden of proof to show that the rate change is just and reasonable shall be upon the telephone company seeking the change.

Subd. 5. **Determination after finding rate unacceptable.** If, after the hearing, the commission finds the rates to be unjust or unreasonable or discriminatory, the commission shall determine the rates to be charged or applied by the telephone company for the service in question and shall fix them by order to be served upon the telephone company. The rates shall thereafter be observed until changed, as provided by this chapter. In no event shall the rates exceed the level of rates requested by the telephone company, except that individual rates may be adjusted upward or downward. Rate design changes shall be prospective from the effective date of the new rate schedules approved by the commission.

Subd. 6. **Factors considered, generally.** The commission, in the exercise of its powers under this chapter to determine just and reasonable rates for telephone companies, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the telephone company for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its telephone company property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in the property. In determining the rate base upon which the telephone company is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the telephone company, less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and to other expenses of a capital nature. To the extent that construction work in progress is included in the rate base, the income used in determining the actual return on the telephone company property may include an allowance for funds used during construction. For purposes of determining rate base, the commission shall consider the original cost of telephone company property included in the base and shall make no allowance for its estimated current replacement value.

Subd. 7. **Advertising.** The commission shall not make an allowance for operating expenses incurred by a telephone company for institutional advertising.

Subd. 8. **Charitable contribution.** The commission shall allow as operating expenses only 50 percent of the qualified charitable contributions which the commission deems prudent for the use of any community chest, corporation, trust, fund, association, foundation, or organization, and only as long as the use is exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes or for the prevention of cruelty to children or animals. No part of a charitable contribution may inure to the benefit of any private stockholder or individual.

Subd. 9. **Election on regulation; cooperative, municipal, independent.** For the purposes of this section, "telephone company" shall not include a cooperative telephone association organized under the provisions of chapter 308A, an independent telephone company, or a municipal, unless the cooperative telephone association, independent telephone company, or municipal makes the election provided in this subdivision.

A cooperative telephone association may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (1) approved by the board of directors of the association in accordance with the procedures for amending the articles of incorporation contained in section 308A.135, excluding the filing requirements; or (2) approved by a majority of members or stockholders voting by mail ballot initiated by petition of no fewer than five percent of the members or stockholders of the association. The ballot to be used for the election shall be approved by the board of directors and the department. The department shall mail the ballots to the association's members who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the association shall count the ballots. If a majority of the association's members who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section, the term "member or stockholder" shall mean either the member or stockholder of record or the spouse of the member or stockholder unless the association has been notified otherwise in writing.

A municipal may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (1) approved by resolution of the governing body of the municipality; or (2) approved by a majority of the customers of the municipal voting by mail ballot initiated by petition of no fewer than 20 percent of the customers of the municipal. The ballot to be used for the election shall be approved by the governing body of the municipality and the department. The department shall mail the ballots to the municipal's customers who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the governing body of the municipality. On this date, representatives of the department and the municipal shall count the ballots. If a majority of the customers of the municipal who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section, the term "customer" shall mean either the person in whose name the telephone service is registered or the spouse of the person unless the municipal utility has been notified otherwise in writing.

An independent telephone company may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (1) approved by the board of directors of the company in accordance with the procedures for amending the articles of incorporation contained in sections 302A.133 to 302A.139, excluding the filing requirements; or (2) approved by a majority of subscribers voting by mail ballot initiated by petition of no fewer than five percent of the subscribers of the company. The ballot to be used for the election shall be approved by the board of directors and the department. The department shall mail the ballots to the company's subscribers who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the company shall count the ballots. If a majority of the company's subscribers who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section the term "subscriber" shall mean either the person in whose name the telephone service is registered or the spouse of the person unless the independent telephone company has been notified otherwise in writing.

Subd. 10. **Intervenor reimbursement.** The commission may order a telephone company to pay all or a portion of a party's intervention costs not to exceed $20,000 per intervention in any general rate case when the commission finds that the intervenor has materially assisted the commission's deliberation and the intervenor has insufficient financial resources to afford the costs of intervention. No entity which provides telephone services of any kind is eligible for reimbursement of intervention costs under this subdivision.

Subd. 11. **Recovery of expenses of segregating billing charges.** The public utilities commission shall allow each telephone company and independent telephone company subject to the requirements of section 325F.692 to automatically adjust tariffs or rates paid by information service providers to reflect the reasonable cost to the company to comply with section 325F.692.

**237.14 RATE FOR SERVICE TO OFFICER.**

A telephone company may furnish service free or at reduced rates to its officers, agents, or employees in furtherance of their employment, but it shall charge full schedule rates without discrimination for all other services.

**237.15 INVESTIGATION AND HEARING; AUTHORITY DELEGATED.**

The department shall whenever it deems the same necessary determine the value of all the property of any telephone company devoted to the public use, and in so doing it shall, after notice to the telephone company, hold such public hearing as will give all interested parties a chance to furnish evidence and be heard. For the purpose of this chapter the department is authorized to appoint engineers, examiners, experts, clerks, accountants, and other assistants as it may deem necessary at such rates of compensation as it may prescribe.

In the discharge of their duties such appointees shall have every power, of any inquisitorial nature granted in this chapter to the department. The department may conduct any number of investigations contemporaneously through its individual members or appointees, and may delegate to its individual members and employees the taking of all testimony on any investigation or hearing.

**237.16 LOCAL EXCHANGE COMPETITION, RULES.**

Subd. 9. **Universal service fund.** The commission shall establish and require contributions to a universal service fund, to be supported by all providers of telephone services, whether or not they are telephone companies under section 237.01, including, but not limited to, local telephone companies, independent telephone companies, cooperative telephone companies, municipal telephone companies, telecommunications carriers, radio common carriers, personal communication service providers, and cellular carriers. Services that should be considered for inclusion as universal include, at a minimum, single-party service including access, usage and touch-tone capability; line quality capable of carrying facsimile and data transmissions; equal access; emergency services number capability; statewide telecommunications relay service for people with hearing loss; and blocking of long-distance toll services. The fund must be administered and distributed in accordance with rules adopted by the commission and designed to preserve the availability of universal service throughout the state. Any state universal service fund must be coordinated with any federal universal service fund and be consistent with section 254(b)(1) to (5) of the federal Telecommunications Act of 1996, Public Law 104-104.

**237.22 DEPRECIATION; AMORTIZATION.**

(a) For purposes of a proceeding to determine or investigate any wholesale or retail rate, or to set any universal service support level, the commission may fix proper and adequate rates and methods of depreciation and amortization with respect to a telephone company's property.

(b) All telephone companies shall retain data in sufficient detail for the purpose of determining depreciation accruals and reserves by depreciable telephone plant account. Depreciable plant accounts are those specified by the Federal Communications Commission for the class to which a telephone company belongs. All telephone companies shall maintain, and have available for inspection by the commission upon request, adequate accounts and records related to depreciation practices as defined herein.

**237.231 SALE OF LOCAL EXCHANGE SERVICE.**

Subdivision 1. **Commission approval.** A Class A telephone company may not sell a local exchange service territory without receiving the prior consent of the commission. For the purposes of this section, a Class A telephone company is a telephone company which has annual revenues from regulated telecommunication operations of $100,000,000 or more, as defined by the Federal Communications Commission in Code of Federal Regulations, title 47, section 32.11, paragraphs (a)(1) and (e).

Subd. 2. **Notice of intended sale.** At least 90 days prior to applying to the commission for consent to a proposed sale or acquisition of a local exchange service, the selling telephone company must provide notice to its customers in that local exchange of its intent to sell and identify the affected local exchange, and the name of the proposed buyer. The notice must be on a separate document and included in the company's monthly billings to customers. The commission must approve the form of all notices.

Subd. 3. **Resident poll.** At least 60 days prior to the hearing under subdivision 4, the telephone company proposing the sale of a local exchange service must provide each of its customers with a stamped envelope addressed to the commission and must inform the customer that the customer is encouraged to comment on the quality of service that has been provided in the local exchange service territory by the telephone company over the last 12 months.

Subd. 4. **Public hearing.** At least 30 days prior to the commission's deliberations about a proposed sale or acquisition of a local exchange service territory, the commission must hold a public

hearing at a location within the affected local exchange service territory allowing the public an opportunity to be heard and to present any concerns or comments.

Subd. 5. **Requirements for consent.** The commission may not give consent to a sale of a service territory unless, at a minimum, it finds all of the following:

(1) the quality of service provided by the telephone company servicing the local exchange service territory has substantially complied with all applicable quality of service standards adopted by rule by the commission for the previous calendar year;

(2) the proposed buyer is financially responsible and capable of making necessary investments to maintain quality service at levels required by rule; and

(3) the proposed buyer demonstrates that it has an adequate number of properly trained employees to maintain service at required levels.

The commission shall, as a condition of its consent, require a proposed buyer to enter into binding commitments obligating the buyer to maintain minimum levels of investment and staffing needed to meet the commission's quality of service rules. These commitments are in addition to any other conditions that the commission may impose.

**237.59 CLASSIFICATION OF COMPETITIVE SERVICE; HEARING.**

Subdivision 1. **Emerging competitive service.** (a) The following services provided by the telephone company are subject to emerging competition unless and until reclassified as noncompetitive or subject to effective competition under this section:

(1) apartment door answering services;

(2) automatic call distribution;

(3) billing and collection services;

(4) call waiting, call forwarding, and three-way calling services for businesses with three or more lines;

(5) central office-based pricing packages providing switched business access lines which substitute for private branch exchange systems which may or may not share intelligence with customer premises equipment;

(6) command link-type services for network reconfiguring to rearrange cross-connections between channel services;

(7) custom network services and special assemblies;

(8) Digicom switchnet services for full duplex, synchronous, information transport;

(9) direct customer access services for telephone number information;

(10) teleconferencing services;

(11) inter-LATA and intra-LATA message toll service;

(12) inter-LATA and intra-LATA private line services;

(13) inter-LATA and intra-LATA wide area telephone service;

(14) mobile radio services;

(15) operator services, excluding local operator services;

(16) public pay telephone services, excluding charges for access to the central office;

(17) special construction of facilities;

(18) systems for automatic dialing; and

(19) versanet-type service access line involving continuous monitoring and transmission of data from customer's premises to the central office.

(b) A service classified as subject to emerging competition before June 1, 1994, retains that classification unless and until it is reclassified pursuant to subdivision 3 or 10.

Subd. 1a. **CLASS service.** Notwithstanding the terms of subdivision 1, paragraph (b), CLASS services may be classified as competitive services only when so classified according to subdivision 3 or 10.

Subd. 2. **Petition.** (a) A telephone company, or the commission on its own motion, may petition to have a service of that telephone company classified as subject to effective competition or emerging competition. The petition must be served on the commission, the department, the Office of the Attorney General, and any other person designated by the commission. The petition must contain at least:

(1) a list of the known alternative providers of the service available to the company's customers; and

(2) a description of affiliate relationships with any other provider of the service in the company's market.

(b) At the time the company first offers a service, it shall also file a petition with the commission for a determination as to how the service should be classified. In the event that no interested party or the commission objects to the company's proposed classification within 20 days of the filing of the petition, the company's proposed classification of the service is deemed approved. If an objection is filed, the commission shall determine the appropriate classification after a hearing conducted pursuant to section 237.61. In either event, the company may offer the new service to its customers ten days after the company files the price list and incremental cost study as provided in Minnesota Rules, parts 7811.2210 and 7812.2210.

(c) A new service may be classified as subject to effective competition or emerging competition pursuant to the criteria set forth in subdivision 5. A new service must be regulated under the emerging competition provisions if it is not integrally related to the provision of adequate local service or access to the telephone network or to the privacy, health, or safety of the company's customers, whether or not it meets the criteria set forth in subdivision 5.

Subd. 3. **Expedited proceeding.** An interested party wishing to contest the change of classification of a service must file an objection with the commission within 20 days after the filing of the petition. If no party files an objection, the service must be reclassified in accordance with the petition. If a petition is contested, a telephone company that is the subject of a petition under subdivision 2 may request that the commission determine the classification of the service through an expedited proceeding under section 237.61 or a contested case hearing. If an expedited proceeding is requested, the commission must provide interested persons an opportunity to comment on the appropriateness of the process and the merits of the petition.

When an expedited proceeding is requested, the commission shall make a final determination within 60 days of the date on which all required information required under subdivision 2 is filed, unless during the 60 days the commission finds that a material issue of fact is in dispute, in which case it shall order that a contested case hearing be conducted to evaluate the petition.

Subd. 4. **Contested case hearing.** If a contested case hearing is held under this section, the commission shall make a final determination on the petition within eight months from the date the petitioning party requests a contested case hearing or from the date the commission orders a contested case hearing under subdivision 3. When a contested case hearing is requested in the petition or when the commission acts on its own motion, this deadline may be extended for no more than 60 days by agreement of all parties or by order of the commission if the commission finds that the case cannot be completed within the required time and that without an extension there is substantial probability that the public interest will be harmed.

Subd. 5. **Criteria.** (a) If a proposed classification is objected to pursuant to subdivision 2, paragraph (b), on the basis that the service does not meet the criteria of this subdivision, the commission shall consider, in determining whether a service is subject to either effective competition or emerging competition from available alternative service providers, the following factors:

(1) the number and sizes of alternative providers of service and affiliation to other providers;

(2) the extent to which services are available from alternative providers in the relevant market;

(3) the ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions of service;

(4) the market share, the ability of the market to hold prices close to cost, and other economic measures of market power; and

(5) the necessity of the service to the well-being of the customer.

(b) In order for the commission to find a service subject to effective competition alternative services must be available to over 50 percent of the company's customers for that service.

(c) In order for the commission to find a service subject to emerging competition alternative services must be available to over 20 percent of the company's customers for that service.

Subd. 6. **Burden of proof.** The classification of a service may not be changed so as to result in lessened regulation unless it is demonstrated by a preponderance of the evidence that the criteria of subdivision 5 have been met.

Subd. 8. **Interim relief.** A telephone company that has a petition pending before the commission under this section to declare a service competitive may decrease its price for that service without notice while the commission considers the petition. A company must provide an incremental cost study if requested by the commission. The commission shall suspend a company's right under this subdivision to decrease rates if, after an expedited hearing conducted under section 237.61, the commission finds that the service is being priced below cost, or that the company has within the previous 12 months charged customers interim rates under this subdivision for the same service, and that service was determined by the commission to be noncompetitive.

Subd. 9. **Reporting requirements; exception.** A telephone company that offers only competitive services is not subject to the accounting and reporting requirements of this chapter unless otherwise ordered by the commission for good cause. A telephone company that offers both competitive and noncompetitive services is not subject to the reporting requirements with regard to its effective competition services unless otherwise ordered by the commission for good cause.

Subd. 10. **Regulation reinstated.** (a) The commission, on its own motion or upon complaint, shall reclassify a service as noncompetitive or as subject to emerging competition and reinstate, in whole or in part, rate regulation of the service if, after notice and hearing, the commission finds either:

(1) that the competitive market for that service, on review of the criteria found in subdivision 5, has failed so that rate regulation of that service is necessary to protect the interest of consumers, that it has considered the alternatives to rate regulation, and that the benefits of rate regulation outweigh the burdens of rate regulation; or

(2) that unreasonable discrimination has occurred between different areas of the state.

(b) In any proceeding to reclassify a service the person initiating the complaint has the burden of proving that the existing classification is inappropriate, except the telephone company providing the service has the burden of proving that the classification is appropriate when the proceeding is commenced by the commission on its own motion or when the complainant is the department or the attorney general.

**237.66 DISCLOSURE OF LOCAL SERVICE OPTIONS.**

Subdivision 1. **Notice to local residential customers.** A telephone company, when a residential customer initially requests service or requests a change of service, and annually in the form of a bill insert, shall advise each residential customer of the price of all service options available to that customer. The requirement of an annual notice through a bill insert does not apply to long-distance service.

Subd. 1a. **Notice to customer; right to require prior authorization.** Each residential and commercial telecommunications carrier customer may elect to require that the telephone company serving the customer receive authorization from the customer before a request to serve that customer from a different intrastate telecommunications carrier than the carrier currently serving the customer is processed.

Subd. 1c. **Timing of notice; new customer.** For new installations, a telephone company shall notify a residential or commercial customer of the right described in subdivision 1a when the customer initially requests intraexchange service. Any customer notification of the rights set forth in this section shall be provided utilizing uniform, competitively neutral language and the form, content, and style of the authorization shall be consistent with federal law and regulation and shall use language provided and approved by the public utilities commission.

Subd. 1d. **Change of election.** A customer may change the election under subdivision 1a at any time by notifying the telephone company of that decision. No separate charge may be imposed on

the customer for electing to exercise the right described in subdivision 1a or to change that election, but a telephone company may recover in rates the reasonable costs of administering the election.

Subd. 2. **Filing; exemptions.** Copies of both the written notices and information provided to customer service representatives concerning the disclosure required under subdivision 1 must be filed once every 12 months with the commission and the department. Independent telephone companies, municipalities, and cooperative telephone associations are exempt from the requirements of this subdivision unless otherwise ordered by the commission.

Subd. 2a. **Call blocking.** A telephone company, when a residential customer initially requests service, shall advise each residential customer of the availability of all blocking options including 900 number blocking and international long-distance blocking.

Subd. 3. **Enforcement.** If, after an expedited procedure conducted under section 237.61, the commission finds that a telephone company is failing to provide disclosure as required under subdivision 1, or the notification required under subdivision 1c, it shall order the company to take corrective action as necessary.

**237.75 CLASS SERVICE.**

Subdivision 1. **Definition.** For purposes of this section, "CLASS" or "custom local area signaling service" means a custom calling telephone service that is enabled through the installation or use of Signaling System 7 or similar signaling system and that includes at least the following features:

(1) automatic call back;

(2) automatic recall;

(3) calling number delivery, commonly known as "caller identification";

(4) calling number delivery blocking;

(5) customer originated call tracing;

(6) distinctive ringing/call waiting;

(7) selective call acceptance;

(8) selective call forwarding; and

(9) selective call rejection.

Subd. 2. **CLASS; terms and conditions.** By January 1, 1994, the commission shall determine the terms and conditions under which CLASS services may be provided by telephone companies in this state.

Subd. 3. **CLASS; capability and offering of service.** Each telephone company that provides local telephone service to persons located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington shall obtain the capability to offer CLASS services in those counties by January 1, 1995, unless the commission approves an extension to a date certain.

**237.766 PLAN DURATION AND EXTENSION.**

Subdivision 1. **Plan duration.** An alternative regulation plan approved by the commission under section 237.764 must remain in force as approved for the term specified in the plan, which must be for no less than three years. Except as otherwise provided in this section, within six months prior to the termination of the plan the company shall give notice that it will propose a new plan, extend an existing plan, or revert to rate of return regulation.

Subd. 2. **New plan.** A new plan proposed by a company must be reviewed by the commission and, with the consent of the company, revised or approved consistent with sections 237.76 to 237.774, except that the justification of earnings levels in section 237.764, subdivision 1, paragraph (c), if required, and the provisions prohibiting rate increases at the initiation of or during the first three years of a plan contained in section 237.762, shall not apply to a new plan. Any new plan must be approved by the commission and shall contain a mechanism under which a telephone company may reduce the rates for price-regulated services below the initial rates or prices or increase the rates or prices during the term of the plan. The plan must specify the reports required of the telephone company for review of the plan and specify that the telephone company shall maintain records in sufficient detail to facilitate the review. A new plan is not an extension, which must be made pursuant to subdivision 3.

Subd. 3. **Plan extension.** (a) Notwithstanding the provisions of its plan, a telephone company operating under a plan as of May 20, 2004, may elect to extend that plan for up to three years from the expiration date of the plan or until December 31, 2007, whichever is earlier. The election is effective upon notification to customers, the commission, the department, and the Office of the Attorney General. A telephone company must provide notification of its election within 30 days of May 20, 2004, or within six months of the expiration of its current or expired plan, whichever is later. Once a telephone company has elected to exercise the option provided under this subdivision, the company may elect at any time to terminate the plan by notifying customers, the commission, the department, and the Office of the Attorney General, in writing, six months prior to the termination date. Upon termination of a plan, the company shall be regulated as provided in this chapter.

(b) A telephone company may elect to extend a plan entered into after May 20, 2004, in lieu of proposing a new plan only if the company is in substantial compliance with the plan's service quality provisions and has met its infrastructure obligations under the plan. If the company elects to extend a plan, the rates for price-regulated services shall be capped at the rate levels in effect at the time the extension commences, provided, however, exceptions to a price cap contained in the plan being extended may remain in force. Unless otherwise specified in the plan, all other provisions of the plan shall continue in effect throughout the extension period. A plan may not be extended for less than one year or more than three years, and may only be extended once.

(c) The Department of Commerce or the Office of the Attorney General may file an objection to the extension with the commission if the company is not in substantial compliance with the service quality provisions of its plan or has not met its infrastructure obligations under the plan. An objection must be filed within 45 days of the company's notice of its intention to extend the plan.

(d) If an objection is filed by the Department of Commerce or the Office of the Attorney General, the commission may hold a hearing on the issues raised in the objection. The hearings shall be completed within 30 days of the deadline for filing the objections. If the commission finds that the issues raised in the objection are valid, it may reject the extension. If the commission finds that the issues raised in the objection are not valid, it shall approve the extension. The commission shall issue its decision within 15 days of the completion of the hearings concerning the objection.

(e) If the Department of Commerce or the Office of the Attorney General does not file an objection, the commission shall approve the extension within 60 days of the company's filing of its notice of its intention to extend the plan.

Subd. 4. **Joining an existing plan.** (a) A telephone company may elect to opt into another company's plan if:

(1) the chosen plan is from a company that is larger than the electing company; or

(2) the chosen plan is from an affiliated company; and

(3) the plan is currently in effect.

(b) A telephone company electing to enter an existing plan in lieu of proposing a new plan must operate under the terms of that plan for at least three years. If the original term of the existing plan was longer than three years, then the adopting company must operate under the plan for that longer period.

(c) A telephone company that desires to adopt an existing plan must give notice to the commission at least 90 days prior to the proposed effective date of the adoption and to its customers at least 60 days prior to the proposed effective date.

(d) The Department of Commerce or the Office of the Attorney General may file an objection to a telephone company that has previously operated under a plan from electing to opt into the plan of another company if the electing company is not in substantial compliance with the service quality provisions or has not met the infrastructure obligations of its plan.

(e) If a telephone company has not previously operated under an alternative regulation plan, the rates for its price-regulated services must be capped for the first three years at the rates in effect at the time of opt in, except for any plan provisions that address exogenous changes.

(f) Within 30 days of the electing company filing notice to the commission, interested parties may file comments identifying any aspect of the adoption that the party believes is contrary to the public interest. Reply comments may be filed within 45 days following the notice to the commission. The commission shall accept the adoption unless it finds adoption of the existing plan by the electing telephone company is not in the public interest, in which case it may reject or modify the election to opt into the provisions of the existing plan. If the commission modifies the election, the electing

company may withdraw its proposed adoption of the existing plan by filing notice with the commission within 30 days of the commission's modification order.

**237.768 PERIODIC FINANCIAL REPORT.**

In addition to the reports required under section 237.766, an alternative regulation plan may require a telephone company to file with the department an annual report of financial matters for the previous calendar year on or before May 1 of each year on report forms furnished by the department in the same manner as is required of other telephone companies on August 1, 1995. In addition, any company subject to a plan shall file with the commission and department a copy of any filings it has made to the Federal Communications Commission regarding the provisions of video programming provided through a video dial tone facility in Minnesota. An alternative regulation plan may require a telephone company to maintain its accounts in accordance with the system of accounts prescribed for the company by the commission under section 237.10.

**237.772 COST STUDY METHODOLOGY.**

Subdivision 1. **Total service long-run incremental cost.** (a) For purposes of this chapter, total service long-run incremental cost (TSLRIC) means the total cost to the company of supplying a service, group of services, or basic network function. The term "long-run" means a period of time sufficient so that all inputs are avoidable based on the total increment of service, group of services, or basic network function and includes the relevant costs resulting from the company's decision to provide the service, group of services, or basic network function, holding constant the production levels of all other services, groups of services, or basic network functions provided by the company.

(b) A telephone company is not required to prepare or file TSLRIC or variable cost studies for all of its services as a prerequisite to filing a plan. However, the commission may order cost studies to be prepared for specific services as a condition of approval of the plan.

Subd. 2. **Petition for variable cost study.** To the extent that this section or the commission may require a company to provide a TSLRIC study, a company may submit a petition to the commission for permission to submit a variable cost study instead of a TSLRIC study. The commission shall grant the petition if the telephone company demonstrates:

(1) that a TSLRIC study is burdensome in relation to its annual revenue from the service involved;

(2) in the case of an existing service, that the service is no longer being offered to new customers; or

(3) if the telephone company shows other good cause.

**237.775 EXISTING PLAN NOT AFFECTED.**

An alternative regulation plan approved by the commission prior to May 1, 1997, is not subject to the amendments in Laws 1997, chapter 223; provided that a plan filed, revised, or renewed after that date is subject to those amendments.

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|---|---|---|---|---|
| Mann | Miller | Pappas | Rasmusson | Wesenberg |
| Marty | Mohamed | Pha | Rest | Westlin |
| Mathews | Murphy | Port | Seeberger | Westrom |
| Maye Quade | Nelson | Pratt | Utke | Wiklund |
| McEwen | Oumou Verbeten | Putnam | Weber | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, McEwen, Pappas, Pha, and Port.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Coleman, Jasinski, Johnson, Miller, and Pratt.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4052:** A bill for an act relating to telecommunications; modifying and clarifying various provisions governing telephone company regulation, facilities and property, pricing plans, service classification, and reporting requirements; amending Minnesota Statutes 2024, sections 237.035; 237.036; 237.069; 237.07, subdivision 1; 237.11; 237.164; 237.626, subdivisions 1, 3; 237.66, by adding subdivisions; 237.70, subdivision 7; 237.762, subdivision 5; repealing Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.75; 237.766; 237.768; 237.772; 237.775.

H.F. No. 4052 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lucero | Port |
| Bahr | Farnsworth | Jasinski | Mann | Pratt |
| Boldon | Fateh | Johnson | Marty | Putnam |
| Carlson | Frentz | Johnson Stewart | Mathews | Rasmusson |
| Champion | Green | Klein | Maye Quade | Rest |
| Clark | Gruenhagen | Koran | McEwen | Seeberger |
| Coleman | Gustafson | Kreun | Miller | Utke |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Weber |
| Dahms | Hawj | Kupec | Murphy | Wesenberg |
| Dibble | Heintzeman | Lang | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westrom |
| Draheim | Hoffman | Lieske | Pappas | Wiklund |
| Drazkowski | Holmstrom | Limmer | Pha | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, Maye Quade, McEwen, Pappas, Pha, and Port.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Coleman, Jasinski, Johnson, Miller, and Pratt.

So the bill passed and its title was agreed to.

# 108. HF 3155

**Vote:** 2026-04-29 | **Workbook row:** 113
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Gift card fraud included in organized retail theft.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/3155/versions/1/pdf/

## Original Senate journal context

PDF pages 53-53. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260429066.pdf#page=53

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3155/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3155

04/07/2025 Authored by Tabke, Perryman, Joy, Norris, Witte and others
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/23/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
04/30/2026 Passed by the Senate and returned to the House
05/06/2026 Presented to Governor
05/07/2026 Governor Approval

A bill for an act

relating to public safety; including gift card fraud in organized retail theft; amending Minnesota Statutes 2024, section 609.522, subdivisions 1, 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 609.522, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Closed-loop gift card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment, and is redeemable upon presentation by a consumer at a single merchant or group of affiliated merchants.

(c) "Gift card" means a physical or digital closed-loop gift card or open-loop gift card that is either activated or not activated.

(d) "Open-loop gift card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment, and is redeemable upon presentation at multiple unaffiliated merchants for goods or services within the payment card network.

~~(b)~~ (e) "Pattern of retail theft" means acts committed or directed by the defendant on at least two separate occasions in the preceding six months that would constitute a violation of:

(1) section 609.52, subdivision 2, paragraph (a), clause (1), (3), or (4), involving retail merchandise;

(2) section 609.521;

(3) section 609.53, subdivision 1, involving retail merchandise;

(4) section 609.582 when the building was a retail establishment; or

(5) section 609.59.

~~(e)~~ (f) "Retail establishment" means the building where a retailer sells retail merchandise.

~~(d)~~ (g) "Retail merchandise" means all forms of tangible property, without limitation, held out for sale by a retailer and all gift cards.

~~(e)~~ (h) "Retail theft enterprise" means a group of two or more individuals with a shared goal involving the unauthorized removal of retail merchandise from a retailer. Retail theft enterprise does not require the membership of the enterprise to remain the same or that the same individuals participate in each offense committed by the enterprise.

~~(f)~~ (i) "Retailer" means a person or entity that sells retail merchandise.

~~(g)~~ (j) "Value" means:

(1) in the case of property, the retail market value at the time of the theft or, if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft~~.~~; or

(2) in the case of a gift card, the greatest amount of economic loss the owner of the property might reasonably suffer, including but not limited to the full monetary face value or potential value for variable-load gift cards.

Sec. 2. Minnesota Statutes 2024, section 609.522, subdivision 2, is amended to read:

Subd. 2. **Organized retail theft.** A person is guilty of organized retail theft if:

(1) the person is employed by or associated with a retail theft enterprise;

(2) the person has previously engaged in a pattern of retail theft and intentionally commits an act or directs another member of the retail theft enterprise to commit an act involving retail merchandise that would constitute a violation of:

(i) section 609.52, subdivision 2, paragraph (a), clause (1), (3), or (4); or

(ii) section 609.53, subdivision 1; and

(3) the person or another member of the retail theft enterprise:

(i) resells or intends to resell the stolen retail merchandise;

(ii) advertises or displays any item of the stolen retail merchandise for sale; ~~or~~

(iii) returns any item of the stolen retail merchandise to a retailer for anything of value~~.~~; or

(iv) tampers with the stolen retail merchandise or its packaging for the purpose of obtaining anything of value from the retailer or any retail customer.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

## SPECIAL ORDER

**H.F. No. 3155:** A bill for an act relating to public safety; including gift card fraud in organized retail theft; amending Minnesota Statutes 2024, section 609.522, subdivisions 1, 2.

Senator Duckworth moved that the amendment made to H.F. No. 3155 by the Committee on Rules and Administration in the report adopted April 28, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3155 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lucero | Port |
| Bahr | Farnsworth | Jasinski | Mann | Pratt |
| Boldon | Fateh | Johnson | Marty | Putnam |
| Carlson | Frentz | Johnson Stewart | Mathews | Rasmusson |
| Champion | Green | Klein | Maye Quade | Rest |
| Clark | Gruenhagen | Koran | McEwen | Seeberger |
| Coleman | Gustafson | Kreun | Miller | Utke |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Weber |
| Dahms | Hawj | Kupec | Murphy | Wesenberg |
| Dibble | Heintzeman | Lang | Nelson | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westrom |
| Draheim | Hoffman | Lieske | Pappas | Wiklund |
| Drazkowski | Holmstrom | Limmer | Pha | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Klein, Maye Quade, McEwen, Pappas, Pha, and Port.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Coleman, Jasinski, Johnson, Miller, and Pratt.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4075:** A bill for an act relating to public safety; establishing a uniform procedure for imposition, implementation, and oversight of firearm restrictions resulting from certain criminal convictions and judicial orders; amending Minnesota Statutes 2024, sections 260C.201, subdivision 3; 518B.01, subdivisions 6, 14; 609.2242, subdivision 3; 609.749, subdivision 8; 629.715, subdivision 2; Minnesota Statutes 2025 Supplement, sections 260C.141, subdivision 1; 518B.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 518B.

Senator Abeler moved to amend H.F. No. 4075 as follows (A-1):

Page 16, line 17, after the period, insert "No fee may be charged if the subject has, in the past year, qualified for a public defender or been approved to proceed in forma pauperis in a court proceeding." and after "who" insert "is charged a storage fee and"

# 109. HF 2358

**Vote:** 2026-04-30 | **Workbook row:** 114
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Enhanced criminal penalty provided for violations of coercion crime.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-03-05** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/2358/versions/1/pdf/

## Original Senate journal context

PDF pages 47-48. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260430067.pdf#page=47

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/2358/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 2358

| | |
|---|---|
| 03/13/2025 | Authored by Van Binsbergen, Baker, Repinski, Curran and Bahner<br>The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy |
| 03/05/2026 | Adoption of Report: Placed on the General Register as Amended<br>Read for the Second Time |
| 04/20/2026 | Calendar for the Day<br>Read for the Third Time<br>Passed by the House and transmitted to the Senate |
| 04/30/2026 | Passed by the Senate and returned to the House |
| 05/06/2026 | Presented to Governor |
| 05/07/2026 | Governor Approval |

A bill for an act

relating to public safety; providing enhanced criminal penalty for certain violations of coercion crime; amending Minnesota Statutes 2024, section 609.27, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 609.27, subdivision 2, is amended to read:

Subd. 2. **Sentence.** (a) Whoever violates subdivision 1 may be sentenced as follows:

(1) to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both if neither the pecuniary gain received by the violator nor the loss suffered by the person threatened or another as a result of the threat exceeds $300, or the benefits received or harm sustained are not susceptible of pecuniary measurement; or

(2) to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if such pecuniary gain or loss is more than $300 but less than $2,500; or

(3) to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if such pecuniary gain or loss is $2,500, or more.

(b) A person who violates subdivision 1, clause (6), may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than $20,000, or both, if the violation is a substantial factor in the victim suffering great bodily harm.

(c) A person who violates subdivision 1, clause (6), may be sentenced to imprisonment for not more than 15 years, or to payment of a fine of not more than $30,000, or both, if the violation is a substantial factor in the victim suffering death.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Referred to the Committee on Taxes.

## MOTIONS AND RESOLUTIONS

Senator Oumou Verbeten moved that the name of Senator Clark be added as a co-author to S.F. No. 667. The motion prevailed.

Senator Duckworth moved that the name of Senator Gustafson be added as a co-author to S.F. No. 3338. The motion prevailed.

Senator Port moved that the name of Senator Fateh be added as a co-author to S.F. No. 3490. The motion prevailed.

Senator Kreun moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 4696. The motion prevailed.

Senator Hoffman moved that H.F. No. 3379, No. 32 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 2358; S.F. Nos. 4511, 4474, 4535; H.F. No. 4224; S.F. No. 4367; and H.F. No. 3970.

## SPECIAL ORDER

**H.F. No. 2358:** A bill for an act relating to public safety; providing enhanced criminal penalty for certain violations of coercion crime; amending Minnesota Statutes 2024, section 609.27, subdivision 2.

Senator Lang moved that the amendment made to H.F. No. 2358 by the Committee on Rules and Administration in the report adopted April 22, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2358 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Dahms | Frentz | Hoffman | Koran |
| Bahr | Dibble | Green | Holmstrom | Kreun |
| Boldon | Dornink | Gruenhagen | Housley | Kunesh |
| Carlson | Draheim | Gustafson | Howe | Kupec |
| Champion | Drazkowski | Hauschild | Jasinski | Lang |
| Clark | Duckworth | Hawj | Johnson | Latz |
| Coleman | Farnsworth | Heintzeman | Johnson Stewart | Lieske |
| Cwodzinski | Fateh | Hemmingsen-Jaeger | Klein | Limmer |

| | | | | |
|---|---|---|---|---|
| Lucero | Miller | Pha | Rest | Westrom |
| Mann | Mohamed | Port | Seeberger | Wiklund |
| Marty | Murphy | Pratt | Utke | Xiong |
| Mathews | Nelson | Putnam | Weber | |
| Maye Quade | Oumou Verbeten | Rarick | Wesenberg | |
| McEwen | Pappas | Rasmusson | Westlin | |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Latz, McEwen, Pappas, Port, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Draheim, Howe, Lieske, and Miller.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4511:** A bill for an act relating to public safety; prohibiting certain wagers and other activities regarding prediction markets; making certain criminal convictions a disqualification for receiving a lawful gambling license; providing criminal penalties; amending Minnesota Statutes 2024, sections 299L.03, subdivision 12; 609.75, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

Senator Marty moved to amend S.F. No. 4511 as follows (A-7):

Page 4, lines 26 and 30, after "consumers" insert "in violation of this section"

The motion prevailed. So the amendment was adopted.

Senator Johnson moved to amend S.F. No. 4511 as follows (A-8):

Page 3, line 31, delete "the" and insert "short-term" and after "weather" insert "events or conditions"

The motion prevailed. So the amendment was adopted.

S.F. No. 4511 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 10, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Howe | Maye Quade | Rasmusson |
| Bahr | Frentz | Johnson Stewart | McEwen | Rest |
| Boldon | Green | Klein | Mohamed | Seeberger |
| Carlson | Gruenhagen | Koran | Murphy | Utke |
| Champion | Gustafson | Kreun | Nelson | Weber |
| Clark | Hauschild | Kunesh | Oumou Verbeten | Westlin |
| Coleman | Hawj | Kupec | Pappas | Wiklund |
| Cwodzinski | Heintzeman | Latz | Pha | Xiong |
| Dibble | Hemmingsen-Jaeger | Limmer | Port | |
| Dornink | Hoffman | Lucero | Pratt | |
| Drazkowski | Holmstrom | Mann | Putnam | |
| Farnsworth | Housley | Marty | Rarick | |

# 110. HF 4224

**Vote:** 2026-04-30 | **Workbook row:** 115
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Notice requirements for water discharges modified.

## Included complete bill documents

**1. Introduction, posted 2026-03-12** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4224/versions/0/pdf/

## Original Senate journal context

PDF pages 59-59. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260430067.pdf#page=59

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4224/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4224**

| | |
|---|---|
| 03/12/2026 | Authored by Fischer |
| | The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy |
| 03/23/2026 | Adoption of Report: Placed on the General Register |
| | Read for the Second Time |
| 04/27/2026 | Calendar for the Day |
| | Read for the Third Time |
| | Passed by the House and transmitted to the Senate |
| 04/30/2026 | Passed by the Senate and returned to the House |
| 05/06/2026 | Presented to Governor |
| 05/07/2026 | Governor Approval |

A bill for an act

relating to environment; modifying notice requirements for water discharges; amending Minnesota Statutes 2024, section 115.061.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 115.061, is amended to read:

**115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.**

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice of the discharge to ~~the~~ potentially impacted downstream users, including the public, Tribal governments, and ~~to any downstream~~ drinking water ~~facility that may be impacted by the discharge~~ facilities. Notice ~~to the public and to any drinking water facility~~ must be made using the most efficient communications system available to the facility owner such as in person, telephone call, radio, social media, web page, or another expedited

form. In addition, signage must be posted at all impacted public use areas within the same jurisdiction or notification must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the discharge, a description of the material released, a warning of the potential public health risk, and the permittee's contact information.

(d) The agency must provide guidance that includes but is not limited to methods and protocols for providing timely notice under this section.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman, Draheim, Duckworth, Gruenhagen, Howe, and Lieske.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4224:** A bill for an act relating to environment; modifying notice requirements for water discharges; amending Minnesota Statutes 2024, section 115.061.

President Champion resumed the Chair.

H.F. No. 4224 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Limmer | Pratt |
| Bahr | Farnsworth | Howe | Mann | Putnam |
| Boldon | Fateh | Jasinski | Marty | Rarick |
| Carlson | Frentz | Johnson | Mathews | Rasmusson |
| Champion | Green | Johnson Stewart | Maye Quade | Rest |
| Clark | Gruenhagen | Klein | McEwen | Seeberger |
| Coleman | Gustafson | Koran | Mohamed | Utke |
| Cwodzinski | Hauschild | Kreun | Murphy | Weber |
| Dahms | Hawj | Kunesh | Nelson | Wesenberg |
| Dibble | Heintzeman | Kupec | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Lang | Pappas | Westrom |
| Draheim | Hoffman | Latz | Pha | Wiklund |
| Drazkowski | Holmstrom | Lieske | Port | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Dibble, Fateh, Hoffman, Johnson Stewart, Klein, Latz, Mann, Marty, McEwen, Mohamed, Pha, Port, Putnam, and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Draheim, Duckworth, Gruenhagen, Howe, Lang, and Lieske.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4367:** A bill for an act relating to local government; authorizing housing and redevelopment agencies to utilize certain long-term equity investment authority; modifying investment types in which a qualifying government may invest; amending Minnesota Statutes 2024, section 118A.09, subdivisions 2, 4, by adding a subdivision.

S.F. No. 4367 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

# 111. HF 3970

**Vote:** 2026-04-30 | **Workbook row:** 116
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 2 nays

**Workbook subject:** Remedy to extinguish a joint interest in a contract for deed of a perpetrator of domestic abuse or sexual assault established.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-24** - 7 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3970/versions/2/pdf/

## Original Senate journal context

PDF pages 60-60. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260430067.pdf#page=60

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3970/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 3970**


03/05/2026 Authored by Moller, Frazier and Curran
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/23/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
04/30/2026 Passed by the Senate and returned to the House
05/06/2026 Presented to Governor
05/07/2026 Governor Approval


A bill for an act

relating to civil law; establishing a remedy to extinguish a joint interest in a contract for deed of a perpetrator of domestic abuse or sexual assault; amending Minnesota Statutes 2024, section 559.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 559.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[559.206] ACTION TO TERMINATE A PARTIAL INTEREST IN A CONTRACT FOR DEED BY A VICTIM OF DOMESTIC VIOLENCE.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

(c) "Criminal sexual assault" means conduct described in sections 609.342 to 609.3451.

(d) "Domestic abuse" has the meaning given under section 518B.01, subdivision 2.

(e) "Harassment" means the conduct described under sections 609.748, subdivision 1, paragraph (a), clause (1), and 609.749, subdivision 2, paragraph (c).

(f) "Qualified third party" means a person, acting in an official capacity, who has provided professional services to a petitioner or a child who resides with the petitioner and is:

(1) a licensed health care professional operating within the scope of the license;

(2) a domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l); or

(3) a sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k).

(g) "Qualifying document" means:

(1) a valid order for protection issued under chapter 518B;

(2) a no contact order currently in effect, issued under section 629.75 or chapter 609;

(3) a writing produced and signed by a court official, acting in an official capacity, documenting that the petitioner, or a child who resides with the petitioner, is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment and naming the perpetrator, if known;

(4) a writing produced and signed by a city, county, state, or Tribal law enforcement official, acting in an official capacity, documenting that the petitioner, or a child who resides with the petitioner, is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment and naming the perpetrator, if known; or

(5) a sworn written certification.

(h) "Petitioner" means a person who has a partial interest as a vendee in a contract for deed for the purchase of residential real property with the respondent and is seeking to have the respondent's interest terminated, and:

(1) is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment; or

(2) resides with a child who is the victim of domestic abuse, criminal sexual conduct, sexual extortion, or harassment.

(i) "Respondent" means a person who has a partial interest as a vendee with the petitioner in a contract for deed for the purchase of residential real property and whose interest in the contract for deed is the subject of a petition under this section.

(j) "Sexual extortion" means the conduct described under section 609.3458.

(k) "Sworn written certification" means a statement by a qualified third party, in the following form:

"CERTIFICATION BY QUALIFIED THIRD PARTY

I, (name of qualified third party), do hereby verify as follows:

1. I am a licensed health care professional; domestic abuse advocate, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (l); or sexual assault

counselor, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (k), who has provided professional services to ..... (name of petitioner) or a child who resides with the petitioner.

2. I have a reasonable basis to believe ..... (name of petitioner) or a child who resides with the petitioner is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment by ..... (name of respondent).

3. I understand that the petitioner listed above may use this document as a basis for seeking a court order terminating the interest in the contract for deed of the respondent in a court action initiated by the petitioner pursuant to Minnesota Statutes, section 559.206.

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone number)

(Date)"

(l) "Vendee" means a person or entity who has entered into a contract for deed to purchase residential real property under a contract for deed.

(m) "Vendor" means a person or entity selling residential real property under a contract for deed. Vendor includes the vendor's successor and assignees.

Subd. 2. **Petition to terminate respondent's interest.** (a) A petitioner who is unmarried may petition the court for an order to terminate the respondent's interest in the contract for deed. The petition must allege that the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent, and the respondent has abandoned the respondent's interest in the contract for deed. A respondent has abandoned their interest in the contract for deed if the respondent has not physically occupied the property that is subject to the contract for deed for at least six consecutive months immediately preceding the commencement of the action under this section, and the petitioner has made all payments due on the contract for deed for at least six consecutive months immediately preceding the commencement of the action under this section.

(b) The petitioner must serve a summons and petition that include the legal description of the property subject to the contract for deed on:

(1) the respondent;

(2) the holder or holders of the vendor's interest;

(3) state and federal tax lienholders;

(4) any judgment lienholders; and

(5) any other persons known or appearing of record to have any right or title to, estate or interest in, or lien on the property that is subject to the contract for deed.

(c) The summons must be served in the manner provided to commence a civil lawsuit under Minnesota Rules of Civil Procedure. The respondent shall have 21 days after service of the summons to answer.

(d) A notice of lis pendens must be recorded in the office of the county recorder or filed in the office of the registrar of titles in the county in which the real property that is subject to the contract for deed is located.

Subd. 3. **Content of summons.** In addition to the requirements set forth under the Minnesota Rules of Civil Procedure, the summons must contain the following information:

(1) the date the contract for deed was executed;

(2) the street address of the property that is subject to the contract for deed;

(3) the name of the vendor;

(4) the names of the vendees;

(5) the date of recordation of the contract for deed, the document number, and the county in which it was recorded;

(6) the case name;

(7) the court file number;

(8) the judicial district in which the real property is located;

(9) the legal description of the real property subject to the contract for deed;

(10) a statement that the action seeks to terminate the respondent's partial interest in the contract for deed;

(11) a statement that failure to respond to the summons and petition within the time allowed may result in a judgment that permanently terminates an interest in the contract for deed; and

(12) a statement that the action may affect any right or title to, estate or interest in, or lien on the real property described in the summons.

Subd. 4. **Jurisdiction.** (a) Except as provided in paragraph (b), the district court has jurisdiction over petitions seeking termination of the interest of the respondent.

(b) Unless otherwise provided by applicable law, nothing in this section infringes upon the jurisdiction of a Tribal court in the matter of a petition to terminate the interest of a respondent in a contract for deed.

Subd. 5. **Procedure.** (a) Except when a case proceeds by default, if an answer is filed and the petition is contested, the court must hold a hearing. The court must grant the petition if the petitioner demonstrates by a preponderance of the evidence that the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent, and the respondent has abandoned their interest in the contract for deed as described in subdivision 2, paragraph (a).

(b) A petitioner demonstrates that the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent if:

(1) the petitioner presents a qualifying document; or

(2) the respondent has been convicted of or received a stay of adjudication for a violation of section 518B.01, 609.27, 609.282, 609.322, 609.342 to 609.3451, 609.3458, 609.527, or 609.749 where the victim was the petitioner or a child who resides with the petitioner.

Subd. 6. **Defense; prejudice to the vendor.** A vendor may contest a petition filed under this section by demonstrating by a preponderance of the evidence that granting the petition to terminate the respondent's interest will prejudice the vendor. A court must not grant the petition if the court finds that the vendor will be prejudiced by a termination of the respondent's interest.

Subd. 7. **Order.** If the court grants the petition, the court shall issue an order terminating the interest of the respondent and finding that the petitioner has met the burden of showing that the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent, and the respondent has abandoned the respondent's interest in the contract for deed as described in subdivision 2, paragraph (a).

Subd. 8. **Contract for deed termination judgment.** (a) A court granting the requested relief shall prepare, or direct the petitioner or the petitioner's legal counsel to prepare and submit to the court, a proposed contract for deed termination judgment, which must provide that the respondent's interest is terminated and of no further force or effect. Upon approval

by the court and filing of the contract for deed termination judgment with the court administrator, the court administrator must provide to any party upon request certified copies of the contract for deed termination judgment. The contract for deed termination judgment must contain the following information:

(1) the date of execution of the contract for deed;

(2) the date of recordation of the contract for deed and the county in which it was recorded;

(3) the date of entry of the judgment terminating the respondent's interest in the contract for deed;

(4) the names of the parties' attorneys or if any or all appeared pro se;

(5) whether and when the summons and petition were served upon the respondent and holder or holders of the vendor's interest in the manner provided to commence a civil lawsuit under the Minnesota Rules of Civil Procedure;

(6) the name of the judge who signed the order;

(7) whether the judgment and decree resulted from a stipulation, a default, or a trial and the appearances at the default or trial;

(8) any former name of either party;

(9) the street address and legal description of the property that is the subject of the contract for deed;

(10) if recorded, the document number of the contract for deed;

(11) if the real property is registered land, the certificate of title number of the real property;

(12) the name or names of the person or persons awarded an interest in the real property and a description of the interest awarded;

(13) liens, mortgages, encumbrances, or other interests in the real estate described in the judgment and decree;

(14) the signature of the judge and the date signed;

(15) the signature of the court administrator and the date signed; and

(16) if the judgment and decree resulted from a default, whether the petition contained the legal description of the real property and whether disposition was made in accordance with the request for relief.

(b) Notwithstanding any provision contained in the contract for deed, a respondent whose interest has been terminated has no interest as a vendee in the contract for deed.

(c) The petitioner must record the contract for deed termination judgment with the county recorder or the registrar of titles, as applicable.

(d) A contract for deed termination judgment is binding on the interest of the vendor and all vendees under the contract for deed.

Subd. 9. **Effect of termination.** (a) The termination of the respondent's interest in the contract for deed does not terminate or invalidate any other provision of the contract for deed. The respondent's interest that has been terminated shall be transferred to the petitioner by operation of law upon entry of the court's order without the necessity of any further act or conveyance.

(b) A respondent whose interest has been terminated under this section has no further liability on the contract for deed and a vendor shall have no cause of action against the respondent for damages or performance.

**EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to contracts for deed entered into on or after that date.

Sec. 2. Minnesota Statutes 2024, section 559.21, is amended by adding a subdivision to read:

Subd. 10. **Applicability to section 559.206.** Nothing in this section shall apply to a vendee whose interest was terminated under section 559.206.

**EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to contracts for deed entered into on or after that date.

The roll was called, and there were yeas 45 and nays 21, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Draheim | Hoffman | Limmer | Pappas |
| Boldon | Farnsworth | Housley | Mann | Pha |
| Carlson | Fateh | Johnson | Marty | Port |
| Champion | Frentz | Johnson Stewart | Maye Quade | Putnam |
| Clark | Gruenhagen | Klein | McEwen | Rest |
| Coleman | Gustafson | Kreun | Mohamed | Seeberger |
| Cwodzinski | Hauschild | Kunesh | Murphy | Westlin |
| Dibble | Hawj | Kupec | Nelson | Wiklund |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Xiong |

Pursuant to Rule 40, Senator Hauschild cast the affirmative vote on behalf of the following Senators: Carlson, Dibble, Fateh, Hoffman, Johnson Stewart, Klein, Kunesh, Latz, Mann, Marty, McEwen, Mohamed, Pha, Port, Putnam, and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Draheim, and Gruenhagen.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Heintzeman | Lang | Rarick | Westrom |
| Dahms | Holmstrom | Lieske | Rasmusson | |
| Drazkowski | Howe | Lucero | Utke | |
| Duckworth | Jasinski | Mathews | Weber | |
| Green | Koran | Pratt | Wesenberg | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Duckworth, Howe, Lang, and Lieske.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3970:** A bill for an act relating to civil law; establishing a remedy to extinguish a joint interest in a contract for deed of a perpetrator of domestic abuse or sexual assault; amending Minnesota Statutes 2024, section 559.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 559.

Senator Gustafson moved that the amendment made to H.F. No. 3970 by the Committee on Rules and Administration in the report adopted April 28, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3970 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Clark | Cwodzinski | Dibble |
| Boldon | Champion | Coleman | Dahms | Dornink |

# 112. SF 4171

**Vote:** 2026-05-04 | **Workbook row:** 117
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 3 nays

**Workbook subject:** Vacating tenants submetered utility service final billing provision and payment of rent by tenants provisions modifications

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-05-04** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/4171/versions/2/pdf/

## Original Senate journal context

PDF pages 5-6. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260504068.pdf#page=5

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/4171/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 4171

**(SENATE AUTHORS: PORT, Lucero and Clark)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/05/2026 | 6518 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 04/07/2026 | 7204a | Comm report: To pass as amended |
| | 7904 | Second reading |
| 04/14/2026 | 8033 | Author added Clark |
| 04/20/2026 | 8539 | Special Order |
| | 8540 | Third reading Passed |
| 05/04/2026 | 9329a | Returned from House with amendment |
| | 9329 | Senate concurred and repassed bill |
| | 9329 | Third reading Passed as amended |
| | | Presentment date 05/11/2026 |
| | 10596 | Governor's action Approval 05/12/26 |
| | 10596 | Secretary of State Chapter 81 05/12/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to housing; providing for submetered utility service final billing for vacating tenants; modifying provisions related to the payment of rent by tenants; prohibiting listing a minor in certain eviction actions; modifying expedited eviction procedures; amending Minnesota Statutes 2024, sections 216B.023, by adding a subdivision; 504B.118; 504B.216, by adding a subdivision; 504B.321, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 504B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 216B.023, is amended by adding a subdivision to read:

Subd. 3a. **Final billing for submetered utility service.** If, by the date the tenant vacates the unit, a landlord has not received from the utility provider the actual utility bill for utility service, the landlord may issue an estimated final utility bill to the tenant. The calculation must be based on the immediately preceding billing period for the submetered utility bill charged to the tenant, prorated for the number of days between the end of the prior billing period and the date the tenant vacates the unit. No additional fees or charges may be assessed, except that nothing in this subdivision prohibits a landlord from assessing and including in the final utility bill:

(1) an administrative billing charge authorized under subdivision 4; and

(2) a late payment charge authorized under subdivision 6, provided that the late payment charge reflects only a late fee for unpaid charges from the immediately preceding billing period.

Sec. 2. Minnesota Statutes 2024, section 504B.118, is amended to read:

**504B.118 ~~RECEIPT FOR RENT PAID IN CASH~~ PAYMENT OF RENT.**

Subdivision 1. **Definition.** For the purposes of this section, "digital payment platform" means an electronic application or system, under the direct control of the landlord or operated by a vendor under contract with the landlord, that permits a user to conduct financial transactions.

Subd. 2. **Receipt for rent paid in cash.** A landlord receiving rent or other payments from a tenant in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person.

Subd. 3. **Digital payment platforms.** (a) If a landlord requires or permits a tenant to pay rent and other charges using a digital payment platform, a landlord must offer a tenant an alternative to using the digital payment platform if the platform is not functioning. No fee may be charged to the tenant to use an alternative form of payment.

(b) If the landlord knows that the digital payment platform is not functioning, the landlord must restore access to the digital payment platform or offer an alternative means of payment as soon as practicable.

(c) A landlord is prohibited from taking any adverse action, including but not limited to filing an eviction or assessing late fees, when payment of rent or other charges is not paid because both the digital payment platform and the alternative payment method the landlord provided are not functioning for the tenant.

Subd. 4. **Affirmative defense.** The tenant has an affirmative defense against an eviction action filed for nonpayment of rent if the landlord violates this section. Upon a showing that the landlord has violated this section, the eviction action must be dismissed, and the tenant is entitled to reasonable attorney fees and any other equitable relief the court deems appropriate.

**EFFECTIVE DATE.** This section is effective August 1, 2026. Subdivision 4 applies to eviction actions filed on or after that date.

Sec. 3. **[504B.2136] MINORS AS DEFENDANTS PROHIBITED.**

(a) A residential landlord shall not list the minor child of a residential tenant as a defendant in an eviction action complaint against a residential tenant. If a minor is the only

person renting the unit from the landlord, the landlord may list the minor as a defendant in an eviction action complaint against the minor.

(b) The requirements of this section may not be waived or modified by the parties to a residential lease. Any provision, whether oral or written, of a lease or other agreement by which any provision of this section is waived by a tenant is contrary to public policy and void.

(c) The tenant shall recover from the landlord actual damages or $300, whichever is greater, for a violation of this section.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to eviction actions filed on or after that date.

Sec. 4. Minnesota Statutes 2024, section 504B.216, is amended by adding a subdivision to read:

Subd. 7a. **Final billing for apportioned utility service.** If, by the date the tenant vacates the unit, a landlord has not received from the utility provider the actual utility bill for utility service, the landlord may issue an estimated final utility bill to the tenant. The calculation must be based on the immediately preceding billing period for the apportioned utility bill charged to the tenant, prorated for the number of days between the end of the prior billing period and the date the tenant vacates the unit. No additional fees or charges may be assessed, except that nothing in this subdivision prohibits a landlord from assessing and including in the final utility bill:

(1) an administrative billing charge authorized under subdivision 8; and

(2) a late payment charge authorized under subdivision 9, provided that the late payment charge reflects only a late fee for unpaid charges from the immediately preceding billing period.

Sec. 5. Minnesota Statutes 2024, section 504B.321, subdivision 2, is amended to read:

Subd. 2. **Expedited procedure.** (a) In an eviction action brought under section 504B.171 or on the basis that the residential tenant engages in behavior that seriously endangers the safety of other residents, assaults the landlord or the landlord's employees or contractors, or intentionally and seriously damages the property of the landlord or a tenant, the person filing the complaint shall file an affidavit stating specific facts and instances in support of why an expedited hearing is required. For the purposes of this subdivision, "assault" has the meaning given in section 609.02, subdivision 10.

(b) The complaint and affidavit shall be reviewed by a referee or judge and scheduled for an expedited hearing only if sufficient supporting facts are stated and they meet the requirements of this paragraph.

(c) The appearance in an expedited hearing shall be not less than five days nor more than seven days from the date the summons is issued. The summons, in an expedited hearing, shall be served upon the residential tenant within 24 hours of issuance unless the court orders otherwise for good cause shown.

(d) If the court determines that the person seeking an expedited hearing did so without sufficient basis under the requirements of this subdivision, the court shall impose a civil penalty of up to ~~$500~~ $750 for abuse of the expedited hearing process.

(e) The court may only consider allegations under paragraph (a) during an expedited hearing. The court may not consolidate claims heard under the expedited procedure with any additional claims, including but not limited to breach of lease, holding over under section 504B.285, or nonpayment of rent under section 504B.291.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to eviction actions filed on or after that date.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 4171:** A bill for an act relating to housing; providing for submetered utility service final billing for vacating tenants; modifying provisions related to the payment of rent by tenants; amending Minnesota Statutes 2024, sections 216B.023, by adding a subdivision; 504B.118; 504B.216, by adding a subdivision.

Senate File No. 4171 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 30, 2026

## CONCURRENCE AND REPASSAGE

Senator Port moved that the Senate concur in the amendments by the House to S.F. No. 4171 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 4171 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Jasinski | Mann | Putnam |
| Boldon | Frentz | Johnson | Marty | Rarick |
| Carlson | Green | Johnson Stewart | Maye Quade | Rasmusson |
| Champion | Gruenhagen | Klein | McEwen | Rest |
| Clark | Gustafson | Koran | Miller | Seeberger |
| Coleman | Hauschild | Kreun | Mohamed | Utke |
| Cwodzinski | Hawj | Kunesh | Murphy | Weber |
| Dahms | Heintzeman | Kupec | Nelson | Wesenberg |
| Dibble | Hemmingsen-Jaeger | Lang | Oumou Verbeten | Westlin |
| Dornink | Hoffman | Latz | Pappas | Wiklund |
| Draheim | Holmstrom | Lieske | Pha | Xiong |
| Duckworth | Housley | Limmer | Port | |
| Farnsworth | Howe | Lucero | Pratt | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Dibble, Fateh, and McEwen.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Rasmusson and Weber.

Those who voted in the negative were:

| | | |
|---|---|---|
| Bahr | Drazkowski | Mathews |

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 4760:** A bill for an act relating to public safety; modifying provisions regarding data protection, domestic abuse, victims' rights, license revocation, community-based correctional facilities, private detectives and protective agents, law enforcement grants, criminal records, orders for protection, harassment restraining orders, judicial officials, disqualifications based on criminal history, substance abuse care, mental health unit beds, community supervision, medication for incarcerated persons, the crime of coercion, reverse-location data, financial crimes and fraud, organized retail theft, age deception, background checks, eviction processes, and smoke alarms; extending the time available to use an appropriation; making technical corrections; providing criminal penalties; requiring a report; amending Minnesota Statutes 2024, sections 13.69, subdivision 1; 13.6905, by adding subdivisions; 13.871, subdivision 5; 116L.362, subdivision 1; 119A.37, subdivision 4; 142G.12, subdivision 2; 142G.53; 171.09, subdivision 3; 171.12, subdivision 7c, by adding a subdivision; 171.177, subdivision 8; 203B.06, subdivision 3; 203B.11, subdivision 1; 241.021, subdivisions 1f, 1i, 4a; 241.69, subdivisions 1, 3, 4, 5, 6; 244.10, subdivision 5a; 256D.02, subdivision 12a; 256G.02, subdivision 6; 257.75, subdivision 6; 260E.02, subdivision 1; 299A.85, subdivision 4; 299A.90, subdivision 3; 299C.05; 299C.065; 299C.46, subdivision 6; 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3; 364.03, subdivision 3; 364.05; 504B.321, subdivision 2; 518B.01, subdivision 6; 518B.02, subdivision 2; 559.21, by adding a subdivision; 609.133, subdivision 4; 609.27, subdivision 2; 609.3471; 609.522, subdivisions 1, 2; 609.527, subdivision 1; 609.605, subdivision 2; 609.748, by adding a subdivision; 609.7495, subdivision 1; 609A.015, subdivision 5; 611A.03, subdivision 1, by adding a subdivision; 611A.0311, subdivision 1; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1; 611A.31, subdivision 5; 629.341, subdivisions 1, 4; 629.72, subdivisions 1a, 2, 2a, 6; Minnesota Statutes 2025 Supplement, sections 120B.22, subdivision 1; 171.12, subdivision 7; 171.178, subdivision 5; 171.306, subdivision 1; 201.061, subdivision 3; 241.021, subdivisions 1, 4f; 256G.03, subdivision 2; 299C.061, subdivision 3; 299C.76, subdivision 1; 299C.80, subdivision 6; 480.40, subdivision 1; 480.50, subdivision 1; 609.101, subdivision 2; 609.2334, subdivision 11; 628.26; Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended; proposing coding for new law in Minnesota Statutes, chapters 241; 518B; 559; 609; 626; 626A; repealing Minnesota Statutes 2024, sections 169A.54, subdivision 6; 241.021, subdivisions 1g, 1h, 2a, 2b, 3, 6; 299C.12; 629.72, subdivision 3; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2.

Senate File No. 4760 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 30, 2026

# 113. HF 3709

**Vote:** 2026-05-06 | **Workbook row:** 118
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 51 yeas, 16 nays

**Workbook subject:** Virtual-currency custody services allowed to be offered and performed.

## Included complete bill documents

**1. Introduction, posted 2026-02-24** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3709/versions/0/pdf/

**2. 1st Unofficial Engrossment, posted 2026-05-06** - 4 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/3709/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 30-31. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260506070.pdf#page=31

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3709/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3709

02/25/2026 Authored by Perryman, Elkins and Allen
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
03/05/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
04/30/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to financial institutions; allowing certain virtual-currency custody services to be offered and performed; proposing coding for new law in Minnesota Statutes, chapters 48; 52.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[48.741] VIRTUAL-CURRENCY CUSTODY SERVICES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Control of virtual currency" has the meaning given in section 53B.69, subdivision 2.

(c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

(d) "Virtual-currency custody services" means safekeeping, controlling, or managing virtual currency, or the cryptographic private keys used to access virtual currency, on behalf of another person.

Subd. 2. **Authority.** A banking institution may provide virtual-currency custody services in a fiduciary or nonfiduciary capacity, subject to this section and applicable state and federal law.

Subd. 3. **Safety and soundness.** A banking institution that engages in virtual-currency custody services must conduct the activity in a safe and sound manner and must maintain written policies and procedures governing risk management, internal controls, cybersecurity, business continuity, and compliance.

Subd. 4. **Notice to commissioner.** A banking institution must provide written notice to the commissioner at least 60 days before commencing virtual-currency custody services. The notice must describe the nature of the services and the banking institution's risk management framework.

Subd. 5. **Fiduciary capacity.** (a) A banking institution may provide virtual-currency custody services in a fiduciary or custodial capacity, including as agent, bailee, or trustee for the limited purpose of safekeeping or administration of virtual currency, to the same extent the banking institution may lawfully hold or safeguard other assets for customers.

(b) The commissioner may limit or condition the authority to provide virtual-currency custody services under paragraph (a) only if the commissioner determines the activity is conducted in an unsafe or unsound manner.

Subd. 6. **Segregation of assets.** A banking institution must structure virtual-currency custody services to ensure that customer virtual currency and associated control mechanisms are legally and operationally segregated from the banking institution's assets and are not treated as the banking institution's property, consistent with the segregation of assets held in other custodial or fiduciary capacities and the concept of control of controllable electronic records under sections 336.12-101 to 336.12-107.

Subd. 7. **Third-party service providers.** A banking institution may engage one or more qualified third-party service providers or subcustodians to facilitate virtual-currency custody services, provided the banking institution retains oversight responsibility and ensures compliance with this section.

Subd. 8. **Supervision and examination.** A banking institution's virtual-currency custody services are subject to examination by the commissioner as part of the regular supervisory process.

Subd. 9. **Construction.** This section does not (1) authorize a banking institution to engage in activities otherwise prohibited by law, or (2) alter the legal characterization of virtual currency under state or federal law.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to virtual-currency custody services commenced on or after that date.

Sec. 2. **[52.25] VIRTUAL-CURRENCY CUSTODY SERVICES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Control of virtual currency" or "control" has the meaning given in section 53B.69, subdivision 2.

(c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

(d) "Virtual-currency custody services" means safekeeping, controlling, or managing virtual currency, or the cryptographic private keys used to access virtual currency, on behalf of another person.

Subd. 2. **Authority.** A credit union may provide virtual-currency custody services to the credit union's members in a fiduciary or nonfiduciary capacity, subject to this section and applicable state and federal law.

Subd. 3. **Safety and soundness.** A credit union that engages in virtual-currency custody services must conduct the activity in a safe and sound manner and must maintain written policies and procedures governing risk management, internal controls, cybersecurity, business continuity, and compliance.

Subd. 4. **Notice to commissioner.** A credit union must provide written notice to the commissioner at least 60 days before commencing virtual-currency custody services. The notice must describe the nature of the services and the credit union's risk management framework.

Subd. 5. **Fiduciary capacity.** (a) A credit union may provide virtual-currency custody services in a fiduciary or custodial capacity, including as agent, bailee, or trustee for the limited purpose of safekeeping or administration of virtual currency, to the same extent the credit union may lawfully hold or safeguard other assets for members or customers.

(b) The commissioner may limit or condition the authority to provide virtual-currency custody services under paragraph (a) only if the commissioner determines the activity is conducted in an unsafe or unsound manner.

Subd. 6. **Segregation of assets.** A credit union must structure virtual-currency custody services to ensure that customer virtual currency and associated control mechanisms are legally and operationally segregated from the credit union's assets and are not treated as the credit union's property, consistent with the segregation of assets held in other custodial or fiduciary capacities and the concept of control of controllable electronic records under sections 336.12-101 to 336.12-107.

Subd. 7. **Third-party service providers.** A credit union may engage one or more qualified third-party service providers or subcustodians to facilitate virtual-currency custody

services, provided the credit union retains oversight responsibility and ensures compliance with this section.

Subd. 8. **Supervision and examination.** A credit union's virtual-currency custody services are subject to examination by the commissioner as part of the regular supervisory process.

Subd. 9. **Construction.** This section does not (1) authorize a credit union to engage in activities otherwise prohibited by law, or (2) alter the legal characterization of virtual currency under state or federal law.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to virtual-currency custody services commenced on or after that date.

A bill for an act

relating to financial institutions; allowing certain virtual-currency custody services to be offered and performed; proposing coding for new law in Minnesota Statutes, chapters 48; 52.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[48.741] VIRTUAL-CURRENCY CUSTODY SERVICES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Control of virtual currency" has the meaning given in section 53B.69, subdivision 2.

(c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

(d) "Virtual-currency custody services" means safekeeping, controlling, or managing virtual currency, or the cryptographic private keys used to access virtual currency, on behalf of another person.

Subd. 2. **Authority.** A banking institution may provide virtual-currency custody services in a nonfiduciary capacity, subject to this section and applicable state and federal law.

Subd. 3. **Safety and soundness.** A banking institution that engages in virtual-currency custody services must conduct the activity in a safe and sound manner and must maintain written policies and procedures governing risk management, internal controls, cybersecurity, business continuity, and compliance.

Subd. 4. **Notice to commissioner.** A banking institution must provide written notice to the commissioner at least 60 days before commencing virtual-currency custody services.

The notice must describe the nature of the services and the banking institution's risk management framework.

Subd. 5. **Custodial capacity.** (a) A banking institution may provide virtual-currency custody services in a custodial capacity, including as agent, bailee, or trustee for the limited purpose of safekeeping or administration of virtual currency, to the same extent the banking institution may lawfully hold or safeguard other assets for customers.

(b) The commissioner may limit or condition the authority to provide virtual-currency custody services under paragraph (a) only if the commissioner determines the activity is conducted in an unsafe or unsound manner.

Subd. 6. **Segregation of assets.** A banking institution must structure virtual-currency custody services to ensure that customer virtual currency and associated control mechanisms are legally and operationally segregated from the banking institution's assets and are not treated as the banking institution's property, consistent with the segregation of assets held in other custodial capacities and the concept of control of controllable electronic records under sections 336.12-101 to 336.12-107.

Subd. 7. **Third-party service providers.** A banking institution may engage one or more qualified third-party service providers or subcustodians to facilitate virtual-currency custody services, provided the banking institution retains oversight responsibility and ensures compliance with this section.

Subd. 8. **Supervision and examination.** A banking institution's virtual-currency custody services are subject to examination by the commissioner as part of the regular supervisory process.

Subd. 9. **Construction.** This section does not (1) authorize a banking institution to engage in activities otherwise prohibited by law, or (2) alter the legal characterization of virtual currency under state or federal law.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to virtual-currency custody services commenced on or after that date.

Sec. 2. **[52.25] VIRTUAL-CURRENCY CUSTODY SERVICES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Control of virtual currency" or "control" has the meaning given in section 53B.69, subdivision 2.

(c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

(d) "Virtual-currency custody services" means safekeeping, controlling, or managing virtual currency, or the cryptographic private keys used to access virtual currency, on behalf of another person.

Subd. 2. **Authority.** A credit union may provide virtual-currency custody services to the credit union's members in a nonfiduciary capacity, subject to this section and applicable state and federal law.

Subd. 3. **Safety and soundness.** A credit union that engages in virtual-currency custody services must conduct the activity in a safe and sound manner and must maintain written policies and procedures governing risk management, internal controls, cybersecurity, business continuity, and compliance.

Subd. 4. **Notice to commissioner.** A credit union must provide written notice to the commissioner at least 60 days before commencing virtual-currency custody services. The notice must describe the nature of the services and the credit union's risk management framework.

Subd. 5. **Custodial capacity.** (a) A credit union may provide virtual-currency custody services in a custodial capacity, including as agent, bailee, or trustee for the limited purpose of safekeeping or administration of virtual currency, to the same extent the credit union may lawfully hold or safeguard other assets for members or customers.

(b) The commissioner may limit or condition the authority to provide virtual-currency custody services under paragraph (a) only if the commissioner determines the activity is conducted in an unsafe or unsound manner.

Subd. 6. **Segregation of assets.** A credit union must structure virtual-currency custody services to ensure that customer virtual currency and associated control mechanisms are legally and operationally segregated from the credit union's assets and are not treated as the credit union's property, consistent with the segregation of assets held in other custodial capacities and the concept of control of controllable electronic records under sections 336.12-101 to 336.12-107.

Subd. 7. **Third-party service providers.** A credit union may engage one or more qualified third-party service providers or subcustodians to facilitate virtual-currency custody services, provided the credit union retains oversight responsibility and ensures compliance with this section.

Subd. 8. **Supervision and examination.** A credit union's virtual-currency custody services are subject to examination by the commissioner as part of the regular supervisory process.

Subd. 9. **Construction.** This section does not (1) authorize a credit union to engage in activities otherwise prohibited by law, or (2) alter the legal characterization of virtual currency under state or federal law.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to virtual-currency custody services commenced on or after that date.

2; 326B.32, subdivision 2; 326B.33, subdivisions 4, 19; 326B.36, subdivision 3; 326B.37, subdivision 7; Minnesota Statutes 2025 Supplement, section 326B.37, subdivisions 5, 6; repealing Minnesota Statutes 2024, sections 326B.31, subdivision 7; 326B.33, subdivisions 3, 5, 6.

S.F. No. 2373 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 18, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Maye Quade | Pratt |
| Boldon | Fateh | Johnson Stewart | McEwen | Putnam |
| Carlson | Frentz | Klein | Miller | Rarick |
| Champion | Gustafson | Kreun | Mohamed | Rest |
| Clark | Hauschild | Kunesh | Murphy | Seeberger |
| Coleman | Hawj | Kupec | Nelson | Westlin |
| Cwodzinski | Hemmingsen-Jaeger | Lang | Oumou Verbeten | Wiklund |
| Dibble | Hoffman | Latz | Pappas | Xiong |
| Dornink | Housley | Mann | Pha | |
| Draheim | Jasinski | Marty | Port | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hemmingsen-Jaeger, Hoffman, Latz, Marty, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Johnson, Lang, Miller, Nelson, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Green | Howe | Mathews | Wesenberg |
| Dahms | Gruenhagen | Koran | Rasmusson | Westrom |
| Drazkowski | Heintzeman | Lieske | Utke | |
| Duckworth | Holmstrom | Lucero | Weber | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Bahr, Duckworth, Lieske, and Weber.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3709:** A bill for an act relating to financial institutions; allowing certain virtual-currency custody services to be offered and performed; proposing coding for new law in Minnesota Statutes, chapters 48; 52.

Senator Rasmusson moved to amend H.F. No. 3709 as follows (A-1):

Page 1, line 16, delete "fiduciary or"

Page 2, line 5, delete "Fiduciary" and insert "Custodial"

Page 2, line 6, delete "fiduciary or"

Page 2, line 16, delete "or fiduciary"

Page 3, lines 8 and 19, delete "fiduciary or"

Page 3, line 18, delete "Fiduciary" and insert "Custodial"

Page 3, line 28, delete "or"

Page 3, line 29, delete "fiduciary"

The motion prevailed. So the amendment was adopted.

H.F. No. 3709 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 16, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson Stewart | Miller | Rest |
| Boldon | Frentz | Klein | Mohamed | Seeberger |
| Carlson | Gustafson | Kreun | Murphy | Weber |
| Champion | Hauschild | Kunesh | Nelson | Wesenberg |
| Clark | Hawj | Kupec | Oumou Verbeten | Westlin |
| Coleman | Heintzeman | Lang | Pappas | Wiklund |
| Cwodzinski | Hemmingsen-Jaeger | Latz | Pha | Xiong |
| Dahms | Hoffman | Lieske | Port | |
| Dibble | Holmstrom | Lucero | Pratt | |
| Duckworth | Housley | Marty | Putnam | |
| Farnsworth | Johnson | McEwen | Rasmusson | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hemmingsen-Jaeger, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Johnson, Lang, Lieske, and Pratt.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Koran | Maye Quade |
| Dornink | Gruenhagen | Limmer | Rarick |
| Draheim | Howe | Mann | Utke |
| Drazkowski | Jasinski | Mathews | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4063:** A bill for an act relating to transportation; modifying first aid kit requirements on school buses; requiring USDOT numbers for all school buses; authorizing use of school buses

# 114. HF 4063

**Vote:** 2026-05-06 | **Workbook row:** 119
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 3 nays

**Workbook subject:** First aid kit requirements on school buses modified, USDOT numbers required for all school buses, and school buses authorized on public roads for training purposes.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-30** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4063/versions/2/pdf/

## Original Senate journal context

PDF pages 31-32. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260506070.pdf#page=32

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4063/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4063**


03/09/2026 Authored by Rehm and Tabke
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
03/26/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/30/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/06/2026 Passed by the Senate and returned to the House
05/11/2026 Presented to Governor
05/12/2026 Governor Approval


A bill for an act

relating to transportation; modifying first aid kit requirements on school buses; requiring USDOT numbers for all school buses; authorizing use of school buses on public roads for training purposes; amending Minnesota Statutes 2024, sections 169.011, subdivision 71; 169.448, subdivision 1; 169.449, by adding a subdivision; 169.454, subdivision 5, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 169.011, subdivision 71, is amended to read:

Subd. 71. **School bus.** (a) "School bus" means a motor vehicle used to: (1) transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district; or (2) provide training on the operation of the vehicle for the purposes specified in clause (1) to employees of the school, school district, or a person under an agreement with the school or school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under paragraph (h), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation.

(b) A school bus may be type A, type B, type C, or type D, multifunction school activity bus, or type III as provided in paragraphs (c) to (h).

(c) A "type A school bus" is a van conversion or bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. This definition includes two classifications:

type A-I, with a gross vehicle weight rating (GVWR) less than or equal to 14,500 pounds; and type A-II, with a GVWR greater than 14,500 pounds and less than or equal to 21,500 pounds.

(d) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(e) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A "type C school bus" also includes a cutaway truck chassis or truck chassis with cab, with or without a left side door, and with a GVWR greater than 21,500 pounds.

(f) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(g) A "multifunction school activity bus" is a school bus that meets the definition of a multifunction school activity bus in Code of Federal Regulations, title 49, section 571.3. A vehicle that meets the definition of a type III vehicle is not a multifunction school activity bus.

(h) A "type III vehicle" is restricted to passenger vehicles and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. A "type III vehicle" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

(i) In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle.

Sec. 2. Minnesota Statutes 2024, section 169.448, subdivision 1, is amended to read:

Subdivision 1. **Restrictions on appearance; misdemeanor.** (a) A bus that is not used as a school bus must not be operated on a street or highway unless it is painted a color significantly different than national school bus glossy yellow.

(b) A bus that is not used as a school bus or Head Start bus may not be operated if it is equipped with school bus or Head Start bus-related equipment and printing.

(c) A violation of this subdivision is a misdemeanor.

(d) This subdivision does not apply to a school bus owned by or under contract to a school district operated as a charter or leased bus.

(e) This subdivision does not apply to a school bus operated by a licensed child care provider if:

(1) the stop-signal arm is removed;

(2) the lighting systems for prewarning flashing amber signals, flashing red signals, and supplemental warnings under section 169.4503, subdivision 31, are deactivated;

(3) the school bus is identified as a "child care bus" in letters at least eight inches high on the front and rear top of the bus;

(4) the name, address, and telephone number of the owner or operator of the bus is identified on each front door of the bus in letters not less than three inches high; and

(5) the conditions under section 171.02, subdivision 2a, paragraphs (a) to (j) and (l), have been met.

(f) This subdivision does not apply to a bus operated by a licensed commercial driver training school under sections 171.33 to 171.41. The bus's stop-signal arm, and lighting systems for prewarning flashing amber signals, flashing red signals, and supplemental warnings under section 169.4503, subdivision 31, must not be used on a public street or highway.

Sec. 3. Minnesota Statutes 2024, section 169.449, is amended by adding a subdivision to read:

Subd. 3. **USDOT number.** Any person, district, or operator providing school transportation using a school bus, as defined in section 169.011, subdivision 71, must apply for a USDOT number to be used for tracking inspections conducted pursuant to section 169.451.

Sec. 4. Minnesota Statutes 2024, section 169.454, subdivision 5, is amended to read:

Subd. 5. ~~**First aid kit and**~~ **Body fluids cleanup kit.** A ~~minimum of a ten-unit first aid kit, and a~~ body fluids cleanup kit is required. ~~They~~ The kit must be contained in a removable, moisture- and dust-proof ~~containers~~ container mounted in an accessible place within the driver's compartment and must be marked to indicate ~~their~~ the kit's identity ~~and location~~.

Sec. 5. Minnesota Statutes 2024, section 169.454, is amended by adding a subdivision to read:

Subd. 5a. **First aid kit.** A first aid kit meeting the requirements as defined in the current version of the National School Transportation Specifications and Procedures (NSTSP) must be provided in vehicles model year 2027 and newer. All other vehicles may contain a minimum of a ten-unit first aid kit, as specified in Minnesota Rules 1993, part 3520.5120, or a first aid kit meeting the requirements of the NSTSP. After January 1, 2030, all type III vehicles must be equipped with a first aid kit meeting the requirements of the NSTSP.

Page 2, line 16, delete "or fiduciary"

Page 3, lines 8 and 19, delete "fiduciary or"

Page 3, line 18, delete "Fiduciary" and insert "Custodial"

Page 3, line 28, delete "or"

Page 3, line 29, delete "fiduciary"

The motion prevailed. So the amendment was adopted.

H.F. No. 3709 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 16, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson Stewart | Miller | Rest |
| Boldon | Frentz | Klein | Mohamed | Seeberger |
| Carlson | Gustafson | Kreun | Murphy | Weber |
| Champion | Hauschild | Kunesh | Nelson | Wesenberg |
| Clark | Hawj | Kupec | Oumou Verbeten | Westlin |
| Coleman | Heintzeman | Lang | Pappas | Wiklund |
| Cwodzinski | Hemmingsen-Jaeger | Latz | Pha | Xiong |
| Dahms | Hoffman | Lieske | Port | |
| Dibble | Holmstrom | Lucero | Pratt | |
| Duckworth | Housley | Marty | Putnam | |
| Farnsworth | Johnson | McEwen | Rasmusson | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hemmingsen-Jaeger, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Johnson, Lang, Lieske, and Pratt.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Koran | Maye Quade |
| Dornink | Gruenhagen | Limmer | Rarick |
| Draheim | Howe | Mann | Utke |
| Drazkowski | Jasinski | Mathews | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4063:** A bill for an act relating to transportation; modifying first aid kit requirements on school buses; requiring USDOT numbers for all school buses; authorizing use of school buses

on public roads for training purposes; amending Minnesota Statutes 2024, sections 169.011, subdivision 71; 169.448, subdivision 1; 169.449, by adding a subdivision; 169.454, subdivision 5, by adding a subdivision.

Senator Johnson Stewart moved that the amendment made to H.F. No. 4063 by the Committee on Rules and Administration in the report adopted May 5, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 4063 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Putnam |
| Bahr | Fateh | Johnson | Mathews | Rarick |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rasmusson |
| Carlson | Green | Klein | McEwen | Rest |
| Champion | Gruenhagen | Koran | Miller | Seeberger |
| Clark | Gustafson | Kreun | Mohamed | Utke |
| Coleman | Hauschild | Kunesh | Murphy | Weber |
| Cwodzinski | Hawj | Kupec | Nelson | Wesenberg |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Draheim | Hoffman | Lieske | Pha | Xiong |
| Drazkowski | Housley | Limmer | Port | |
| Duckworth | Howe | Mann | Pratt | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Duckworth, Johnson, Lang, Lieske, and Pratt.

Those who voted in the negative were:

| | | |
|---|---|---|
| Holmstrom | Lucero | Westrom |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4151:** A bill for an act relating to occupations; modifying eligibility of certain applicants for licenses to serve as private detectives or protective agents; amending Minnesota Statutes 2024, sections 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3.

H.F. No. 4151 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

# 115. HF 4151

**Vote:** 2026-05-06 | **Workbook row:** 120
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Eligibility of certain applicants for licenses to serve as private detectives or protective agents modified.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4151/versions/1/pdf/

## Original Senate journal context

PDF pages 32-32. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260506070.pdf#page=32

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4151/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4151**

03/12/2026 Authored by Witte and Curran
The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy
03/16/2026 By motion, recalled and re-referred to the Committee on Public Safety Finance and Policy
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/30/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
05/06/2026 Passed by the Senate and returned to the House
05/11/2026 Presented to Governor
05/12/2026 Governor Approval

A bill for an act

relating to occupations; modifying eligibility of certain applicants for licenses to serve as private detectives or protective agents; amending Minnesota Statutes 2024, sections 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 326.32, subdivision 8, is amended to read:

Subd. 8. **Applicant.** "Applicant" means any individual~~, partnership~~ or corporation who has made application for a private detective or protective agent license.

Sec. 2. Minnesota Statutes 2024, section 326.32, subdivision 10, is amended to read:

Subd. 10. **License holder.** "License holder" means any individual~~, partnership as defined in section 323A.0101, clause (8),~~ or corporation licensed to perform the duties of a private detective or a protective agent.

Sec. 3. Minnesota Statutes 2024, section 326.32, subdivision 10a, is amended to read:

Subd. 10a. **Minnesota manager.** "Minnesota manager" means the member of a ~~partnership or~~ corporation~~,~~ who meets the qualifications for licensing as provided in sections 326.32 to 326.339. The Minnesota manager must be actively involved in the day to day management and supervision of the licensed activity in the Minnesota office.

Sec. 4. Minnesota Statutes 2024, section 326.32, subdivision 10c, is amended to read:

Subd. 10c. **Proprietary employer.** A "proprietary employer" means an individual~~,~~ ~~partnership,~~ or a corporation that is not engaged in the business of providing protective agents but employs individuals to serve as security guards solely on the employer's property and its curtilage.

Sec. 5. Minnesota Statutes 2024, section 326.32, subdivision 12, is amended to read:

Subd. 12. **Qualified representative.** "Qualified representative" means the member of a ~~partnership or~~ corporation~~,~~ who meets the qualifications for licensing as provided in sections 326.32 to 326.339. The qualified representative must be actively involved in the day to day management and supervision of the licensed activity.

Sec. 6. Minnesota Statutes 2024, section 326.33, subdivision 1, is amended to read:

Subdivision 1. **Members.** There is hereby created a Board of Private Detective and Protective Agent Services, consisting of the superintendent of the Bureau of Criminal Apprehension or an assistant superintendent designated by the superintendent, and the following members appointed by the commissioner of public safety: a licensed protective agent, or qualified representative for a licensed protective agent ~~partnership or~~ corporation~~,~~; a licensed private detective, or qualified representative for a licensed private detective ~~partnership or~~ corporation~~,~~; and two public members. Filling of member vacancies shall be the responsibility of the commissioner of public safety. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, unless otherwise provided in sections 326.32 to 326.339; administrative services and office space; the review and processing of complaints; the setting of board fees, unless otherwise provided in sections 326.32 to 326.339; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 7. Minnesota Statutes 2024, section 326.3381, subdivision 2, is amended to read:

Subd. 2. **Application procedure.** The board shall issue a license upon application to any person qualified under sections 326.32 to 326.339 and under the rules of the board to engage in the business of private detective or protective agent. The license shall remain effective for two years as long as the license holder complies with sections 326.32 to 326.339, the laws of Minnesota, and the rules of the board. Upon receipt of an application for private detective or protective agent license, the board shall:

(1) post notice of the application in its office for a period of 20 days, and notify all persons who have requested notification of applications;

(2) conduct an investigation as it considers necessary to determine the qualifications of the applicant, qualified representative, Minnesota manager, and, if appropriate, a ~~partner or~~ corporate officer; and

(3) notify the applicant of the date on which the board will conduct a review of the license application.

Sec. 8. Minnesota Statutes 2024, section 326.3381, subdivision 4, is amended to read:

Subd. 4. **Business entity applicant.** If the applicant for a license is a corporation ~~or partnership, one member~~, the chief executive officer, the chief financial officer, the qualified representative, and the Minnesota manager, if one exists, of that corporation ~~or partnership~~ must meet the licensing requirements in sections 326.32 to 326.339, including the requirements of subdivision 3, paragraph (b).

Sec. 9. Minnesota Statutes 2024, section 326.3382, subdivision 1, is amended to read:

Subdivision 1. **Application form.** (a) Application for a private detective or protective agent license shall be made on a form prescribed by the board. Each applicant shall provide the following information:

(1) the full name, date of birth, and sex of each person signing the application, and the residences of those persons for the past five years;

(2) all past and present occupations and employers, length of employment, and the name, address, and telephone numbers of supervisors for all persons signing the application;

(3) the address or a description indicating the location of the place of business of the applicant;

(4) a statement indicating that each person signing the application has attained the age of 18;

(5) if the applicant is a corporation, the name of the corporation, the date and place of incorporation, and the location of its principal place of business or registered office in its state of incorporation; and

(6) further facts as may be required by the board to show the good character, competency, and integrity of each person signing the application~~; and~~.

(b) Each application shall be signed and acknowledged as follows:

(1) if the applicant is an individual, by the individual; or

~~(2) if the applicant is a partnership, by each partner, one of whom must be a qualified representative; or~~

~~(3)~~ (2) if the applicant is a corporation, by the chief executive officer, chief financial officer, and the qualified representative of the corporation. If the principal place of the applicant's business is outside Minnesota, the application shall also include the signature of the Minnesota manager.

Sec. 10. Minnesota Statutes 2024, section 326.3382, subdivision 4, is amended to read:

Subd. 4. **License disqualification.** Unlicensed activity will not be considered as legitimate experience for qualification in being licensed. An individual, ~~partnership,~~ a corporation, a qualified representative, or a Minnesota manager engaged in the business of a private detective or protective agent without a license issued by the board is prohibited from applying for licensing for a period of one year from the date of a finding of the violation.

Sec. 11. Minnesota Statutes 2024, section 326.3385, subdivision 2, is amended to read:

Subd. 2. **Notice of successor.** (a) A corporate ~~or partnership~~ license holder shall, within seven days of the death, resignation, or removal of a person signing the license application, give written notice to the board of the change and the name and address of the successor in the vacated position.

(b) Within seven days of the death, resignation, or removal of a person signing the license application for a ~~partnership or~~ corporate license holder, the successor qualified representative, ~~partner,~~ Minnesota manager, chief executive officer, or chief financial officer who shall qualify under the same procedure and criteria~~, and~~ must submit the documents required, as for an original application.

Sec. 12. Minnesota Statutes 2024, section 326.3386, subdivision 3, is amended to read:

Subd. 3. **Designation fee.** When a licensed private detective or protective agent who is a ~~partnership or~~ corporation~~,~~ desires to designate a new qualified representative or Minnesota manager, a fee equal to one-half of the license fee shall be submitted to the board.

on public roads for training purposes; amending Minnesota Statutes 2024, sections 169.011, subdivision 71; 169.448, subdivision 1; 169.449, by adding a subdivision; 169.454, subdivision 5, by adding a subdivision.

Senator Johnson Stewart moved that the amendment made to H.F. No. 4063 by the Committee on Rules and Administration in the report adopted May 5, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 4063 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Putnam |
| Bahr | Fateh | Johnson | Mathews | Rarick |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rasmusson |
| Carlson | Green | Klein | McEwen | Rest |
| Champion | Gruenhagen | Koran | Miller | Seeberger |
| Clark | Gustafson | Kreun | Mohamed | Utke |
| Coleman | Hauschild | Kunesh | Murphy | Weber |
| Cwodzinski | Hawj | Kupec | Nelson | Wesenberg |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Draheim | Hoffman | Lieske | Pha | Xiong |
| Drazkowski | Housley | Limmer | Port | |
| Duckworth | Howe | Mann | Pratt | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Duckworth, Johnson, Lang, Lieske, and Pratt.

Those who voted in the negative were:

| | | |
|---|---|---|
| Holmstrom | Lucero | Westrom |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4151:** A bill for an act relating to occupations; modifying eligibility of certain applicants for licenses to serve as private detectives or protective agents; amending Minnesota Statutes 2024, sections 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3.

H.F. No. 4151 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

# 116. HF 4063

**Vote:** 2026-05-06 | **Workbook row:** 121
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 3 nays

**Workbook subject:** First aid kit requirements on school buses modified, USDOT numbers required for all school buses, and school buses authorized on public roads for training purposes.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-04-30** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4063/versions/2/pdf/

## Original Senate journal context

PDF pages 31-34. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260506070.pdf#page=34

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4063/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4063**


03/09/2026 Authored by Rehm and Tabke
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
03/26/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/30/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/06/2026 Passed by the Senate and returned to the House
05/11/2026 Presented to Governor
05/12/2026 Governor Approval


A bill for an act

relating to transportation; modifying first aid kit requirements on school buses; requiring USDOT numbers for all school buses; authorizing use of school buses on public roads for training purposes; amending Minnesota Statutes 2024, sections 169.011, subdivision 71; 169.448, subdivision 1; 169.449, by adding a subdivision; 169.454, subdivision 5, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 169.011, subdivision 71, is amended to read:

Subd. 71. **School bus.** (a) "School bus" means a motor vehicle used to: (1) transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district; or (2) provide training on the operation of the vehicle for the purposes specified in clause (1) to employees of the school, school district, or a person under an agreement with the school or school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under paragraph (h), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation.

(b) A school bus may be type A, type B, type C, or type D, multifunction school activity bus, or type III as provided in paragraphs (c) to (h).

(c) A "type A school bus" is a van conversion or bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. This definition includes two classifications:

type A-I, with a gross vehicle weight rating (GVWR) less than or equal to 14,500 pounds; and type A-II, with a GVWR greater than 14,500 pounds and less than or equal to 21,500 pounds.

(d) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(e) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A "type C school bus" also includes a cutaway truck chassis or truck chassis with cab, with or without a left side door, and with a GVWR greater than 21,500 pounds.

(f) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(g) A "multifunction school activity bus" is a school bus that meets the definition of a multifunction school activity bus in Code of Federal Regulations, title 49, section 571.3. A vehicle that meets the definition of a type III vehicle is not a multifunction school activity bus.

(h) A "type III vehicle" is restricted to passenger vehicles and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. A "type III vehicle" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

(i) In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle.

Sec. 2. Minnesota Statutes 2024, section 169.448, subdivision 1, is amended to read:

Subdivision 1. **Restrictions on appearance; misdemeanor.** (a) A bus that is not used as a school bus must not be operated on a street or highway unless it is painted a color significantly different than national school bus glossy yellow.

(b) A bus that is not used as a school bus or Head Start bus may not be operated if it is equipped with school bus or Head Start bus-related equipment and printing.

(c) A violation of this subdivision is a misdemeanor.

(d) This subdivision does not apply to a school bus owned by or under contract to a school district operated as a charter or leased bus.

(e) This subdivision does not apply to a school bus operated by a licensed child care provider if:

(1) the stop-signal arm is removed;

(2) the lighting systems for prewarning flashing amber signals, flashing red signals, and supplemental warnings under section 169.4503, subdivision 31, are deactivated;

(3) the school bus is identified as a "child care bus" in letters at least eight inches high on the front and rear top of the bus;

(4) the name, address, and telephone number of the owner or operator of the bus is identified on each front door of the bus in letters not less than three inches high; and

(5) the conditions under section 171.02, subdivision 2a, paragraphs (a) to (j) and (l), have been met.

(f) This subdivision does not apply to a bus operated by a licensed commercial driver training school under sections 171.33 to 171.41. The bus's stop-signal arm, and lighting systems for prewarning flashing amber signals, flashing red signals, and supplemental warnings under section 169.4503, subdivision 31, must not be used on a public street or highway.

Sec. 3. Minnesota Statutes 2024, section 169.449, is amended by adding a subdivision to read:

Subd. 3. **USDOT number.** Any person, district, or operator providing school transportation using a school bus, as defined in section 169.011, subdivision 71, must apply for a USDOT number to be used for tracking inspections conducted pursuant to section 169.451.

Sec. 4. Minnesota Statutes 2024, section 169.454, subdivision 5, is amended to read:

Subd. 5. ~~**First aid kit and**~~ **Body fluids cleanup kit.** A ~~minimum of a ten-unit first aid kit, and a~~ body fluids cleanup kit is required. ~~They~~ The kit must be contained in a removable, moisture- and dust-proof ~~containers~~ container mounted in an accessible place within the driver's compartment and must be marked to indicate ~~their~~ the kit's identity ~~and location~~.

Sec. 5. Minnesota Statutes 2024, section 169.454, is amended by adding a subdivision to read:

Subd. 5a. **First aid kit.** A first aid kit meeting the requirements as defined in the current version of the National School Transportation Specifications and Procedures (NSTSP) must be provided in vehicles model year 2027 and newer. All other vehicles may contain a minimum of a ten-unit first aid kit, as specified in Minnesota Rules 1993, part 3520.5120, or a first aid kit meeting the requirements of the NSTSP. After January 1, 2030, all type III vehicles must be equipped with a first aid kit meeting the requirements of the NSTSP.

Page 2, line 16, delete "or fiduciary"

Page 3, lines 8 and 19, delete "fiduciary or"

Page 3, line 18, delete "Fiduciary" and insert "Custodial"

Page 3, line 28, delete "or"

Page 3, line 29, delete "fiduciary"

The motion prevailed. So the amendment was adopted.

H.F. No. 3709 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 16, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson Stewart | Miller | Rest |
| Boldon | Frentz | Klein | Mohamed | Seeberger |
| Carlson | Gustafson | Kreun | Murphy | Weber |
| Champion | Hauschild | Kunesh | Nelson | Wesenberg |
| Clark | Hawj | Kupec | Oumou Verbeten | Westlin |
| Coleman | Heintzeman | Lang | Pappas | Wiklund |
| Cwodzinski | Hemmingsen-Jaeger | Latz | Pha | Xiong |
| Dahms | Hoffman | Lieske | Port | |
| Dibble | Holmstrom | Lucero | Pratt | |
| Duckworth | Housley | Marty | Putnam | |
| Farnsworth | Johnson | McEwen | Rasmusson | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hemmingsen-Jaeger, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Johnson, Lang, Lieske, and Pratt.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Green | Koran | Maye Quade |
| Dornink | Gruenhagen | Limmer | Rarick |
| Draheim | Howe | Mann | Utke |
| Drazkowski | Jasinski | Mathews | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4063:** A bill for an act relating to transportation; modifying first aid kit requirements on school buses; requiring USDOT numbers for all school buses; authorizing use of school buses

on public roads for training purposes; amending Minnesota Statutes 2024, sections 169.011, subdivision 71; 169.448, subdivision 1; 169.449, by adding a subdivision; 169.454, subdivision 5, by adding a subdivision.

Senator Johnson Stewart moved that the amendment made to H.F. No. 4063 by the Committee on Rules and Administration in the report adopted May 5, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 4063 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Putnam |
| Bahr | Fateh | Johnson | Mathews | Rarick |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rasmusson |
| Carlson | Green | Klein | McEwen | Rest |
| Champion | Gruenhagen | Koran | Miller | Seeberger |
| Clark | Gustafson | Kreun | Mohamed | Utke |
| Coleman | Hauschild | Kunesh | Murphy | Weber |
| Cwodzinski | Hawj | Kupec | Nelson | Wesenberg |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Draheim | Hoffman | Lieske | Pha | Xiong |
| Drazkowski | Housley | Limmer | Port | |
| Duckworth | Howe | Mann | Pratt | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Duckworth, Johnson, Lang, Lieske, and Pratt.

Those who voted in the negative were:

| | | |
|---|---|---|
| Holmstrom | Lucero | Westrom |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4151:** A bill for an act relating to occupations; modifying eligibility of certain applicants for licenses to serve as private detectives or protective agents; amending Minnesota Statutes 2024, sections 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3.

H.F. No. 4151 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rasmusson |
| Bahr | Fateh | Johnson | Mathews | Rest |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Seeberger |
| Carlson | Green | Klein | McEwen | Utke |
| Champion | Gruenhagen | Koran | Miller | Weber |
| Clark | Gustafson | Kreun | Mohamed | Wesenberg |
| Coleman | Hauschild | Kunesh | Murphy | Westlin |
| Cwodzinski | Hawj | Kupec | Nelson | Westrom |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Wiklund |
| Dibble | Hemmingsen-Jaeger | Latz | Pha | Xiong |
| Dornink | Hoffman | Lieske | Port | |
| Draheim | Holmstrom | Limmer | Pratt | |
| Drazkowski | Housley | Lucero | Putnam | |
| Duckworth | Howe | Mann | Rarick | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Duckworth, Johnson, Lang, Lieske, and Pratt.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3769:** A bill for an act relating to corrections; clarifying in law the multiple levels of substance abuse care provided by the commissioner of corrections; expanding access to mental health unit beds for incarcerated persons; amending Minnesota Statutes 2024, sections 241.021, subdivision 4a; 241.69, subdivisions 1, 3, 4, 5, 6.

H.F. No. 3769 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Putnam |
| Boldon | Fateh | Johnson | Mathews | Rarick |
| Carlson | Frentz | Johnson Stewart | Maye Quade | Rest |
| Champion | Green | Klein | McEwen | Seeberger |
| Clark | Gustafson | Koran | Miller | Utke |
| Coleman | Hauschild | Kreun | Mohamed | Weber |
| Cwodzinski | Hawj | Kunesh | Murphy | Westlin |
| Dahms | Heintzeman | Kupec | Nelson | Wiklund |
| Dibble | Hemmingsen-Jaeger | Lang | Oumou Verbeten | Xiong |
| Dornink | Hoffman | Latz | Pha | |
| Draheim | Housley | Limmer | Port | |
| Duckworth | Howe | Mann | Pratt | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hauschild, Hawj, Hoffman, Latz, Marty, McEwen, Murphy, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Johnson, Lang, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Gruenhagen | Lieske | Rasmusson | Westrom |
| Drazkowski | Holmstrom | Lucero | Wesenberg | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Bahr and Lieske.

So the bill passed and its title was agreed to.

## RECONSIDERATION

Having voted on the prevailing side, Senator Johnson Stewart moved that the vote whereby H.F. No. 4063 was passed by the Senate on May 6, 2026, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question was taken on the passage of H.F. No. 4063.

The roll was called, and there were yeas 64 and nays 3, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Howe | Mann | Pratt |
| Bahr | Farnsworth | Jasinski | Marty | Putnam |
| Boldon | Fateh | Johnson | Mathews | Rarick |
| Carlson | Frentz | Johnson Stewart | Maye Quade | Rasmusson |
| Champion | Green | Klein | McEwen | Rest |
| Clark | Gruenhagen | Koran | Miller | Seeberger |
| Coleman | Gustafson | Kreun | Mohamed | Utke |
| Cwodzinski | Hauschild | Kunesh | Murphy | Weber |
| Dahms | Hawj | Kupec | Nelson | Wesenberg |
| Dibble | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Draheim | Hoffman | Lieske | Pha | Xiong |
| Drazkowski | Housley | Limmer | Port | |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hauschild, Hawj, Hoffman, Latz, Marty, McEwen, Murphy, Port, and Putnam.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Duckworth, Johnson, Lang, Lieske, Pratt, and Wesenberg.

Those who voted in the negative were:

| | | |
|---|---|---|
| Holmstrom | Lucero | Westrom |

So the bill passed and its title was agreed to.

## MEMBERS EXCUSED

Senator Limmer was excused from the Session of today from 3:45 to 4:00 p.m.

# 117. SF 1750

**Vote:** 2026-05-06 | **Workbook row:** 122
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 56 yeas, 9 nays

**Workbook subject:** Common interest communities provisions modifications

## Included complete bill documents

**1. 4th Engrossment, posted 2026-05-06** - 53 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1750/versions/4/pdf/

## Original Senate journal context

PDF pages 7-8. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260506070.pdf#page=7

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/1750/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1750

**(SENATE AUTHORS: LUCERO, Pha, Coleman and Port)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/20/2025 | 463 | Introduction and first reading |
| | | Referred to Judiciary and Public Safety |
| 02/24/2025 | 494 | Author added Port |
| | 524 | Withdrawn and re-referred to Housing and Homelessness Prevention |
| 03/17/2025 | 816a | Comm report: To pass as amended and re-refer to Judiciary and Public Safety |
| 04/07/2025 | 1693a | Comm report: To pass as amended |
| | 1707 | Second reading |
| 05/06/2025 | 4460 | Special Order |
| | 4502 | Motion did not prevail to re-refer to Judiciary and Public Safety |
| | 4503a | Amended |
| | 4507 | Third reading Passed as amended |
| 05/07/2025 | 4521 | Author stricken Limmer |
| 05/04/2026 | 9328a | Returned from House with amendment |
| | 9328 | Motion to concur with House amendments |
| | 9328 | Laid on table |
| 05/06/2026 | 9944 | Taken from table |
| | 9944 | Senate concurred and repassed bill |
| | 9945 | Third reading Passed as amended |
| | | Presentment date 05/11/2026 |
| | 10596 | Governor's action Approval 05/12/26 |
| | 10596 | Secretary of State Chapter 82 05/12/26 |
| | | Effective date various dates |

A bill for an act

relating to common interest communities; modifying powers and duties of common interest communities; modifying rights of a unit owner; modifying threshold for termination of a common interest community; requiring dispute resolution options; modifying notice of meetings; limiting late fees, fines, and attorney fees; modifying foreclosure requirements; prohibiting local governments from requiring creation of homeowners associations; amending Minnesota Statutes 2024, sections 515B.1-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-1021; 515B.4-107; 515B.4-116; proposing coding for new law in Minnesota Statutes, chapter 515B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 515B.1-103, is amended to read:

**515B.1-103 DEFINITIONS.**

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) "Additional real estate" means real estate that may be added to a flexible common interest community.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(A) A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

(B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(C) Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

(3) "Allocated interests" means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.

(4) "Association" means the unit owners' association organized under section 515B.3-101.

(5) "Board" or "Board of Directors" means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

(6) "CIC plat" means a common interest community plat described in section 515B.2-110.

(7) "Common elements" means all portions of the common interest community other than the units.

(8) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

(10) "Common interest community" or "CIC" means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on, one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate which satisfies the definition of a common interest community is

a common interest community whether or not it is subject to this chapter. Real estate subject to a master declaration, regardless of when the master declaration was recorded, shall not collectively constitute a separate common interest community unless so stated in the master declaration.

(11) "Condominium" means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(11a) "Construction defect claim" means a civil action or an arbitration proceeding based on any legal theory including, but not limited to, claims under chapter 327A for damages, indemnity, or contribution brought against a development party to assert a claim, counterclaim, cross-claim, or third-party claim for damages or loss to, or the loss of use of, real or personal property caused by a defect in the initial design or construction of an improvement to real property that is part of a common interest community, including an improvement that is constructed on additional real estate pursuant to section 515B.2-111. "Construction defect claim" does not include claims related to subsequent maintenance, repairs, alterations, or modifications to, or the addition of, improvements that are part of the common interest community, and that are contracted for by the association or a unit owner.

(12) "Conversion property" means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied, in whole or in part, for (i) residential use or (ii) for residential rental purposes by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) "Cooperative" means a common interest community in which the real estate is owned by an association, each of whose members is entitled to a proprietary lease by virtue of the member's ownership interest in the association.

(14) "Dealer" means a person in the business of selling units for the person's own account.

(15) "Declarant" means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or a supplemental declaration or amendment to a declaration adding additional real estate, except secured parties, a spouse holding only an inchoate interest, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who

is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 to any special declarant rights;

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred; or

(iii) if (A) a unit has been restricted to nonresidential use and sold to a purchaser who has agreed to modify or waive, in whole or in part, sections 515B.4-101 to 515B.4-118, and (B) the restriction expires or is modified or terminated such that residential use of the unit is permitted, the unit owner at the time the restriction expires or is so modified or terminated is a declarant with respect to that unit and any improvements subject to use rights by a purchaser of the unit.

(16) "Declaration" means any instrument, however denominated, that creates a common interest community.

(16a) "Development party" means an architect, contractor, construction manager, subcontractor, developer, declarant, engineer, or private inspector performing or furnishing the design, supervision, inspection, construction, coordination, or observation of the construction of any improvement to real property that is part of a common interest community, or any of the person's affiliates, officers, directors, shareholders, members, or employees.

(17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

(17a) "First mortgage" means either (i) if there is only one mortgage encumbering title to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit, the mortgage that is first in priority, whether by operation of applicable law or by a properly recorded agreement.

(17b) "First mortgagee" means the holder of a first mortgage.

(18) "Flexible common interest community" means a common interest community to which additional real estate may be added.

(18a) "Governing documents" means the declaration, articles of incorporation, bylaws, and rules and regulations of an association as amended.

(19) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(20) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one or more but fewer than all of the units.

(21) "Master association" means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners' associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

(22) "Master declaration" means a written instrument, however named, (i) recorded on or after June 1, 1994, and (ii) complying with section 515B.2-121, subsection (e).

(23) "Master developer" means a person who is designated in the master declaration as a master developer or, in the absence of such a designation, the owner or owners of the real estate subject to the master declaration at the time the master declaration is recorded, except (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer is not a declarant unless the master declaration states that the real estate subject to the master declaration collectively is or collectively will be a separate common interest community.

(24) "Period of declarant control" means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

(25) "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

(26) "Planned community" means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

(26a) "Property manager" means a person with whom the association contracts to perform management services and includes, without limitation, the property manager's employees and agents.

(27) "Proprietary lease" means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

(28) "Purchaser" means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

(29) "Real estate" means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

(30) "Residential use" means use as a dwelling, whether primary, secondary or seasonal, but not (i) transient use such as hotels or motels, (ii) use for residential rental purposes if the individual dwellings are not separate units or if the individual dwellings are not located on separate parcels of real estate. For purposes of this chapter, a unit is restricted to nonresidential use if the unit is subject to a restriction that prohibits residential use as defined in this section whether or not the restriction also prohibits the uses described in this paragraph.

(31) "Secured party" means the person owning a security interest as defined in paragraph (32).

(32) "Security interest" means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, in a cooperative, a lender's interest in a member's ownership interest in the association, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

(33a) This definition of special declarant rights applies only to common interest communities created before August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant to:

(i) complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the CIC is located;

(ii) add additional real estate to a common interest community;

(iii) subdivide or combine units, or convert units into common elements, limited common elements, or units;

(iv) maintain sales offices, management offices, signs advertising the common interest community, and models;

(v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;

(vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;

(vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or

(viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

(33b) This definition of special declarant rights applies only to common interest communities created on or after August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant and expressly identified in the declaration as special declarant rights. Such special declarant rights may include but are not limited to the following:

(i) to complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the common interest community is located, and to have and use easements for itself and its employees, agents, and contractors through the common elements for such purposes;

(ii) to add additional real estate to a common interest community;

(iii) to subdivide or combine units, or convert units into common elements, limited common elements and/or units, pursuant to section 515B.2-112;

(iv) to maintain and use sales offices, management offices, signs advertising the common interest community, and models, and to have and use easements for itself and its employees, agents, and invitees through the common elements for such purposes;

(v) to appoint or remove any officer or director of the association during any period of declarant control;

(vi) to utilize an alternate common expense plan as provided in section 515B.3-115(a)(2);

(vii) to grant common element licenses as provided in section 515B.2-109(e); or

(viii) to review, and approve or disapprove, the exterior design, materials, size, site location, and other exterior features of buildings and other structures, landscaping and other exterior improvements, located within the common interest community, and any modifications or alterations thereto.

Special declarant rights shall not be reserved or utilized for the purpose of evading any limitation or obligation imposed on declarants by this chapter.

(34) "Time share" means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with a fee title interest in the common interest community or a specified portion thereof.

(35) "Unit" means a portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership, or separate occupancy pursuant to a proprietary lease.

(36) "Unit identifier" means English letters or Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(37) "Unit owner" means a declarant or other person who owns a unit, a lessee under a proprietary lease, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person.

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

Sec. 2. Minnesota Statutes 2024, section 515B.2-119, is amended to read:

**515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY.**

(a) Except as otherwise provided in this chapter, a common interest community may be terminated as follows:

(1) if a common interest community consists entirely of detached, single-family dwellings that does not include any common elements and the association has no maintenance obligations for any building that contains a dwelling, the common interest community may

be terminated only by the written agreement of unit owners of units to which at least 67 percent of the votes in the association are allocated, provided that agreement shall be deemed to have been provided by any unit owner who has not otherwise indicated a preference and whose written refusal to agree is not received by the association within 60 days after the association has provided notice of the proposed termination by certified United States mail, postage prepaid, and return receipt requested. Termination of the common interest community does not relieve the association of its obligations under any contract other than the declaration; or

(2) a common interest community not subject to clause (1) may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use.

(b) An agreement to terminate shall be evidenced by a written agreement, executed in the same manner as a deed by the number of unit owners and first mortgagees of units required by subsection (a). The agreement shall specify a date after which the agreement shall be void unless recorded before that date. The agreement shall also specify a date by which the termination of the common interest community and the winding up of its affairs must be accomplished. A certificate of termination executed by the association evidencing the termination shall be recorded on or before the termination date, or the agreement to terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the certificate of termination shall be recorded in every county in which a portion of the common interest community is situated and is effective only upon recording.

(c) In the case of a condominium or planned community containing only units having upper and lower boundaries, a termination agreement may provide that all of the common elements and units of the common interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(d) In the case of a condominium or planned community containing any units not having upper and lower boundaries, a termination agreement may provide for sale of the common elements, but it may not require that the units be sold following termination, unless the original declaration provided otherwise or all unit owners whose units are to be sold consent to the sale. If, pursuant to the agreement, any real estate in the common interest community

is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(e) The association, on behalf of the unit owners, shall have authority to contract for the sale of real estate in a common interest community pursuant to this section, subject to the required approval. The agreement to terminate shall be deemed to grant to the association a power of attorney coupled with an interest to effect the conveyance of the real estate on behalf of the holders of all interests in the units, including without limitation the power to execute all instruments of conveyance and related instruments. Until the sale has been completed, all instruments in connection with the sale have been executed and the sale proceeds distributed, the association shall continue in existence with all powers it had before termination.

(1) The instrument conveying or creating the interest in the common interest community shall include as exhibits (i) an affidavit of the secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners in the common interest community as of the date of the approval.

(2) Proceeds of the sale shall be distributed to unit owners and secured parties as their interests may appear, in accordance with subsections (h), (i), (j), and (k).

(3) Unless otherwise specified in the agreement of termination, until the association has conveyed title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors in interest remain liable for all assessments and other obligations imposed on unit owners by this chapter, the declaration or the bylaws.

(f) The legal description of the real estate constituting the common interest community shall, upon the date of recording of the certificate of termination referred to in subsection (b), be as follows:

(1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), the lot and block description contained in the CIC plat, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(2) In a condominium or cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c), the underlying legal description of the real estate as set forth in the declaration creating the common interest community, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(3) The legal description referred to in this subsection shall apply upon the recording of the certificate of termination. The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal description required by this subsection from and after the date of recording of the certificate of termination. In the case of registered property, the registrar of titles shall cancel the existing certificates of title with respect to the property and issue one or more certificates of title for the property utilizing the legal description required by this subsection.

(g) In a condominium or planned community, if the agreement to terminate provides that the real estate constituting the common interest community is not to be sold following termination, title to the common elements and, in a common interest community containing only units having upper and lower boundaries described in the declaration, title to all the real estate in the common interest community, vests in the unit owners upon termination as tenants in common in proportion to their respective interest as provided in subsection (k), and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

(h) The proceeds of any sale of real estate pursuant to subsection (e), together with the assets of the association, shall be held by the association as trustee for unit owners, secured parties and other holders of liens on the units as their interests may appear. Before distributing any proceeds, the association shall have authority to deduct from the proceeds of sale due with respect to the unit (i) unpaid assessments levied by the association with respect to the unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and (iii) the share of expenses of sale and winding up of the association's affairs with respect to the unit.

(i) Following termination of a condominium or planned community, creditors of the association holding liens on the units perfected before termination may enforce those liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

(j) In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of unit owners and creditors of unit owners. In that event, following termination, creditors of the association holding liens on the cooperative which were perfected before termination may enforce their liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association shall be treated as if they had perfected a lien against the cooperative immediately before

termination. Unless the declaration provides that all creditors of the association have that priority:

(1) the lien of each creditor of the association which was perfected against the association before termination becomes, upon termination, a lien against each unit owner's interest in the unit as of the date the lien was perfected;

(2) any other creditor of the association is to be treated upon termination as if the creditor had perfected a lien against each unit owner's interest immediately before termination;

(3) the amount of the lien of an association's creditor described in paragraphs (1) and (2) against each of the unit owners' interest shall be proportionate to the ratio which each unit's common expense liability bears to the common expense liability of all of the units;

(4) the lien of each creditor of each unit owner which was perfected before termination continues as a lien against that unit owner's interest in the unit as of the date the lien was perfected; and

(5) the assets of the association shall be distributed to all unit owners and all lienholders as their interests may appear in the order described in this section. Creditors of the association are not entitled to payment from any unit owner in excess of the amount of the creditor's lien against that unit owner's interest.

(k) The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and (i) are as follows:

(1) Except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes in the association are allocated. The proportion of any unit's interest to that of all units is determined by dividing the fair market value of that unit by the total fair market values of all the units.

(2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof before destruction cannot be made, the interests of all unit owners shall be measured by: (i) in a condominium, their allocations of common element interests immediately before the termination, (ii) in a cooperative, their respective ownership interests immediately before the termination, and (iii) in a planned community, their respective allocations of common expenses immediately before the termination.

(l) In a condominium or planned community, except as provided in subsection (m), foreclosure or enforcement of a lien or encumbrance against the entire common interest community does not terminate, of itself, the common interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community does not withdraw that portion from the common interest community.

(m) In a condominium or planned community, if a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community.

(n) Following the termination of a common interest community in accordance with this section, the association shall be dissolved in accordance with law.

**EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to all terminations under this section initiated on or after that date.

Sec. 3. Minnesota Statutes 2024, section 515B.3-102, is amended to read:

**515B.3-102 POWERS AND DUTIES OF UNIT OWNERS' ASSOCIATION.**

(a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community. Rules and regulations adopted must be reasonable. An association must give unit owners no less than 21 days' notice before the association votes to adopt, amend, or revoke a rule or regulation to review and comment on the proposed change. Notice may be provided in any reasonable manner. An association may adopt a temporary rule without

notice in exigent circumstances, provided the board acts as soon as practicable to give the requisite notice to unit owners before adopting the rule permanently. Nothing in this chapter prevents the unit owners from asking the board to adopt, amend, or revoke a rule or regulation;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) ~~impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy~~

~~reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association, provided that attorney fees and costs must not be charged or collected from a unit owner who disputes a fine or assessment and, if after the homeowner requests a hearing and a hearing is held by the board or a committee of the board, the board does not adopt a resolution levying the fine or upholding the assessment against the unit owner or owner's unit;~~ unless, at a board meeting, a greater amount is approved by owners of units to which a majority of the votes in the association are allocated, impose a fine not to exceed $100 for a single violation of the declaration, bylaws, and rules and regulations, except the association may impose a fine greater than $100 for a subsequent violation for the same conduct, or if the violation:

(i) has a serious and immediate impact on the health or safety of a resident, occupant, or guest;

(ii) causes physical damage to another unit or a common element; or

(iii) involves using the property for financial enrichment, including renting or offering for rent a unit in violation of the declaration, bylaws, or a rule or regulation prohibiting short-term or long-term rentals.

A unit owner pursuant to section 515B.3-115(g) or 515B.3-1151(g), after receiving notice of a violation or a notice of an assessment, has the opportunity to be heard before the board or a committee appointed by it to contest the fine or assessment. A unit owner, within 30 days after receipt of the notice, must request a hearing, unless the declaration provides for a different period. The unit owner has the right to be advised by an attorney or a designated representative at the hearing. If a hearing is requested by a unit owner, attorney fees and costs must not be charged or collected from a unit owner unless the hearing is held and the board or committee adopts a final resolution upholding the fine or assessment against the unit owner or owner's unit. The association must provide, in any reasonable manner, a copy of the final resolution within 30 days of its adoption. The resolution must contain an explanation for upholding the fine or assessment to the unit owner.

If the association's governing documents authorize the association to impose fines for violations of the governing documents, an association must provide a list of fines for common violations of the governing documents and a description of the remedies available to the association to every unit owner in any reasonable manner, including but not limited to electronic mailing or posting on the association's website, including when the schedule is amended by the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration~~,~~ or resale certificates required by section 515B.4-107, ~~statements of unpaid assessments,~~ or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; ~~and~~

(16) exercise any other powers necessary and proper for the governance and operation of the association;

(17) impose interest only on delinquent assessments for common expenses or special assessments not to exceed eight percent; and

(18) impose a fee for late payment of common expenses and special assessments not to exceed the greater of $20 or five percent of the amount owed.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) An association that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner that:

(1) states the amount and reason for the fine or assessment;

(2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which a fine is being levied and the date of the levy; and (ii) the specific section of the declaration, bylaws, rules, or regulations allegedly violated;

(3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies: (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

(4) states that ~~all~~ unpaid fines for certain violations subject to section 515B.3-116(h), and all assessments are liens which, if not satisfied, could lead to foreclosure of the lien against the owner's unit;

(5) describes the unit owner's right to be heard by the board or a committee appointed by the board and the steps a unit owner must take to schedule the hearing;

(6) states that if the assessment, fine, late fees, and other allowable charges are not paid, the amount may increase as a result of the imposition of attorney fees and other collection costs; and

(7) informs the unit owner that homeownership ~~assistance~~ advice is available from the Minnesota Homeownership Center and dispute resolution and other information services are available from the common interest community ombudsperson.

(d) Notwithstanding subsection (a), powers exercised under this section must comply with sections 500.215, 500.216, and 500.217.

(e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (e)(1) and the proxy expressly references this notice.

(f) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (e)(1) and (e)(2) but the association's complaint

in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (e) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

(g) An association may not refuse to accept payment from an owner of any amount for any assessment, fine, or fee, except if the association has commenced a foreclosure under chapter 580 or 581. Acceptance of a payment does not constitute a waiver of any claim or defense the association may assert. Nothing in this paragraph affects the unit owner's right to reinstate under section 580.30.

(h) A payment by a unit owner must be applied to assessments for common expenses and special assessments first before it is applied to fines, fees, or other assessments, except that the payment can be applied:

(1) in a different manner upon the agreement of the unit owner and the association; or

(2) by the association to fines that remain unpaid for more than 120 days if the fine is for a violation that:

(i) has a serious and immediate impact on the health or safety of a resident, occupant, or guest;

(ii) causes physical damage to another unit or a common element; or

(iii) involves using the property for financial enrichment, including renting or offering for rent a unit in violation of the declaration, bylaws, or a rule or regulation prohibiting short-term or long-term rentals, as provided under subsection (a)(11).

An association must consider offering a reasonable payment plan for a delinquency.

(i) A board must allow a unit owner to present, orally or in writing, a grievance to the board or a committee appointed by the board on a matter other than a fine governed under subsection (a)(11), or an application to alter a unit under section 515B.3-107(e). The board must make a good faith effort to resolve the grievance or, if resolution is not achieved, refer the unit owner to the common interest community ombudsperson. An association may not impose any fees or charges on the unit owner for making the presentation.

**EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to action taken by an association on or after that date.

Sec. 4. Minnesota Statutes 2025 Supplement, section 515B.3-103, is amended to read:

**515B.3-103 BOARD OF DIRECTORS, OFFICERS AND DECLARANT CONTROL.**

(a) An association shall be governed by a board of directors whose appointment or election shall occur no later than the date of creation of the common interest community and shall be reflected in the association's records. Except as expressly prohibited by the declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this chapter, the board may act in all instances on behalf of the association. In the performance of their duties, the officers and directors are required to exercise (i) if appointed by the declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit owners, the care required of a director by section 302A.251, 308B.455, 308C.455, or 317A.251, as applicable. The officers and directors appointed by the declarant shall have a duty to fulfill, and to cause the association to fulfill, their respective obligations under the declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners, including the declarant and its affiliates, in a uniform and fair manner. The standards of conduct for officers and directors set forth in this subsection shall also apply to the officers and directors of master associations in the exercise of their duties on behalf of the master association.

(b) The board may not act unilaterally to amend the declaration, to terminate the common interest community, to elect directors to the board, or to determine the qualifications, powers and duties, or terms of office of directors, but the board may fill vacancies in its membership created other than by removal by the vote of the association members for the unexpired portion of any term.

(c) The declaration may provide for a period of declarant control of the association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and directors of the association. The period of declarant control begins on the date of creation of the common interest community and terminates upon the earliest of the following events: (i) five years after the date of the first conveyance of a unit to a unit owner other than a declarant in the case of a flexible common interest community or three years in the case of any other common interest community, (ii) the declarant's voluntary surrender of control by giving written notice to the unit owners pursuant to section 515B.1-115, or (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

(d) The board shall cause a meeting of the unit owners to be called, as follows:

(1) If the period of declarant control has terminated pursuant to subsection (c), a meeting of the unit owners shall be called and held within 60 days after said termination, at which the board shall be appointed or elected by all unit owners, including declarant, subject to the requirements of subsection (e).

(2) If 50 percent of the units that a declarant is authorized by the declaration to create have been conveyed prior to the termination of the declarant control period, a meeting of the unit owners shall be called and held within 60 days thereafter, at which not less than 33-1/3 percent of the members of the board shall be elected by unit owners other than a declarant or an affiliate of a declarant.

(3) If the board fails or refuses to cause a meeting of the unit owners required to be called pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may cause the meeting to be called pursuant to the applicable provisions of the law under which the association was created. The declarant and its affiliates shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting.

(e) Following the termination of any period of declarant control, the unit owners shall appoint or elect the board. All unit owners, including the declarant and its affiliates, may cast the votes allocated to any units owned by them. The board shall thereafter be subject to the following:

(1) Unless otherwise approved by a vote of unit owners other than the declarant or an affiliate of the declarant, a majority of the directors shall be unit owners or a natural person designated by a unit owner that is not a natural person, other than a declarant or an affiliate of a declarant. The remaining directors need not be unit owners unless required by the articles of incorporation or bylaws.

(2) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize the declarant or a person designated by the declarant to appoint one director, who need not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the declarant or other person possessing the power to appoint.

(3) Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (i) classes of directors, (ii) the appointment or election of directors in certain classes by certain classes of members, or (iii) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise

protect the legitimate interest of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed on declarants by this chapter.

(4) The board shall elect the officers. The directors and officers shall take office upon election. Elections of directors must occur regularly, as provided in section 515B.3-108. Each term of a director must not exceed three years, provided there is no limit on the number of terms a director may serve. The terms of directors must be staggered, unless the duration of the terms is one year or less. If filling a vacancy on the board of directors, the director will serve the remainder of the term vacated until a new election is held at the end of the term as provided in section 515B.3-108.

(f) In determining whether the period of declarant control has terminated under subsection (c), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (d), the percentage of the units conveyed shall be calculated using as a numerator the number of units conveyed and as a denominator the number of units subject to the declaration plus the number of units which the declarant is authorized by the declaration to create on any additional real estate. The percentages referred to in subsections (c) and (d) shall be calculated without reference to units that are auxiliary to other units, such as garage units or storage units. A person shall not use a master association or other device to evade the requirements of this section.

(g) Except as otherwise provided in this subsection, all meetings of the board of directors must be open to the unit owners. ~~To the extent practicable,~~ The board shall give reasonable notice to the unit owners of the date, time, and place of a board meeting. The board must make the meeting agenda, and contracts or other documents the board intends to approve or disapprove at the board meeting, available to unit owners in any reasonable manner, including but not limited to electronic mailing or posting on the association's website. The requirement to make documents available to unit owners does not apply to documents related to items discussed at a closed meeting of the board. If the date, time, and place of meetings are provided for in the declaration, articles, or bylaws, announced at a previous meeting of the board, posted in a location accessible to the unit owners and designated by the board from time to time, or if an emergency requires immediate consideration of a matter by the board, notice is not required. "Notice" has the meaning given in section 317A.011, subdivision 14. Before any action is taken on an agenda item at any board meeting open to unit owners, a unit owner, or a person designated in writing by the owner, must be permitted to speak at a time designated by the board on an agenda item. To the extent known, a unit owner must make a good faith attempt to notify the board in advance of the owner's intent

to speak on an agenda item at the meeting. Nothing prohibits a unit owner from requesting that an item be added to the agenda or providing a written comment to the board in advance of the meeting. The board may place a reasonable limit on the time a member is allowed to speak and may, after a warning by the chair of the meeting, expel any person who disrupts the meeting or causes a disturbance. A board may not impose a fine for exercising the right to speak or provide a written statement. Meetings may be closed to discuss the following:

(1) personnel matters;

(2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or association and unit owners, or other matters in which any unit owner may have an adversarial interest, if the board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the board or association or the privacy of a unit owner or occupant of a unit; or

(3) criminal activity arising within the common interest community if the board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the board meeting or any action taken at the meeting. The minutes of any part of a meeting that is closed under this subsection may be kept confidential at the discretion of the board. For the purposes of this subsection, an association is not required to issue a notice or keep minutes for a meeting between board members, or between one or more board members and officers, if the subject of the meeting is solely to discuss issues related to basic maintenance, or daily operations and management of the association, in accordance with their duties as outlined in the governing documents, provided the meeting does not result in a vote or formal action by the board.

In addition to conflict of interest provisions set forth in the statute under which the association was organized, the following standards apply to elected boards:

(1) a board member must not participate in deliberations regarding or vote on the approval or disapproval of a contract to which the association is or may be a party where the board member or a member of the family of a board member has a material financial interest in the contract or is likely to realize a material financial gain as a result of entering into the contract. For the purposes of this section, "member of the family" has the meaning given in section 317A.255, subdivision 4;

(2) a board member must not solicit or accept any money or other compensation from any person as an inducement for the board member to vote in favor of the approval of a contract for property maintenance, construction, repair, or reconstruction services that is binding on the association. If an association has authorized a property manager to enter into contracts on behalf of the association, the property manager must not solicit or accept any money or other compensation from any person as an inducement to the property manager to enter into a contract for property maintenance, construction, repair, or reconstruction services that is binding on the association; and

(3) prior to entering into any contract for property maintenance, construction, repair, or reconstruction services with an estimated cost exceeding $50,000, the board or property managers must solicit a minimum of three written competitive bids. All bids from a person affiliated with a board member, a member of the family of a board member, a property manager, or any member of the family of a property manager or employee must be disclosed prior to consideration or a vote on the bids. A written record of the disclosures must be retained and recorded in the meeting minutes.

(h) The board must review all bids and select a vendor based on reasonable business criteria, including but not limited to, the cost of the project, the contractor's qualifications, available warranties, the extent to which the bidder has met the bid solicitation requirements, and the length of time estimated to complete the project.

(i) An association is not obligated to comply with the bidding requirements of this subsection if:

(1) multiple bids cannot be obtained despite reasonable efforts;

(2) emergency repairs are required to protect the health or safety of the unit owners;

(3) there has been significant damage to the property that must be addressed without delay to prevent further damage to the property;

(4) the work is covered by a warranty;

(5) the vendor is the only available vendor capable of providing the required goods or services; or

(6) the cost of materials does not exceed $50,000 and labor is performed at no charge by volunteers.

(j) The association must maintain a record of the bid selection process, including the criteria used, and the contracts awarded for the last six years, and make those records available to unit owners at cost or as otherwise provided in section 515B.3-118.

(k) A contract entered into by a declarant with a property manager shall terminate no later than 12 months after the declarant control period has ended. A contract entered into by an association with a property manager after the declarant control period has ended that does not automatically renew may be terminated by the association, with or without cause, upon three months' written notice. An association may decline to renew an automatically renewing contract for another term, provided the association gives written notice to the other party no less than three months before the date the contract will automatically renew.

**EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to all association activities on or after that date.

Sec. 5. Minnesota Statutes 2024, section 515B.3-106, is amended to read:

**515B.3-106 BYLAWS; ANNUAL REPORT.**

(a) A common interest community shall have bylaws which comply with this chapter and the statute under which the association is incorporated. The bylaws and any amendments may be recorded, but need not be recorded to be effective unless so provided in the bylaws.

(b) The bylaws shall provide that, in addition to any statutory requirements:

(1) A meeting of the members shall be held at least once each year, and a specified officer of the association shall give notice of the meeting as provided in section 515B.3-108.

(2) An annual report shall be prepared by the association and a copy of the report shall be provided to each unit owner at or prior to the annual meeting.

(c) The annual report shall contain at a minimum:

(1) a statement of any capital expenditures in excess of two percent of the current budget or $5,000, whichever is greater, approved by the association for the current fiscal year or succeeding two fiscal years;

(2) a statement of the association's total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amounts of the reserves, if any, that the board has allocated for the replacement of each of those components;

(3) a copy of the statement of revenues and expenses for the association's last fiscal year, and a balance sheet as of the end of said fiscal year;

(4) a statement of the status of any pending litigation or judgments to which the association is a party;

(5) a detailed description of the insurance coverage provided by the association including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association and the amount of the association's deductible and the following notice: "IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, THE UNIT OWNER IS PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF THE UNIT OWNER DOES NOT HAVE SUFFICIENT INSURANCE COVERAGE"; and

(6) a statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting.

Sec. 6. Minnesota Statutes 2024, section 515B.3-107, is amended to read:

**515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

(a) Except to the extent provided by the declaration, this subsection or section 515B.3-113, the association is responsible for the maintenance, repair and replacement of the common elements, and each unit owner is responsible for the maintenance, repair and replacement of the unit owner's unit. Damage to the common elements or any unit as a result of the acts or omissions of a unit owner or the association, including damage resulting from the unit owner's or association's lack of maintenance or failure to perform necessary repairs or replacement, is the responsibility of the unit owner or association responsible for causing the damage, or whose agents or invitees caused the damage.

(b) The association's board of directors shall prepare and approve a written preventative maintenance plan, maintenance schedule, and maintenance budget for the common elements. The association shall follow the approved preventative maintenance plan. The association's board may amend, modify, or replace an approved preventative maintenance plan or an approved maintenance schedule from time to time. The association must provide all unit owners with a paper copy, electronic copy, or electronic access to the preventative maintenance plan, the maintenance schedule, and any amendments or modifications to or replacements of the preventative maintenance plan and the maintenance schedule. If a common interest community was created on or before August 1, 2017, the association's board of directors shall have until January 1, 2019, to comply with the requirements of this subsection.

(c) The association shall have access through and into each unit for purposes of performing maintenance, repair or replacement for which the association may be responsible. The association and any public safety personnel shall also have access for purposes of abating or correcting any condition in the unit which violates any governmental law, ordinance or regulation, which may cause material damage to or jeopardize the safety of

the common interest community, or which may constitute a health or safety hazard for occupants of units.

(d) Neither the association, nor any unit owner other than the declarant or its affiliates, is subject to a claim for payment of expenses incurred in connection with any additional real estate.

(e) An association with authority under the declaration to approve or disapprove a request by a unit owner who has a right granted under this chapter, or the declaration, to make alterations to the owner's unit must establish, by rule or regulation, a fair, reasonable, and expeditious procedure for making any decision on the proposed alteration. The association must provide the procedure to a unit owner who requests an alteration. Unless the declaration, bylaws, or rules and regulations provide for a different period, the board or a committee appointed by the board must make a decision within 90 days after submission of an application that contains all the information required or any additional information or changes to the proposal requested by the association's board. A decision must be in writing, must be made in accordance with the standards of conduct for directors set forth in the statute under which the association is organized, and must be reasonable.

(f) An association has no authority to regulate the parking of a unit owner or a guest, tenant, or invitee of the unit owner within an improved public right of way that a unit of government maintains and repairs, except that the association may, in its declaration or by rule or regulation, require compliance with all applicable statutes, laws, and ordinances. Absent legislative authorization, a unit of government does not have the authority to delegate its police powers to a private entity. If an association is an authorized delegatee, the delegation is valid for a period not to exceed five years, at which time it may be renewed upon application by the association and agreement of the unit of government. As used in this subsection, "personal vehicle" means an automobile with a gross vehicle weight of less than 26,001 pounds that is used for personal pleasure, travel, or commuting to and from a place of work, including but not limited to a van, pickup truck, small truck, ambulance, law enforcement vehicle, emergency response vehicle, or utility company vehicle. A personal vehicle does not include a motor home, a self-propelled recreational vehicle, or a commercial vehicle used primarily for commercial business unless otherwise stated in this section. A unit owner or resident must be permitted to park a personal or work vehicle on the portion of the unit owner's property or the portion of the limited common element allocated to the unit that was originally designed or subsequently modified for the parking of vehicles, provided the vehicle, when parked, does not encroach on another unit owner's property, fully or partially block access to a pedestrian walkway, or interfere with the association's

ability to maintain roads, driveways, parking spaces, common elements, or limited common elements.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 7. Minnesota Statutes 2024, section 515B.3-115, is amended to read:

**515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED BEFORE AUGUST 1, 2010.**

(a) The obligation of a unit owner to pay common expense assessments shall be as follows:

(1) If a common expense assessment has not been levied, the declarant shall pay all operating expenses of the common interest community, and shall fund the replacement reserve component of the common expenses as required by subsection (b).

(2) If a common expense assessment has been levied, all unit owners, including the declarant, shall pay the assessments allocated to their units, subject to the following:

(i) If the declaration so provides, a declarant's liability, and the assessment lien, for the common expense assessments, exclusive of replacement reserves, on any unit owned by the declarant may be limited to 25 percent or more of any assessment, exclusive of replacement reserves, until the unit or any building located in the unit is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(ii) If the declaration provides for a reduced assessment pursuant to paragraph (2)(i), the declarant shall be obligated, within 60 days following the termination of the period of declarant control, to make up any operating deficit incurred by the association during the period of declarant control. The existence and amount, if any, of the operating deficit shall be determined using the accrual basis of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(b) The replacement reserve component of the common expenses shall be funded for each unit in accordance with the projected annual budget required by section 515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit shall commence no later than the date that the unit or any building located within the unit boundaries is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon a budget approved at least annually by the association. The association shall make available in any reasonable manner a copy of the proposed budget prior to the meeting at which the budget is scheduled to be discussed and approved.

(d) Except as modified by subsections (a)(1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments against a unit owner, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations against a unit owner, may be assessed against the unit owner's unit subject to section 515B.3-116(h); and

(5) fees, charges, late charges, fines and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment

immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association must adopt a collection policy and provide a copy to all unit owners. The collection policy must require, at a minimum:

(1) three separate notifications to a unit owner before the account is referred to a law firm or collection agency for collections, including at least one notification sent by certified mail to the unit owner's registered address; and

(2) a law firm, engaged by the board to foreclose an association's lien for assessments, to send the notice required pursuant to section 580.021 by United States mail and certified mail to the unit owner.

~~(k)~~ (l) This section applies only to common interest communities created before August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 8. Minnesota Statutes 2024, section 515B.3-1151, is amended to read:

**515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) The association shall approve an annual budget of common expenses at or prior to the conveyance of the first unit in the common interest community to a purchaser and annually thereafter. The annual budget shall include all customary and necessary operating expenses and replacement reserves for the common interest community, consistent with this section and section 515B.3-114. For purposes of replacement reserves under subsection (b), until an annual budget has been approved, the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102. The obligation of a unit owner to pay common expenses shall be as follows:

(1) If a common expense assessment has not been levied by the association, the declarant shall pay all common expenses of the common interest community, including the payment of the replacement reserve component of the common expenses for all units in compliance with subsection (b).

(2) If a common expense assessment has been levied by the association, all unit owners, including the declarant, shall pay the assessments levied against their units, except as follows:

(i) The declaration may provide for an alternate common expense plan whereby the declarant's common expense liability, and the corresponding assessment lien against the units owned by the declarant, is limited to: (A) paying when due, in compliance with subsection (b), an amount equal to the full share of the replacement reserves allocated to units owned by the declarant, as set forth in the association's annual budget approved as provided in this subsection; and (B) paying when due all accrued expenses of the common interest community in excess of the aggregate assessments payable with respect to units owned by persons other than a declarant; provided, that the alternate common expense plan shall not affect a declarant's obligation to make up any operating deficit pursuant to item (iv), and shall terminate upon the termination of any period of declarant control unless terminated earlier pursuant to item (iii).

(ii) The alternate common expense plan may be authorized only by including in the declaration and the disclosure statement required by section 515B.4-102 provisions authorizing and disclosing the alternate common expense plan as described in item (i), and including in the disclosure statement either (A) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget contained in the disclosure statement, or (B) a statement describing how the services or amenities may be affected.

(iii) A declarant shall give notice to the association of its intent to utilize the alternate common expense plan and a commencement date after the date the notice is given. The alternate common expense plan shall be valid only for periods after the notice is given. A declarant may terminate its right to utilize the alternate common expense plan prior to the termination of the period of declarant control only by giving notice to the association and the unit owners at least 30 days prior to a selected termination date set forth in the notice.

(iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause to be prepared and delivered to the association, at the declarant's expense, within 90 days after the termination of the period of declarant control, an audited balance sheet and profit and loss statement certified to the association and prepared by an accountant having the

qualifications set forth in section 515B.3-121(b). The audit shall be binding on the declarant and the association.

(v) If the audited profit and loss statement shows an accumulated operating deficit, the declarant shall be obligated to make up the deficit within 15 days after delivery of the audit to the association, and the association shall have a claim against the declarant for an amount equal to the deficit until paid. A declarant who does not utilize an alternate common expense plan is not liable to make up any operating deficit. If more than one declarant utilizes an alternate common expense plan, all declarants who utilize the plan are jointly and severally liable to the association for any operating deficit.

(vi) The existence and amount, if any, of the operating deficit shall be determined using the accrual method of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(vii) Unless approved by a vote of the unit owners other than the declarant and its affiliates, the operating deficit shall not be made up, prior to the election by the unit owners of a board of directors pursuant to section 515B.3-103(d), through the use of a special assessment described in subsection (c) or by assessments described in subsections (e), (f), and (g).

(viii) The use by a declarant of an alternate common expense plan shall not affect the obligations of the declarant or the association as provided in the declaration, the bylaws, or this chapter, or as represented in the disclosure statement required by section 515B.4-102, except as to matters authorized by this chapter.

(b) The replacement reserves required by section 515B.3-114 shall be paid to the association by each unit owner for each unit owned by that unit owner in accordance with the association's annual budget approved pursuant to subsection (a), regardless of whether an annual assessment has been levied or whether the declarant has utilized an alternate common expense plan under subsection (a)(2). Replacement reserves shall be paid with respect to a unit commencing as of the later of (1) the date of creation of the common interest community or (2) the date that the structure and exterior of the building containing the unit, or the structure and exterior of any building located within the unit boundaries, but excluding the interior finishing of the structure itself, are substantially completed. If the association has not approved an annual budget as of the commencement date for the payment of replacement reserves, then the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon an annual budget approved by the association. The association shall make available, in any reasonable manner, a copy of the proposed budget prior to the meeting at which the budget is scheduled to be discussed and approved. In addition to and not in lieu of annual assessments, an association may, if so provided in the declaration, levy special assessments against all units in the common interest community based upon the same formula required by the declaration for levying annual assessments. Special assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures or operating expenses, or (4) to replace certain components of the common interest community described in section 515B.3-114(a), if such alternative method of funding is approved under section 515B.3-114(a)(5). The association may also levy assessments against fewer than all units as provided in subsections (e), (f), and (g). An assessment under subsection (e)(2) for replacement reserves is subject to the requirements of section 515B.3-1141(a)(5).

(d) Except as modified by subsections (a), clauses (1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) subject to section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner's unit, subject to section 515B.3-116(h); and

(5) fees, charges, late charges, fines, and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) An association must adopt a collection policy and provide a copy to all unit owners. The collection policy must require, at a minimum:

(1) three separate notifications to a unit owner before the account is referred to a law firm or collection agency for collections, including at least one notification sent by certified mail to the unit owner's registered address; and

(2) a law firm, engaged by the board to foreclose an association's lien for assessments, to send the notice required pursuant to section 580.021 by United States mail and certified mail to the unit owner.

~~(k)~~ (l) This section applies only to common interest communities created on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 9. Minnesota Statutes 2024, section 515B.3-116, is amended to read:

**515B.3-116 LIEN FOR ASSESSMENTS.**

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, fines as specified in subsection (h), and late charges~~, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12)~~ are liens, and are enforceable as assessments, under this section. Recording of the declaration constitutes record notice and perfection of any assessment lien under this section, and no further recording of any notice of or claim for the lien is required.

(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection~~.~~, provided that an association may not commence foreclosure unless common expenses and special assessments and fines that meet the conditions for exception to the limit specified in section 515B.3-102(a)(11), are delinquent for more than three months.

(1) In a condominium or planned community, regardless of when the condominium or planned community was created, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580, except that any portion of the assessment that represents attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate under section 580.30 or chapter 581.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01,

subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

(3) $500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR INCURRED; PLUS

(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the redemption period in a foreclosure of the association's assessment lien, the association may bring an action for eviction against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

**EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to foreclosures commenced on or after that date.

Sec. 10. **[515B.3-125] LEGAL FEES; NOTICE REQUIRED.**

(a) If an association elects to refer a unit owner's inquiry to the association's legal counsel, the association must notify the unit owner in advance that the association:

(1) intends to refer the inquiry to the association's legal counsel; and

(2) may incur legal fees which may result in an assessment to the unit owner.

(b) The board must provide the notification under subsection (a) at no cost to the unit owner.

(c) Notice under this section is not required to be given before referring a matter to the association's legal counsel if:

(1) the matter involves pending or threatened litigation;

(2) the unit owner has retained legal counsel and the association is responding to the owner's attorney; or

(3) immediate legal action is necessary to preserve the legal rights of the association or to prevent immediate harm to persons or property.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 11. Minnesota Statutes 2024, section 515B.4-1021, is amended to read:

**515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED ON OR AFTER AUGUST 1, 2010.**

(a) A disclosure statement shall fully and accurately disclose:

(1) the name and, if available, the number of the common interest community;

(2) the name and principal address of each declarant holding any special declarant rights; a description of the special declarant rights held by each declarant; a description of the units or additional real estate to which the respective special declarant rights apply; and a copy of any recorded transfer of special declarant rights pursuant to section 515B.3-104(a), or any instrument recorded pursuant to section 515B.3-104(b), (g), or (h);

(3) the total number of units which all declarants have the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

(4) a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community, and the nature of the occupancy, (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or master association will be required to maintain, (vii) a description of any declarant licensing rights under section 515B.2-109(e), and (viii) the initial maintenance plan, initial maintenance schedule, and maintenance budget under section 515B.3-107(b). The initial maintenance plan prepared by the declarant must be based on the best available information listing all building elements to which the plan will apply and the generally accepted standards of maintenance on which the plan is based. The initial plan must be dated and signed by the declarant and be fully funded by the initial budget provided by the declarant;

(5) declarant's schedule of commencement and completion of construction of any buildings and other improvements that the declarant is obligated to build pursuant to section 515B.4-117;

(6) any expenses or services, not reflected in the budget, that the declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; a description of any alternate common expense plan under section 515B.3-115(a)(2)(i); and, if the declaration provides for an alternate common expense plan, either (i) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association's budget or disclosed in the disclosure statement, or (ii) a statement describing how the services or amenities may be affected;

(7) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(8) identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the association after the contemplated conveyance;

(9) a description of any financing offered or arranged by the declarant;

(10) a statement as to whether application has been made for any project approvals for the common interest community from the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD), or Department of Veterans Affairs (VA), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 to 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that:

(i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a);

(ii) if a purchaser receives a disclosure statement more than ten days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement; and

(iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with this chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

(13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including but not limited to:

(i) a statement as to which, if any, of the items referred to in section 515B.3-113(b), are insured by the association;

(ii) the amount of the association's deductible; and

(iii) the following statement: "IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, THE UNIT OWNER IS PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF THE UNIT OWNER DOES NOT HAVE SUFFICIENT INSURANCE COVERAGE. It is recommended that each unit owner personally purchase insurance coverage for loss assessments in an amount at least equal to the association's deductible, as well as insurance to cover the interior of the unit and personal property. A unit owner should conduct a regular review of their individual insurance policy and increase coverage as necessary to fully cover their portion of the association's deductible.";

(16) any current or expected fees or charges, other than assessments for common expenses, to be paid by unit owners for the use of the common elements or any other improvements or facilities;

(17) the financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the declarant is obligated to build pursuant to section 515B.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative:

(i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative;

(ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and

(iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement:

(i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties, and stating the years for which taxes are delinquent; and

(ii) setting forth the amount of real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the unit or other parcel of real estate being purchased is or may be subject to a master declaration at the time of the conveyance from the declarant to the purchaser, a statement to that effect, and all of the following information with respect to the master association:

(i) copies of the following documents (which may be in proposed form if the master declaration has not been recorded): the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto;

(ii) the name and address of the master developer, and the name, address, and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members;

(iii) a description of any nonresidential use permitted on any property subject to the master declaration;

(iv) a statement as to the estimated maximum number of associations, unit owners, or other persons which may become members of the master association, and a description of any period of control of the master association and rights to appoint master association directors by a master developer or other person pursuant to section 515B.2-121(c);

(v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member of the master association;

(vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made;

(vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other periodic common expense assessment payment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;

(viii) a description of any expenses or services not reflected in the budget, paid for or provided by a master developer or another person executing the master declaration, which may become an expense of the master association in the future;

(ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(e)(2);

(x) identification of any liens, defects, or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members;

(xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-113(b)(2);

(xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association;

(xiii) a description of any insurance coverage provided for the benefit of its members by the master association which must include the amount of the association's deductible. All descriptions of insurance must contain the following statement in a conspicuous manner: "IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, THE UNIT OWNER IS PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF THE UNIT OWNER DOES NOT HAVE SUFFICIENT INSURANCE COVERAGE. It is recommended that each unit owner personally purchase insurance coverage for loss assessments in an amount at least equal to the association's deductible, as well as insurance to cover the interior of the unit

and personal property. A unit owner should conduct a regular review of their individual insurance policy and increase coverage as necessary to fully cover their portion of the association's deductible."; and

(xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and, if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) copies of the following documents (which may be in proposed form if the declaration has not been recorded): the declaration and any supplemental declaration, and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, and reservations affecting the common interest community; the articles of incorporation, bylaws, and any rules or regulations of the association; the names of the current members of the association's board of directors; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by the purchaser at closing; and a description of any material contracts, leases, or other agreements affecting the common interest community; ~~and~~

(23) a balance sheet for the association, following the creation of the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant's good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation:

(i) a statement of the amount included in the budget as a reserve for replacement, the components of the common interest community for which the reserves are budgeted, and the amounts of the reserves, if any, that are allocated for the replacement of each of those components;

(ii) a statement of any other reserves;

(iii) the projected common expense for each category of expenditures for the association;

(iv) the projected monthly common expense assessment for each type of unit;

(v) a statement as to the components of the common interest community whose replacement will be funded by assessments under section 515B.3-115(c) or (e), rather than by replacement reserves as approved pursuant to section 515B.3-114(a). If, based upon the association's then-current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included.; and

(vi) a copy of any reserve study, if any, or any other reports or estimates, if any, utilized by the declaration in providing the information required by section 515B.4-102(a)(23);

(24) the list of common fines and allowable remedies required under section 515B.3-102 and the collection policy adopted by the association under section 515B.3-115(k) or 515B.3-1151(k); and

(25) a statement providing the following information:

(i) purchasing a unit in the common interest community will impact property rights and may impose certain obligations on a unit owner;

(ii) governing documents for a common interest community dictate how decisions will be made related to the property, including financial decisions, maintenance decisions, and restrictions on the use of the property, which may include but not be limited to restrictions on parking, appearance, noise, smoking, pets, and rental of your unit;

(iii) governing documents may also be modified or changed at any time with the appropriate approval and any modifications or amendments will apply to existing unit owners; and

(iv) it is advisable to consult with an attorney before purchasing a unit.

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created on or after August 1, 2010.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 12. Minnesota Statutes 2024, section 515B.4-107, is amended to read:

**515B.4-107 RESALE OF UNITS.**

(a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution of any purchase agreement for a unit or otherwise before conveyance, the following documents relating to the association or to the master association, if applicable:

(1) copies of the declaration (other than any CIC plat), the articles of incorporation and bylaws, any rules and regulations, and any amendments or supplemental declarations, including the list of common fines and allowable remedies required under section 515B.3-102 and the collection policy adopted by the association under section 515B.3-115(k) or 515B.3-1151(k);

(2) copies of the master declaration, articles of incorporation, bylaws, and rules and regulations, if the common interest community is subject to a master declaration; ~~and~~

(3) a resale disclosure certificate from the association dated not more than 90 days prior to the date of the purchase agreement or the date of conveyance, whichever is earlier, containing the information set forth in subsection (b)~~.~~; and

(4) a copy of any reserve study, if any, obtained by the association within the past three years for the purposes of evaluating the adequacy of replacement reserve contributions and compliance with section 515B.3-1141.

(b) The resale disclosure certificate must be in substantially the following form:

COMMON INTEREST COMMUNITY

RESALE DISCLOSURE CERTIFICATE

Name of Common Interest Community:.....

Name of Association:.....

Address of Association:.....

Unit Number(s) (include principal unit and any garage, storage, or other auxiliary units):

Common elements licensed under Minnesota Statutes, section 515B.2-109(e):

.....

.....

The following information is furnished by the association named above according to Minnesota Statutes, section 515B.4-107.

1. There is no right of first refusal or other restraint on the free alienability of the above unit(s) contained in the declaration, bylaws, rules and regulations, or any amendment to them, except as follows:.....

.....

.....

.....

2. The following periodic installments of common expense assessments and special assessments are payable with respect to the above unit(s):

a. Annual assessment installments: $..... Due:.....

b. Special assessment installments: $..... Due:.....

c. Unpaid assessments, fines, or other charges:

(1) Annual $.....

(2) Special $.....

(3) Fines $.....

(4) Other Charges $.....

d. The association has/has not (strike one) approved a plan for levying certain common expense assessments against fewer than all the units according to Minnesota Statutes, section 515B.3-115, subsection (e). If a plan is approved, a description of the plan is attached to this certificate.

3. In addition to the amounts due under paragraph 2, the following additional fees or charges other than assessments are payable by unit owners (include late payment charges, user fees, etc.):

.....

.....

.....

4. There are no extraordinary expenditures approved by the association, and not yet assessed, for the current and two succeeding fiscal years, except as follows:.....

.....

.....

5. The association is obligated to replace the following components of the common interest community:.....

.....

.....

The association has the following amounts in its reserves for replacement of those components:

.....

.....

The replacement of the following components is funded by assessments levied only against the unit or units served by the component, pursuant to Minnesota Statutes, section 515B.3-115(e)(1) or (2).....

.....

.....

6. The following documents are furnished with this certificate according to statute:

a. The most recent regularly prepared balance sheet and income and expense statement of the association.

b. The current budget of the association.

7. There are no unsatisfied judgments against the association, except as follows (identify creditor and amount):.....

.....

.....

8. There are no pending lawsuits to which the association is a party, except as follows (identify and summarize status):.....

.....

.....

9. Description of insurance coverages:

a. The association provides the following insurance coverage for the benefit of unit owners: (Reference may be made to applicable sections of the declaration or bylaws; however, any additional coverages should be described in this space).....

.....

.....

.....

b. The following described fixtures, decorating items, or construction items within the unit referred to in Minnesota Statutes, section 515B.3-113, subsection (b), are insured by the association (check as applicable):

..... Ceiling or wall finishing materials

..... Finished flooring

..... Cabinetry

..... Finished millwork

..... Electrical, heating, ventilating, and air conditioning equipment, or plumbing fixtures serving a single unit

..... Built-in appliances

..... Improvements and betterments as originally constructed

..... Additional improvements and betterments installed by unit owners

c. The association's master insurance has deductible amounts for property damage and wind or hail claims that may be assessed to a unit as a "loss assessment." The unit owner, at the time a loss assessment is due, is personally liable for payment of a loss assessment. The deductible and potential loss assessment amount is subject to change each year when the association purchases new insurance. It is recommended that you personally purchase insurance coverage for loss assessments in the amount at least equal to the association's deductible, which the unit owner should review and update if the deductible changes. IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, YOU ARE PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF YOU DO NOT HAVE SUFFICIENT INSURANCE COVERAGE. It is recommended that each unit owner personally purchase insurance coverage for loss assessments in an amount at least equal to the association's deductible, as well as insurance to cover the interior of the unit and personal property. A unit owner should conduct a regular review of their individual insurance policy and increase coverage as necessary to fully cover their portion of the association's deductible.

10. The board of directors of the association has not notified the unit owner (i) that any alterations or improvements to the unit or to the limited common elements assigned to it violate any provision of the declaration; or (ii) that the unit is in violation of any governmental statute, ordinance, code, or regulation, except as follows:.....

.....

11. The remaining term of any leasehold estate affecting the common interest community and the premises governing any extension or renewal of it are as follows:.....

.....

.....

12. This Resale Disclosure Certificate is given in connection with the resale of a unit by a unit owner who is not a declarant and who, therefore, is not liable for express warranties under Minnesota Statutes, section 515B.4-112, or implied warranties under Minnesota Statutes, section 515B.4-113. The conveyance of this unit may, however, result in a transfer of preexisting warranties made by a declarant under the referenced statutes, subject to the terms of Minnesota Statutes, sections 515B.4-114 and 515B.4-115.

13. In addition to the above, the following matters affecting the occupancy or use of the unit, or the unit owner's obligations with respect to the unit, are deemed material:.....

.....

I hereby certify that the foregoing information and statements are true and correct as of.....

.....

(Date)

By: .....

Title: .....

(Association representative)

Address: .....

Phone Number: .....

RECEIPT

In addition to the foregoing information furnished by the association, the unit owner is obligated to furnish to the purchaser before execution of any purchase agreement for a unit or otherwise before conveyance, copies of the following documents relating to the association or to the master association (as applicable): the declaration (other than any common interest community plat), articles of incorporation, bylaws, rules and regulations (if any), and any amendments to these documents. Receipt of the foregoing documents, and the resale disclosure certificate, is acknowledged by the undersigned buyer(s).

Dated: ..... .....

(Buyer)

.....

(Buyer)

(c) If the common interest community is subject to a master declaration and governed by a master association to which has been delegated any of the association's powers under section 515B.3-102(a)(2), then the financial information required to be disclosed under subsection (b) may be disclosed on a consolidated basis.

(d) The association, within ten days after a request by a unit owner, or the unit owner's authorized representative, shall furnish the certificate required in subsection (a). The association may charge a reasonable fee for furnishing the certificate and any association documents related thereto. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate. A unit owner who has acquired title to a unit pursuant to section 515B.3-104 including, but not limited to, a unit owner who has acquired title through foreclosure or a deed in lieu of foreclosure, must indicate to the association in connection with a request for a resale disclosure certificate whether the requesting unit owner is or is not a declarant. The unit owner, not the association, is liable for any damage, loss, or other consequence arising out of the incorrect representation of its declarant status.

(e) A purchaser is not liable for any unpaid common expense assessments, including special assessments, if any, not set forth in the certificate required in subsection (a). A purchaser is not liable for the amount by which the annual or special assessments exceed the amount of annual or special assessments stated in the certificate for assessments payable in the year in which the certificate was given, except to the extent of any increases subsequently approved in accordance with the declaration or bylaws. A unit owner is not liable to a purchaser for the failure of the association to provide the certificate, or a delay by the association in providing the certificate in a timely manner.

(f) A purchaser should be aware of the following information:

(1) purchasing a unit in the common interest community will impact property rights and may impose certain obligations on a unit owner;

(2) governing documents for a common interest community dictate how decisions will be made related to the property, including financial decisions, maintenance decisions, and restrictions on the use of the property, which may include but not be limited to restrictions on parking, appearance, noise, smoking, pets, and rental of your unit;

(3) governing documents may also be modified or changed at any time with the appropriate approval and any modifications or amendments will apply to existing unit owners; and

(4) it is advisable to consult with an attorney before purchasing a unit.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 13. Minnesota Statutes 2024, section 515B.4-116, is amended to read:

**515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEY'S FEES.**

(a) In addition to any other rights to recover damages, attorney's fees, costs or expenses, whether authorized by this chapter or otherwise, if a declarant, an association, or any other person violates any provision of this chapter, or any provision of the declaration, bylaws, or rules and regulations any person or class of persons adversely affected by the failure to comply has a claim for appropriate relief. Subject to the requirements of section 515B.3-102, the association shall have standing to pursue claims on behalf of the unit owners of two or more units.

(b) The court may award reasonable attorney's fees and costs of litigation to the prevailing party. Punitive damages may be awarded for a willful failure to comply.

(c) As a condition precedent to any construction defect claim, the parties to the claim must submit the matter to mediation before a mutually agreeable neutral third party. For the purposes of this section, mediation has the meaning given under the General Rules of Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator from the roster maintained by the Minnesota Supreme Court, the parties may petition the district court in the jurisdiction in which the common interest community is located to appoint a mediator. The applicable statute of limitations and statute of repose for an action based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged construction defect, is tolled from the date that any party makes a written demand for mediation under this section until the latest of the following:

(1) five business days after mediation is completed; or

(2) 180 days.

Notwithstanding the foregoing, mediation shall not be required prior to commencement of a construction defect claim if the parties have completed home warranty dispute resolution under section 327A.051.

(d) The remedies provided for under this chapter are not exclusive and do not abrogate any remedies under other statutes or the common law, notwithstanding whether those remedies are referred to in this chapter.

(e) An association may not retaliate against a unit owner for asserting any right the unit owner has under this chapter or other law. For the purposes of this section, "retaliation" means to restrict any right or privilege a unit owner has, or impose any fine, penalty, or other charge on a unit owner, not authorized under the declaration, bylaws, or rules or regulations. Retaliation does not include commencing a foreclosure action for a fine that remains unpaid after the time allowed for payment, after the board has adopted a resolution upholding a fine under section 515B.3-102(a)(11).

(f) A disclosure by the association of data in violation of the Safe at Home program under section 5B.05, paragraph (d), is a violation of this chapter.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 14. **[515B.5-101] LOCAL GOVERNMENT REGULATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "local government" means a county; a town; a municipality as defined in section 462.352, subdivision 2; a joint planning board; or a public corporation, including the Metropolitan Council.

Subd. 2. **Prohibited regulations.** Except as required by state or federal law or rule, a local government must not condition approval of a residential building permit or conditional use permit, residential subdivision development or residential planned unit development, or any other permit related to residential development on the:

(1) creation of a homeowners association;

(2) inclusion of any service, feature, or common property necessitating a homeowners association, unless requested by the developer;

(3) inclusion of any terms in a homeowners association declaration, bylaws, articles of incorporation, or any other governing document; or

(4) adoption or revocation of, or amendment to, a rule or regulation governing the homeowners association or its members.

Subd. 3. **Exemptions.** Nothing in this section prohibits:

(1) a local government from requiring the maintenance or insurance of common elements; or

(2) a project applicant from providing an easement to access public infrastructure.

**EFFECTIVE DATE.** This section is effective January 1, 2027, for all common interest communities created on or after that date.

Sec. 15. **APPLICATION.**

Sections 1 to 13 are effective on the dates provided and apply to common interest communities created before, on, or after the date of enactment.

The roll was called, and there were yeas 59 and nays 8, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Howe | Mann | Port |
| Bahr | Duckworth | Jasinski | Marty | Putnam |
| Boldon | Farnsworth | Johnson | Mathews | Rarick |
| Carlson | Fateh | Johnson Stewart | Maye Quade | Rasmusson |
| Champion | Frentz | Klein | McEwen | Rest |
| Clark | Green | Koran | Miller | Utke |
| Coleman | Gruenhagen | Kunesh | Mohamed | Weber |
| Cwodzinski | Hawj | Kupec | Murphy | Wesenberg |
| Dahms | Heintzeman | Lang | Nelson | Westlin |
| Dibble | Hemmingsen-Jaeger | Lieske | Oumou Verbeten | Westrom |
| Dornink | Holmstrom | Limmer | Pappas | Xiong |
| Draheim | Housley | Lucero | Pha | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Marty, Murphy, Port, Rest, and Westlin.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Johnson, and Lang.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Gustafson | Hoffman | Latz | Seeberger |
| Hauschild | Kreun | Pratt | Wiklund |

The motion prevailed.

**S.F. No. 1750:** A bill for an act relating to common interest communities; modifying powers and duties of common interest communities; modifying rights of a unit owner; modifying threshold for termination of a common interest community; requiring dispute resolution options; modifying notice of meetings; limiting late fees, fines, and attorney fees; modifying foreclosure requirements; prohibiting local governments from requiring creation of homeowners associations; amending Minnesota Statutes 2024, sections 515B.1-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-1021; 515B.4-107; 515B.4-116; proposing coding for new law in Minnesota Statutes, chapter 515B.

S.F. No. 1750 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 9, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Farnsworth | Johnson | Marty | Rarick |
| Boldon | Fateh | Johnson Stewart | Mathews | Rasmusson |
| Carlson | Frentz | Klein | Maye Quade | Rest |
| Champion | Green | Koran | McEwen | Weber |
| Clark | Gruenhagen | Kunesh | Miller | Wesenberg |
| Coleman | Hawj | Kupec | Murphy | Westlin |
| Cwodzinski | Heintzeman | Lang | Nelson | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Xiong |
| Dornink | Holmstrom | Lieske | Pha | |
| Draheim | Housley | Limmer | Port | |
| Drazkowski | Howe | Lucero | Pratt | |
| Duckworth | Jasinski | Mann | Putnam | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Marty, Murphy, Port, and Rest.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, and Lang.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Gustafson | Hoffman | Seeberger | Wiklund |
| Dahms | Hauschild | Kreun | Utke | |

So the bill, as amended, was repassed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Hawj, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 4476, 2373; H.F. Nos. 3709, 4063, 4151, and 3769.

## SPECIAL ORDER

**S.F. No. 4476:** A bill for an act relating to state government; modifying provisions relating to human services continuity of care, aging and disability services, and behavioral health services; modifying provisions relating to health regulation of certain long-term care facilities and agencies; modifying provisions relating to Direct Care and Treatment; requiring reports; establishing working groups; providing for civil penalties; permitting retrieval fee for records; providing for transfers and cancellation of money; appropriating money; amending Minnesota Statutes 2024, sections 15.43, subdivision 3; 144.0724, by adding a subdivision; 144.121, subdivision 9; 144.1503, subdivision 7; 144.292, subdivision 6; 144A.04, by adding subdivisions; 144A.291, subdivision 2; 144A.471, subdivision 8; 144G.09, subdivision 2; 144G.15; 144G.16, by adding a subdivision; 144G.195, subdivision 1; 144G.31, subdivision 7; 144G.40, by adding a subdivision; 144G.41, subdivisions 1, 2, by adding a subdivision; 144G.45, subdivision 3; 144G.60, subdivision 4; 144G.61, subdivision 2; 144G.63, subdivisions 2, 5, by adding a subdivision; 245A.04, subdivisions 2, 2a; 245A.042, by adding a subdivision; 254A.03, subdivision 2; 254B.17; 256.01, subdivision 21; 256B.04, subdivision 23, by adding subdivisions; 256B.0625, by adding a subdivision; 256B.064, subdivision 2; 256B.0659, subdivisions 12, 16, 17, 19; 256B.0761, subdivision 2; 256B.0911, subdivision 26; 256B.092, subdivision 5; 256B.49, subdivision 11; 256B.85, by adding subdivisions; 297E.02, subdivision 3; Minnesota Statutes 2025 Supplement, sections 144.0724, subdivision 2; 144.121, subdivision 1a; 144A.474, subdivision 11; 144A.4799, subdivision 1; 144G.19, subdivision 5; 145D.40, by adding a subdivision; 145D.41, subdivisions 1, 2, by adding a subdivision; 254B.02, subdivision 5; 254B.0503, subdivision 1; 254B.0509, subdivision 2; 256.4792, subdivisions 1, 7, by adding a subdivision; 256B.0625, subdivisions 17, 18i; 256B.092, subdivision 3b; 256B.49, subdivision 17a; 256B.85, subdivision 7; 256I.04, subdivision 2a; Laws 2023, chapter 61, article 1, sections 61, subdivision 4, as amended; 67, subdivision 3, as amended; article 9, section 2, subdivision 5, as amended; Laws 2024, chapter 125, article 1, section 47; article 8, section 2, subdivisions 4, 14, as

# 118. SF 1714

**Vote:** 2026-05-07 | **Workbook row:** 123
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Public contracts payment transparency requirement provision

## Included complete bill documents

**1. 3rd Engrossment, posted 2026-05-08** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1714/versions/3/pdf/

## Original Senate journal context

PDF pages 4-5. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260507071.pdf#page=4

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/1714/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1714

**(SENATE AUTHORS: JOHNSON STEWART, Rarick, Lang, McEwen and Mathews)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/20/2025 | 457 | Introduction and first reading |
| | | Referred to State and Local Government |
| 03/09/2026 | 6539a | Comm report: To pass as amended and re-refer to Labor |
| | 6578 | Author added Mathews |
| 03/25/2026 | 6968a | Comm report: To pass as amended |
| | 6974 | Second reading |
| 04/27/2026 | 9183 | Special Order |
| | 9183 | Third reading Passed |
| 05/07/2026 | 9978a | Returned from House with amendment |
| | 9978 | Senate concurred and repassed bill |
| | 9978 | Third reading Passed as amended |
| | 10056 | Reconsidered |
| | 10056 | Third Reading Repassed |
| | | Presentment date 05/11/26 |
| | 10596 | Governor's action Approval 05/12/26 |
| | 10596 | Secretary of State Chapter 90 05/12/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to state government; requiring payment transparency in public contracts; amending Minnesota Statutes 2024, section 15.72, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 15.72, is amended by adding a subdivision to read:

Subd. 1a. **Payment information requests.** (a) Upon written request from a contractor or subcontractor of any tier that can provide documentation of participating in the public improvement project, a public contracting agency must provide information regarding any progress payment, retainage payment, final payment, or other payment made by the contracting agency.

(b) The information provided under paragraph (a) must include:

(1) the amount of the payment;

(2) the date the payment was made or approved; and

(3) a copy of the payment application submitted by the contractor.

For highway construction contracts, a copy of the estimate or voucher generated by the public contracting agency meets this requirement.

(c) The public contracting agency must provide the requested information within seven calendar days of receipt of the request.

(d) The public contracting agency must make available to subcontractors the contact information for the public contracting agency for payment information under this section.

If the public contracting agency has a website it must post the contact information on its public website for solicitations or bids or on another apparent location on its website. If a public contracting agency has an automated internet-based system to provide this information, the agency may request a requestor to use that system.

(e) No cost or fees may be charged to the contractor or subcontractor for providing information required under this section.

609.232, subdivision 11; 611A.37, subdivision 1; 611A.372; 624.7192; Minnesota Statutes 2025 Supplement, sections 13.46, subdivisions 2, 4; 65B.05; 120B.117, subdivision 4; 124F.01, subdivision 2; 136A.054; 142G.01, subdivision 3; 148.6404; 148.6408, subdivision 2; 161.14, subdivision 109; 161.45, subdivision 4; 168.012, subdivision 1; 168A.01, subdivisions 18, 19, 20; 171.301, subdivision 1; 216B.1622, subdivision 2; 245A.04, subdivision 1; 245A.191; 245C.08, subdivision 1; 253B.10, subdivision 1; 254B.0507, subdivision 2; 256B.055, subdivision 12; 256B.0615, subdivision 1; 256B.0616, subdivision 1; 256B.0924, subdivision 6; 256B.0943, subdivision 9; 256B.761, subdivision 2; 257.0769, subdivision 1; 260.65; 297I.20, subdivision 7; 299C.061, subdivision 1; 353D.07, subdivision 2; 357.021, subdivision 1a; 423A.022, subdivision 2; 424A.015, subdivision 4; 473.4465, subdivision 2; 580.07, subdivisions 1, 2; Laws 2023, chapter 1, section 22, as amended; repealing Minnesota Statutes 2024, sections 13.461, subdivision 16a; 137.50, subdivision 5; 142E.50, subdivisions 1, 4, 7; 256.9756, subdivision 3; 256B.092, subdivision 4b; 256R.50, subdivision 6; 257E.10, subdivision 11; 272.02, subdivision 31; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 289A.60, subdivision 15; 297I.15, subdivision 2; 383B.1511; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.565; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.596; 473.598; 473.599; 473.5995; 473.76; 473.763; 477A.18; 480.011; 504B.345, subdivision 2; Laws 2024, chapter 79, article 1, section 20; Laws 2025, chapter 21, sections 56; 57.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 6, 2026

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 1714:** A bill for an act relating to state government; requiring payment transparency in public contracts; amending Minnesota Statutes 2024, section 15.72, by adding a subdivision.

Senate File No. 1714 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 6, 2026

## CONCURRENCE AND REPASSAGE

Senator Johnson Stewart moved that the Senate concur in the amendments by the House to S.F. No. 1714 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1714 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Mann | Pratt |
| Bahr | Fateh | Johnson | Marty | Putnam |
| Boldon | Frentz | Johnson Stewart | Mathews | Rarick |
| Carlson | Green | Klein | Maye Quade | Rasmusson |
| Champion | Gruenhagen | Koran | McEwen | Rest |
| Coleman | Gustafson | Kreun | Miller | Seeberger |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Utke |
| Dahms | Hawj | Kupec | Murphy | Weber |
| Dibble | Heintzeman | Lang | Nelson | Wesenberg |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westlin |
| Draheim | Hoffman | Lieske | Pappas | Westrom |
| Drazkowski | Housley | Limmer | Pha | Wiklund |
| Duckworth | Howe | Lucero | Port | Xiong |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson and Latz.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Johnson.

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 3432:** A bill for an act relating to public safety; requiring removal of identifying equipment and insignia from emergency vehicles sold to the public; providing for security and protective services of certain state officials; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 299D.03, subdivision 1; 299E.01, subdivisions 1, 2, 3, 4, by adding a subdivision; Laws 2025, chapter 35, article 1, sections 2; 4; 5; Laws 2025, chapter 39, article 1, section 2; Laws 2025, First Special Session chapter 8, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169; 299A; 299E.

Senate File No. 3432 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 6, 2026

Senator Murphy, for Senator Latz, moved that the Senate do not concur in the amendments by the House to S.F. No. 3432, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

# 119. HF 3900

**Vote:** 2026-05-07 | **Workbook row:** 124
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 59 yeas, 8 nays

**Workbook subject:** Permanent school fund investment, management, and distribution policy modified; and constitutional amendment proposed.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-05-04** - 4 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3900/versions/2/pdf/

**2. 1st Unofficial Engrossment, posted 2026-05-07** - 4 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/3900/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 68-69. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260507071.pdf#page=69

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3900/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3900


03/02/2026 Authored by Igo, Youakim, O'Driscoll, Clardy, Bakeberg and others
The bill was read for the first time and referred to the Committee on Education Finance
03/18/2026 Adoption of Report: Amended and re-referred to the Committee on Rules and Legislative Administration
04/20/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
05/04/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/11/2026 Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed


A bill for an act

relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 8; modifying the investment, management, and distribution policy for the permanent school fund; amending Minnesota Statutes 2024, sections 11A.16, subdivisions 5, 6; 127A.32.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 8, will read:

Sec. 8. The permanent school fund of the state consists of (a) the proceeds of lands granted by the United States for the use of schools within each township, (b) the proceeds derived from swamp lands granted to the state, (c) all cash and investments credited to the permanent school fund and to the swamp land fund, and (d) all cash and investments credited to the internal improvement land fund and the lands therein. No portion of these lands shall be sold otherwise than at public sale, and in the manner provided by law. All funds arising from the sale or other disposition of the lands, or income accruing in any way before the sale or disposition thereof, shall be credited to the permanent school fund. Within limitations prescribed by law, the fund shall be invested ~~to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The principal of the permanent school fund shall be perpetual and inviolate forever. This does not prevent the sale of investments at less than the cost to the fund; however, all losses not offset by gains shall be repaid to the fund from the interest and dividends earned thereafter. The net interest and dividends arising from the fund shall be distributed~~ and managed as a perpetual financial resource for the sole purpose of apportioning money to the different school districts of the state. Management

of the fund shall be designed to provide annual distributions while preserving the purchasing power of the fund over time and balancing the needs of current and future beneficiaries. Reasonable and necessary administrative costs associated with managing the fund or school trust lands may be paid from the fund in the manner prescribed by law. The distribution policy shall be prescribed by law and consistent with the aforementioned principles. Distributions from the fund shall be apportioned to the different school districts of the state in a manner prescribed by law.

A board of investment consisting of the governor, the state auditor, the secretary of state, and the attorney general is constituted for the purpose of administering and directing the investment of all state funds. The board shall not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2026 state general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to increase the funding going to all school districts from the permanent school fund, which is a fund that supports school districts without raising individual income or property taxes, effective July 1, 2027?

Yes .....

No ..... "

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Increasing funding to school districts."

Sec. 3. Minnesota Statutes 2024, section 11A.16, subdivision 5, is amended to read:

Subd. 5. **Calculation of ~~income~~ distributable amount.** ~~As of the end of each fiscal year,~~ (a) The state board shall calculate the ~~investment income earned by~~ distributable amount of the permanent school fund. The ~~investment income earned by the fund~~ distributable amount shall equal ~~the amount of interest on debt securities, dividends on equity securities, and interest earned on certified monthly earnings prior to the transfer to the Department of Education. Gains and losses arising from the sale of securities shall be apportioned as follows:~~ 4.5 percent of the average net asset value of the permanent school fund as of the end of the preceding three fiscal years.

~~(a) If the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b) it shall be added to the principal of the fund.~~

~~(b) If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered first from the gains in paragraph (a) apportioned to that fiscal year. If these gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.~~

(b) The director shall report by August 15 the distributable amount to the Legislative Permanent School Fund Commission established in section 127A.30 and the commissioner of education.

Sec. 4. Minnesota Statutes 2024, section 11A.16, subdivision 6, is amended to read:

Subd. 6. **Disposition of ~~income~~ distributable amount.** ~~Notwithstanding provisions of section 11A.12,~~ The ~~income~~ commissioner of management and budget shall transfer the distributable amount of the permanent school fund as calculated pursuant to subdivision 5~~, shall be credited to the permanent school fund, and transferred~~ to the school endowment fund as needed for payments made pursuant to section 127A.32.

Sec. 5. Minnesota Statutes 2024, section 127A.32, is amended to read:

**127A.32 SCHOOL ENDOWMENT FUND; DESIGNATION.**

For the purpose of aid to public schools, a school endowment fund is established.

The school endowment fund shall consist of the ~~income~~ distributable amounts from the permanent school fund. The commissioner may accept for and on behalf of the permanent school fund a donation of cash, marketable securities, or other personal property. A noncash donation, other than a donation of marketable securities, must be disposed of for cash as soon as the commissioner can obtain fair market value for the donation. Marketable securities may be disposed of at the discretion of the State Board of Investment consistent with sections 11A.16 and 11A.24. A cash donation and the cash receipts from a donation disposed of for cash must be credited immediately to the permanent school fund. Earnings from marketable securities are earnings of the permanent school fund.

Sec. 6. **EFFECTIVE DATE.**

Sections 3 to 5 are effective July 1, 2027, for aid payable in fiscal year 2028 if the constitutional amendment proposed in section 1 is adopted by the voters.

A bill for an act

relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 8; modifying the investment, management, and distribution policy for the permanent school fund; amending Minnesota Statutes 2024, sections 11A.16, subdivisions 5, 6; 127A.32.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 8, will read:

Sec. 8. The permanent school fund of the state consists of (a) the proceeds of lands granted by the United States for the use of schools within each township, (b) the proceeds derived from swamp lands granted to the state, (c) all cash and investments credited to the permanent school fund and to the swamp land fund, and (d) all cash and investments credited to the internal improvement land fund and the lands therein. No portion of these lands shall be sold otherwise than at public sale, and in the manner provided by law. All funds arising from the sale or other disposition of the lands, or income accruing in any way before the sale or disposition thereof, shall be credited to the permanent school fund. Within limitations prescribed by law, the fund shall be invested ~~to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The principal of the permanent school fund shall be perpetual and inviolate forever. This does not prevent the sale of investments at less than the cost to the fund; however, all losses not offset by gains shall be repaid to the fund from the interest and dividends earned thereafter. The net interest and dividends arising from the fund shall be distributed~~ and managed as a perpetual financial resource for the sole purpose of apportioning money to the different school districts of the state. Management

of the fund shall be designed to provide annual distributions while preserving the purchasing power of the fund over time and balancing the needs of current and future beneficiaries. Reasonable and necessary administrative costs associated with managing the fund or school trust lands may be paid from the fund in the manner prescribed by law. The distribution policy shall be prescribed by law and consistent with the aforementioned principles. Distributions from the fund shall be apportioned to the different school districts of the state in a manner prescribed by law. Passage of a law regarding the distribution policy or the distribution apportionment to the different school districts from the permanent school fund requires the vote of two-thirds of the members of each house of the legislature.

A board of investment consisting of the governor, the state auditor, the secretary of state, and the attorney general is constituted for the purpose of administering and directing the investment of all state funds. The board shall not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2026 state general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to increase the funding going to all school districts from the permanent school fund, which is a fund that supports school districts without raising individual income or property taxes, effective July 1, 2027?

Yes .....

No ..... "

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Increasing funding to school districts."

Sec. 3. Minnesota Statutes 2024, section 11A.16, subdivision 5, is amended to read:

Subd. 5. **Calculation of ~~income~~ distributable amount.** ~~As of the end of each fiscal year,~~ (a) The state board shall calculate the ~~investment income earned by~~ distributable amount of the permanent school fund. The ~~investment income earned by the fund~~ distributable amount shall equal ~~the amount of interest on debt securities, dividends on equity securities, and interest earned on certified monthly earnings prior to the transfer to the Department of Education. Gains and losses arising from the sale of securities shall be apportioned as~~

~~follows:~~ 4.5 percent of the average net asset value of the permanent school fund as of the end of the preceding three fiscal years.

~~(a) If the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b) it shall be added to the principal of the fund.~~

~~(b) If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered first from the gains in paragraph (a) apportioned to that fiscal year. If these gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.~~

(b) The director shall report by August 15 the distributable amount to the Legislative Permanent School Fund Commission established in section 127A.30 and the commissioner of education.

Sec. 4. Minnesota Statutes 2024, section 11A.16, subdivision 6, is amended to read:

Subd. 6. **Disposition of ~~income~~ distributable amount.** ~~Notwithstanding provisions of section 11A.12,~~ The ~~income~~ commissioner of management and budget shall transfer the distributable amount of the permanent school fund as calculated pursuant to subdivision 5~~, shall be credited to the permanent school fund, and transferred~~ to the school endowment fund as needed for payments made pursuant to section 127A.32.

Sec. 5. Minnesota Statutes 2024, section 127A.32, is amended to read:

**127A.32 SCHOOL ENDOWMENT FUND; DESIGNATION.**

For the purpose of aid to public schools, a school endowment fund is established.

The school endowment fund shall consist of the ~~income~~ distributable amounts from the permanent school fund. The commissioner may accept for and on behalf of the permanent school fund a donation of cash, marketable securities, or other personal property. A noncash donation, other than a donation of marketable securities, must be disposed of for cash as soon as the commissioner can obtain fair market value for the donation. Marketable securities may be disposed of at the discretion of the State Board of Investment consistent with sections 11A.16 and 11A.24. A cash donation and the cash receipts from a donation disposed of for cash must be credited immediately to the permanent school fund. Earnings from marketable securities are earnings of the permanent school fund.

Sec. 6. **EFFECTIVE DATE.**

Sections 3 to 5 are effective July 1, 2027, for aid payable in fiscal year 2028 if the constitutional amendment proposed in section 1 is adopted by the voters.

## RECESS

Senator Westrom moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## CALL OF THE SENATE

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

## SPECIAL ORDER

**H.F. No. 3900:** A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 8; modifying the investment, management, and distribution policy for the permanent school fund; amending Minnesota Statutes 2024, sections 11A.16, subdivisions 5, 6; 127A.32.

Senator Kunesh moved that the amendment made to H.F. No. 3900 by the Committee on Rules and Administration in the report adopted May 6, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Duckworth moved to amend H.F. No. 3900 as follows (A-2):

Page 2, line 7, after the period, insert "Passage of a law regarding the distribution policy or the distribution apportionment to the different school districts from the permanent school fund requires the vote of two-thirds of the members of each house of the legislature."

## CALL OF THE SENATE

Senator Rasmusson imposed a call of the Senate for the balance of the proceedings on the Duckworth (A-2) amendment to H.F. No. 3900. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Duckworth (A-2) amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lieske | Rarick |
| Bahr | Farnsworth | Howe | Limmer | Rasmusson |
| Coleman | Green | Jasinski | Lucero | Utke |
| Dahms | Gruenhagen | Johnson | Mathews | Weber |
| Dornink | Heintzeman | Koran | Miller | Wesenberg |
| Draheim | Hoffman | Kreun | Nelson | Westrom |
| Drazkowski | Holmstrom | Lang | Pratt | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Johnson.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kunesh | Mohamed | Rest |
| Carlson | Gustafson | Kupec | Murphy | Seeberger |
| Champion | Hauschild | Latz | Oumou Verbeten | Westlin |
| Clark | Hawj | Mann | Pappas | Wiklund |
| Cwodzinski | Hemmingsen-Jaeger | Marty | Pha | Xiong |
| Dibble | Johnson Stewart | Maye Quade | Port | |
| Fateh | Klein | McEwen | Putnam | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Carlson, Hauschild, Hemmingsen-Jaeger, Marty, Murphy, and Port.

The motion prevailed. So the amendment was adopted.

H.F. No. 3900 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 8, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Marty | Pratt |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Carlson | Fateh | Klein | Maye Quade | Rarick |
| Champion | Frentz | Koran | McEwen | Rest |
| Clark | Gruenhagen | Kreun | Miller | Seeberger |
| Coleman | Gustafson | Kunesh | Mohamed | Utke |
| Cwodzinski | Hauschild | Kupec | Murphy | Weber |
| Dahms | Hawj | Lang | Nelson | Wesenberg |
| Dibble | Heintzeman | Latz | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Lieske | Pappas | Wiklund |
| Draheim | Hoffman | Lucero | Pha | Xiong |
| Drazkowski | Holmstrom | Mann | Port | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Frentz, Hauschild, Hemmingsen-Jaeger, Marty, Murphy, and Port.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Howe | Johnson | Rasmusson |
| Green | Jasinski | Limmer | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Johnson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3522:** A bill for an act relating to veterans; allowing the commissioner of veterans affairs to temporarily close veterans homes under certain circumstances; amending Minnesota Statutes 2024, section 198.01.

Senator Putnam moved to amend H.F. No. 3522, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A-2):

# 120. HF 3522

**Vote:** 2026-05-07 | **Workbook row:** 125
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Veterans; standards established for legislatively directed competitive and direct grants, honor guard detail provided, available benefits to veterans of the Secret War in Laos modified, eligibility for burial in state veterans cemeteries modified, Commanders Task Force established, pay for state active service modified, commissioner of veterans affairs allowed to temporarily close veterans homes, reports required, and money appropriated.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-05-04** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3522/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2026-05-07** - 13 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/3522/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 69-79. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260507071.pdf#page=78

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3522/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3522

02/19/2026 Authored by Duran
The bill was read for the first time and referred to the Veterans and Military Affairs Division
02/26/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
05/04/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

A bill for an act

relating to veterans; allowing the commissioner of veterans affairs to temporarily close veterans homes under certain circumstances; amending Minnesota Statutes 2024, section 198.01.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 198.01, is amended to read:

**198.01 VETERANS HOME; ELIGIBILITY OF VETERANS.**

(a) The Minnesota veterans homes shall provide nursing care and related health and social services for veterans and their spouses who meet eligibility and admission requirements of the Minnesota veterans homes. The commissioner may not permanently close a veterans home unless closure of the home is specifically authorized or required by a law enacted by the legislature after July 1, 2015. The word "veteran" as used in this section has the meaning provided in section 197.447.

(b) The commissioner may temporarily close a veterans home in compliance with Centers for Medicare and Medicaid Services requirements upon receiving an involuntary termination notice. The commissioner must not close a veterans home until the veterans home has transferred, relocated, or discharged every resident according to section 144A.161, subdivision 6, in a safe and orderly manner to the most appropriate setting for the resident. Before temporarily closing a veterans home, the commissioner must provide notice of a closure under this paragraph to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs.

A bill for an act

relating to veterans; establishing standards for legislatively directed competitive and direct grants; providing for honor guard detail; modifying benefits available to veterans of the Secret War in Laos; modifying eligibility for burial in state veterans cemeteries; establishing the Commanders Task Force; modifying pay for state active service; allowing the commissioner of veterans affairs to temporarily close veterans homes under certain circumstances; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 171.07, subdivision 15; 197.231; 198.01; Minnesota Statutes 2025 Supplement, sections 192.49, subdivision 1; 197.236, subdivisions 8, 9; 197.448, subdivisions 1, 2, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 196; 197; repealing Minnesota Statutes 2025 Supplement, section 192.49, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; ~~or~~

(2) Veteran 100% T&P; or

(3) SGU Veteran.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; ~~or~~

(ii) a retired or honorably discharged member of the National Guard or a reserve component of the United States armed forces; or

(iii) a veteran of the Secret War in Laos, as defined in section 197.448, subdivision 1, paragraph (e);

(2) provide a certified copy of the applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status, ~~or~~ a military retiree identification card, a veteran identification card, ~~or~~ a veteran health identification card, or an eligibility certificate under section 197.448 if the applicant seeks the designation under paragraph (a), clause (3); and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 2. Minnesota Statutes 2025 Supplement, section 192.49, subdivision 1, is amended to read:

Subdivision 1. **Officers and enlisted members.** Every commissioned officer and enlisted member of the military forces ~~shall~~ must receive from the state, while engaged in state active service as defined in section 190.05, subdivision 5a, pay and allowances at the rate now or hereafter paid or allowed by law to officers or enlisted members of the same grade and length of service in the armed forces of the United States, but basic pay must not be less than ~~$130 a day~~ basic pay of an E-5 pay grade according to the military basic pay tables maintained by the federal Defense Finance and Accounting Service.

Sec. 3. **[196.055] REQUIREMENTS FOR LEGISLATIVELY DIRECTED COMPETITIVE AND DIRECT GRANTS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Active service member" means a person currently serving in the uniformed services of the United States:

(1) on active duty who is a resident of the state or stationed in the state; or

(2) in a reserve component who is a resident of the state.

(c) "Commissioner" means the commissioner of veterans affairs.

(d) "Dependent child" means a child under the age of 22 who is a biological or adopted child of a veteran.

(e) "Immediate family member" means a spouse or dependent child of a veteran.

(f) "Veteran" means a person who is a resident of Minnesota and who served in the armed forces of the United States of America.

Subd. 2. **Grantee eligibility.** (a) To be eligible to receive a legislatively directed competitive or direct grant administered by the commissioner, the grantee must:

(1) be a Minnesota-based nonprofit organization that has been operating for at least five years;

(2) be in good standing with the Office of the Attorney General; and

(3) have a current federal tax form 990 on file with the federal Internal Revenue Service.

(b) Grants made by the commissioner pursuant to sections 190.19, subdivision 2a, paragraph (a), clauses (5) and (6); 197.608; and 197.61 are exempt from the requirements of this section.

Subd. 3. **Limitations on use of grant money.** (a) A grantee may only use grant money subject to this section to provide services to:

(1) Minnesota veterans;

(2) active service members;

(3) immediate family members of a Minnesota veteran or active service member; and

(4) immediate family members of a deceased Minnesota veteran who died in the line of duty.

(b) When there are insufficient resources to serve all eligible applicants, a grantee must prioritize serving veterans with a service-connected disability.

Subd. 4. **Grant application scoring system.** The commissioner must develop a grant application scoring system that evaluates grant applications based upon an applicant's demonstrated history of serving veterans. The scoring system must include measurable outcomes for veterans previously served by the applicant.

Subd. 5. **Grant amounts.** The commissioner shall determine the amount of each legislatively directed competitive grant awarded based on the results of the scoring system developed pursuant to subdivision 4. The commissioner may not use a grantee's request for

a designated grant amount as a factor to determine the amount of the grant awarded to the grantee.

Subd. 6. **Suspension of grant money.** The commissioner may withhold amounts awarded to a grantee if the commissioner determines that the grantee has committed fraud, is under criminal investigation, has conducted itself in a manner that brings the state of Minnesota or the Department of Veterans Affairs into disrepute, or is incapable of delivering the services required under the grant agreement.

Subd. 7. **Reports.** (a) Beginning in 2027, by February 15 of each year a grantee must submit a report to the commissioner that includes the following information:

(1) a summary of the purpose of the grant;

(2) the grant amount provided to the grantee;

(3) the amount of previous grants issued by the commissioner to the grantee;

(4) the amount of other state and federal grants received by the grantee in the most recent fiscal year;

(5) the number of veterans, active service members, and immediate family members served by the grantee;

(6) the number of veterans, active service members, and immediate family members who successfully completed the grantee's programming and the criteria used to determine successful completion of the program; and

(7) the grantee's charitable giving ratio.

(b) The commissioner may require a grantee to report information in addition to the required information under paragraph (a) if specified in the grantee's grant agreement with the state.

(c) Beginning in 2027, by March 1 of each year the commissioner must submit a report on grantees that received legislatively directed competitive or direct grants from the agency in the preceding year to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance. The report must summarize the information and aggregate the data provided by grantees under paragraph (a).

Subd. 8. **Administrative costs.** The commissioner may retain up to five percent of the amount appropriated for legislatively directed competitive and direct grants to fund administrative and compliance monitoring costs related to the grants.

Subd. 9. **Interaction with other law.** Notwithstanding any law to the contrary, the requirements for grants established in this section are in addition to the applicable grants management requirements imposed under sections 16B.97 to 16B.991.

Sec. 4. Minnesota Statutes 2024, section 197.231, is amended to read:

**197.231 HONOR GUARDS.**

The commissioner of veterans affairs shall pay, within available funds and upon request by a local unit of a congressionally chartered veterans organization or its auxiliary, up to $50 to the local unit for each time that local unit provides an honor guard detail at the funeral of a:

(1) deceased veteran;

(2) veteran of the Secret War in Laos, as defined in section 197.448, subdivision 1; or

(3) member of a reserve component of the armed forces, and any member of the Army National Guard or the Air National Guard, as defined in section 197.236, subdivision 8, paragraph (b), clause (3).

If the local unit provides a student to play "Taps," the local unit may pay some or all of the $50 to the student.

Sec. 5. Minnesota Statutes 2025 Supplement, section 197.236, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "minor child" means an unmarried child under 21 years of age or under 23 years of age and pursuing a full-time course of instruction at an approved educational institution;

(2) "unmarried adult child" means an unmarried child who became permanently physically or mentally disabled and incapable of self support before 21 years of age or before 23 years of age and pursuing a full-time course of instruction at an approved educational institution; and

(3) "willful misconduct" means an act involving conscious wrongdoing or known prohibited action as described in United States Code, title 38, section 3.1, paragraph (n).

(b) Cemeteries must be operated solely for the burial of the following persons:

(1) service members who die on active duty, eligible veterans, and ~~their spouses and dependent children,~~ other persons as ~~defined~~ listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to ~~5~~ 4 and 7~~.~~;

(2) veterans of the Secret War in Laos;

(3) beginning January 1, 2027, members of a reserve component of the armed forces, and any member of the Army National Guard or the Air National Guard when:

(i) the member completed at least one full term of service and received an honorable discharge; or

(ii) the member's death occurs while in good standing with their assigned component and was not due to their willful misconduct;

(4) spouses, surviving spouses, minor children, or unmarried adult children of a person listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to 4 and 7; and

(5) beginning January 1, 2027, spouses, surviving spouses, minor children, or unmarried adult children of a person listed in clause (3).

For purposes of this section, a surviving spouse includes a surviving spouse who had a subsequent marriage.

(c) An honorable discharge under this section does not include a general discharge under honorable conditions.

(d) Applicants with convictions under United States Code, title 18, section 704, are ineligible for burial in state veterans cemeteries. By January 1, 2027, the commissioner must establish a process to verify that applicants for burial have not been convicted of stolen valor.

Sec. 6. Minnesota Statutes 2025 Supplement, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of ~~eligible spouses and dependent children~~ qualified persons under subdivision 8, paragraph (b), clauses (2) to (5). The fees shall cover as nearly as practicable the actual costs of interment~~, excluding the value of the plot~~.

(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall maintain a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to 4 and 7.

Sec. 7. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 1, is amended to read:

Subdivision 1. **Definition.** ~~As used in~~ (a) For purposes of this section, the ~~term~~ following terms have the meanings given.

(b) "Commissioner" has the meaning given in section 197.61, subdivision 2, paragraph (c).

(c) "Department" has the meaning given in section 197.61, subdivision 2, paragraph (e).

(d) "VA" has the meaning given in section 197.61, subdivision 2, paragraph (g).

(e) "Veteran of the Secret War in Laos" or "SGU veteran" means a person who resides in Minnesota and who:

(1) was naturalized as provided in section 2(1) of the federal Hmong Veterans' Naturalization Act of 2000, Public Law 106-207; or

(2) is a person who the commissioner of veterans affairs determines served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States.

Sec. 8. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 2, is amended to read:

Subd. 2. **Eligibility for benefits and privileges.** (a) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (1), is entitled to the benefits and privileges listed in paragraph (d) on July 2, 2025.

(b) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (2), is entitled to the benefits and privileges listed in paragraph (d) after the commissioner of veterans affairs verifies the person's veteran status. ~~The commissioner~~

~~must not begin accepting applications for verification under this paragraph until the legislature enacts criteria and a protocol to determine:~~

~~(1) which Minnesotans served in special guerilla units or with irregular forces in Laos; and~~

~~(2) which of the Minnesotans who served in special guerilla units or with irregular forces in Laos are deserving of Minnesota veterans benefits.~~

(c) If the commissioner verifies a person's status as a veteran of the Secret War in Laos, the commissioner must provide the person with a certificate of eligibility for the benefits and privileges listed in paragraph (d) on a form developed by the commissioner for this purpose. The commissioner must develop the form required under this paragraph no later than September 15, 2025.

(d) The following statutory benefits and privileges available to a veteran, as defined in section 197.447, are also available to a veteran of the Secret War in Laos: ~~section 171.07, subdivision 15 (veteran designation on drivers' licenses and state identification cards);~~ section 43A.09 (civil service recruitment); section 43A.11 (veterans preference in state employment); section 43A.111 (certain disabled veterans); section 197.23 (purchase of grave markers); section 197.231 (honor guards); section 197.236 (state veterans cemeteries); section 197.455 (veterans preference); section 197.4551 (permissive preference for veterans in private employment); section 197.46 (writ of mandamus); section 197.48 (application); section 197.481 (enforcement by commissioner); and section 197.63 (vital records, certified copies)~~; section 197.65 (renewal of professional licenses, motor vehicle registration, and drivers' licenses); and section 197.987 (honor and remember flag)~~.

Sec. 9. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 3. **Eligibility determination.** (a) The commissioner must establish an application process to determine a veteran's eligibility for the benefits in subdivision 2, paragraph (d).

(b) To establish eligibility, an applicant must submit a completed application for preneed determination of eligibility for burial in a VA national cemetery. County veteran service officers and the commissioner must provide assistance to applicants filling out the application. The commissioner must make copies of the application and any successor form available on the department's website and at the department's offices.

(c) After the VA makes a determination on the application, the applicant must submit the determination to the commissioner. If the VA determines that an applicant is eligible to

receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

Sec. 10. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 4. **Special consideration.** (a) If the VA determines that an applicant is not eligible, the applicant may request special consideration from the commissioner. The commissioner must establish a process to request special consideration consistent with the requirements of this subdivision. The commissioner must make applicable forms to request special consideration available on the department's website and at certain department offices.

(b) An applicant seeking special consideration under this subdivision must submit the following to the commissioner:

(1) documentation from the VA regarding the determination of ineligibility; and

(2) at least two different forms of documentation supporting the applicant's claim of veteran status, which may include:

(i) original service-related documents;

(ii) an affidavit from a commissioned officer, noncommissioned officer, or other member of the applicant's chain of command who has direct knowledge of the applicant's service;

(iii) two affidavits from individuals who served with the applicant in a special guerrilla unit or irregular force and who have personal knowledge of the applicant's service; or

(iv) other appropriate and relevant proof of the applicant's service as determined by the commissioner, including but not limited to:

(A) photographs taken during the applicant's service in Laos;

(B) newspaper articles featuring or citing the applicant's service in a special guerrilla unit or irregular force;

(C) certificates of membership from a veteran's organization such as the Lao-Hmong American Coalition; Lao Veterans of America; SGU Veterans and Families of USA, Inc.; and Royal Lao Armed Forces and SGU;

(D) congressional recognition certificates;

(E) certificates of training;

(F) letters of commendation; or

(G) an affidavit from a case officer or former case officer in the United States intelligence services.

(c) The commissioner must review an application for special consideration submitted under this subdivision. The commissioner may request additional information from an applicant to validate the contents of an application for special consideration. If the commissioner determines that an applicant is eligible to receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

(d) If an application for special consideration is denied by the commissioner, an applicant may request a contested case hearing to challenge the commissioner's denial by filing a request with the commissioner within 60 days of the date of the denial notice. The request must state specific reasons for contesting the denial. A contested case hearing on a timely and properly filed request must be conducted according to the procedures in sections 14.57 to 14.62.

(e) The deadline to submit an application for eligibility under this subdivision is December 31, 2030.

Sec. 11. **[197.581] COMMANDERS TASK FORCE.**

Subdivision 1. **Establishment.** The Commanders Task Force is established to advise the legislature, the governor, and the commissioner on matters pertaining to veterans and veterans' families.

Subd. 2. **Membership.** The task force must consist of the elected leaders from the following congressionally chartered veteran service organizations in Minnesota:

(1) The American Legion;

(2) American Veterans;

(3) Disabled American Veterans;

(4) Jewish War Veterans;

(5) Marine Corps League;

(6) Military Order of the Purple Heart;

(7) Paralyzed Veterans of America; and

(8) Veterans of Foreign Wars.

Subd. 3. **Organization.** (a) The task force shall adopt standing rules and an order of business for conducting regular meetings.

(b) The task force shall annually elect a chair and a vice-chair from among current task force members.

Subd. 4. **Duties.** The task force shall:

(1) advise the commissioner, the legislature, and the governor on matters relating to veterans, the families of veterans, and the Minnesota Department of Veterans Affairs; and

(2) serve as a liaison between state government and the organizations that make up the task force membership.

Subd. 5. **Compensation.** Notwithstanding section 15.059, subdivision 6, members are not entitled to compensation, per diem, reimbursement for child care expenses, or other expense reimbursement from state funds.

Subd. 6. **Expiration.** Notwithstanding section 15.059, subdivision 6, the task force shall not expire.

Sec. 12. Minnesota Statutes 2024, section 198.01, is amended to read:

**198.01 VETERANS HOME; ELIGIBILITY OF VETERANS.**

(a) The Minnesota veterans homes shall provide nursing care and related health and social services for veterans and their spouses who meet eligibility and admission requirements of the Minnesota veterans homes. The commissioner may not permanently close a veterans home unless closure of the home is specifically authorized or required by a law enacted by the legislature after July 1, 2015. The word "veteran" as used in this section has the meaning provided in section 197.447.

(b) The commissioner may temporarily close a veterans home in compliance with Centers for Medicare and Medicaid Services requirements upon receiving an involuntary termination notice. The commissioner must not temporarily close a veterans home until the veterans home has transferred, relocated, or discharged every resident according to section 144A.161, subdivision 6, in a safe and orderly manner to the most appropriate setting for the resident. Before temporarily closing a veterans home, the commissioner must provide notice of a closure under this paragraph to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs.

Sec. 13. **APPROPRIATIONS.**

(a) $59,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of veterans affairs for the purposes of this act.

(b) $141,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of public safety for the purposes of this act. This is a onetime appropriation.

Sec. 14. **REPEALER.**

Minnesota Statutes 2025 Supplement, section 192.49, subdivision 2, is repealed.

**192.49 PAY AND ALLOWANCES OF OFFICERS AND ORGANIZATIONS.**

Subd. 2. **Enlisted persons.** When called into state active service by the governor, other than for encampment or maneuvers, including the time necessarily consumed in travel, each enlisted person of the military forces shall be paid by the state the pay and the allowances, when not furnished in kind, provided by law for enlisted persons of similar grade, rating, and length of service in the armed forces of the United States, or $130 a day, whichever is more.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kunesh | Mohamed | Rest |
| Carlson | Gustafson | Kupec | Murphy | Seeberger |
| Champion | Hauschild | Latz | Oumou Verbeten | Westlin |
| Clark | Hawj | Mann | Pappas | Wiklund |
| Cwodzinski | Hemmingsen-Jaeger | Marty | Pha | Xiong |
| Dibble | Johnson Stewart | Maye Quade | Port | |
| Fateh | Klein | McEwen | Putnam | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Carlson, Hauschild, Hemmingsen-Jaeger, Marty, Murphy, and Port.

The motion prevailed. So the amendment was adopted.

H.F. No. 3900 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 8, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Marty | Pratt |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Carlson | Fateh | Klein | Maye Quade | Rarick |
| Champion | Frentz | Koran | McEwen | Rest |
| Clark | Gruenhagen | Kreun | Miller | Seeberger |
| Coleman | Gustafson | Kunesh | Mohamed | Utke |
| Cwodzinski | Hauschild | Kupec | Murphy | Weber |
| Dahms | Hawj | Lang | Nelson | Wesenberg |
| Dibble | Heintzeman | Latz | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Lieske | Pappas | Wiklund |
| Draheim | Hoffman | Lucero | Pha | Xiong |
| Drazkowski | Holmstrom | Mann | Port | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Frentz, Hauschild, Hemmingsen-Jaeger, Marty, Murphy, and Port.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Howe | Johnson | Rasmusson |
| Green | Jasinski | Limmer | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Johnson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3522:** A bill for an act relating to veterans; allowing the commissioner of veterans affairs to temporarily close veterans homes under certain circumstances; amending Minnesota Statutes 2024, section 198.01.

Senator Putnam moved to amend H.F. No. 3522, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A-2):

(The text of the amended House File is identical to S.F. No. 3955.)

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; ~~or~~

(2) Veteran 100% T&P; or

(3) SGU Veteran.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; ~~or~~

(ii) a retired or honorably discharged member of the National Guard or a reserve component of the United States armed forces; or

(iii) a veteran of the Secret War in Laos, as defined in section 197.448, subdivision 1, paragraph (e);

(2) provide a certified copy of the applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status, ~~or~~ a military retiree identification card, a veteran identification card, ~~or~~ a veteran health identification card, or an eligibility certificate under section 197.448 if the applicant seeks the designation under paragraph (a), clause (3); and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 2. Minnesota Statutes 2025 Supplement, section 192.49, subdivision 1, is amended to read:

Subdivision 1. **Officers and enlisted members.** Every commissioned officer and enlisted member of the military forces ~~shall~~ must receive from the state, while engaged in state active service as defined in section 190.05, subdivision 5a, pay and allowances at the rate now or hereafter paid or allowed by law to officers or enlisted members of the same grade and length of service in the armed forces of the United States, but basic pay must not be less than ~~$130 a day~~ basic pay of an E-5 pay grade according to the military basic pay tables maintained by the federal Defense Finance and Accounting Service.

Sec. 3. **[196.055] REQUIREMENTS FOR LEGISLATIVELY DIRECTED COMPETITIVE AND DIRECT GRANTS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Active service member" means a person currently serving in the uniformed services of the United States:

(1) on active duty who is a resident of the state or stationed in the state; or

(2) in a reserve component who is a resident of the state.

(c) "Commissioner" means the commissioner of veterans affairs.

(d) "Dependent child" means a child under the age of 22 who is a biological or adopted child of a veteran.

(e) "Immediate family member" means a spouse or dependent child of a veteran.

(f) "Veteran" means a person who is a resident of Minnesota and who served in the armed forces of the United States of America.

Subd. 2. **Grantee eligibility.** (a) To be eligible to receive a legislatively directed competitive or direct grant administered by the commissioner, the grantee must:

(1) be a Minnesota-based nonprofit organization that has been operating for at least five years;

(2) be in good standing with the Office of the Attorney General; and

(3) have a current federal tax form 990 on file with the federal Internal Revenue Service.

(b) Grants made by the commissioner pursuant to sections 190.19, subdivision 2a, paragraph (a), clauses (5) and (6), 197.608, and 197.61 are exempt from the requirements of this section.

Subd. 3. **Limitations on use of grant money.** (a) A grantee may only use grant money subject to this section to provide services to:

(1) Minnesota veterans;

(2) active service members;

(3) immediate family members of a Minnesota veteran or active service member; and

(4) immediate family members of a deceased Minnesota veteran who died in the line of duty.

(b) When there are insufficient resources to serve all eligible applicants, a grantee must prioritize serving veterans with a service-connected disability.

Subd. 4. **Grant application scoring system.** The commissioner must develop a grant application scoring system that evaluates grant applications based upon an applicant's demonstrated history of

serving veterans. The scoring system must include measurable outcomes for veterans previously served by the applicant.

Subd. 5. **Grant amounts.** The commissioner shall determine the amount of each legislatively directed competitive grant awarded based on the results of the scoring system developed pursuant to subdivision 4. The commissioner may not use a grantee's request for a designated grant amount as a factor to determine the amount of the grant awarded to the grantee.

Subd. 6. **Suspension of grant money.** The commissioner may withhold amounts awarded to a grantee if the commissioner determines that the grantee has committed fraud, is under criminal investigation, has conducted itself in a manner that brings the state of Minnesota or the Department of Veterans Affairs into disrepute, or is incapable of delivering the services required under the grant agreement.

Subd. 7. **Reports.** (a) Beginning in 2027, by February 15 of each year a grantee must submit a report to the commissioner that includes the following information:

(1) a summary of the purpose of the grant;

(2) the grant amount provided to the grantee;

(3) the amount of previous grants issued by the commissioner to the grantee;

(4) the amount of other state and federal grants received by the grantee in the most recent fiscal year;

(5) the number of veterans, active service members, and immediate family members served by the grantee;

(6) the number of veterans, active service members, and immediate family members who successfully completed the grantee's programming and the criteria used to determine successful completion of the program; and

(7) the grantee's charitable giving ratio.

(b) The commissioner may require a grantee to report information in addition to the required information under paragraph (a) if specified in the grantee's grant agreement with the state.

(c) Beginning in 2027, by March 1 of each year the commissioner must submit a report on grantees that received legislatively directed competitive or direct grants from the agency in the preceding year to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance. The report must summarize the information and aggregate the data provided by grantees under paragraph (a).

Subd. 8. **Administrative costs.** The commissioner may retain up to five percent of the amount appropriated for legislatively directed competitive and direct grants to fund administrative and compliance monitoring costs related to the grants.

Subd. 9. **Interaction with other law.** Notwithstanding any law to the contrary, the requirements for grants established in this section are in addition to the applicable grants management requirements imposed under sections 16B.97 to 16B.991.

Sec. 4. Minnesota Statutes 2024, section 197.231, is amended to read:

**197.231 HONOR GUARDS.**

The commissioner of veterans affairs shall pay, within available funds and upon request by a local unit of a congressionally chartered veterans organization or its auxiliary, up to $50 to the local unit for each time that local unit provides an honor guard detail at the funeral of a:

(1) deceased veteran;

(2) veteran of the secret war in Laos, as defined in section 197.448, subdivision 1; or

(3) member of a reserve component of the armed forces, and any member of the Army National Guard or the Air National Guard, as defined in section 197.236, subdivision 8, paragraph (b), clause (3).

If the local unit provides a student to play "Taps," the local unit may pay some or all of the $50 to the student.

Sec. 5. Minnesota Statutes 2025 Supplement, section 197.236, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "minor child" means an unmarried child under 21 years of age or under 23 years of age and pursuing a full-time course of instruction at an approved educational institution;

(2) "unmarried adult child" means an unmarried child who became permanently physically or mentally disabled and incapable of self support before 21 years of age or before 23 years of age and pursuing a full-time course of instruction at an approved educational institution; and

(3) "willful misconduct" means an act involving conscious wrongdoing or known prohibited action as described in United States Code, title 38, section 3.1, paragraph (n).

(b) Cemeteries must be operated solely for the burial of the following persons:

(1) service members who die on active duty, eligible veterans, and ~~their spouses and dependent children,~~ other persons as ~~defined~~ listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to ~~5~~ 4 and 7~~.~~;

(2) veterans of the Secret War in Laos;

(3) beginning January 1, 2027, members of a reserve component of the armed forces, and any member of the Army National Guard or the Air National Guard when:

(i) the member completed at least one full term of service and received an honorable discharge; or

(ii) the member's death occurs while in good standing with their assigned component and was not due to their willful misconduct;

(4) spouses, surviving spouses, minor children, or unmarried adult children of a person listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to 4 and 7; and

(5) beginning January 1, 2027, spouses, surviving spouses, minor children, or unmarried adult children of a person listed in clause (3).

For purposes of this section, a surviving spouse includes a surviving spouse who had a subsequent marriage.

(c) An honorable discharge under this section does not include a general discharge under honorable conditions.

(d) Applicants with convictions under United States Code, title 18, section 704, are ineligible for burial in state veterans cemeteries. By January 1, 2027, the commissioner must establish a process to verify that applicants for burial have not been convicted of stolen valor.

Sec. 6. Minnesota Statutes 2025 Supplement, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of ~~eligible spouses and dependent children~~ qualified persons under subdivision 8, paragraph (b), clauses (2) to (5). The fees shall cover as nearly as practicable the actual costs of interment~~, excluding the value of the plot~~.

(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall maintain a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to 4 and 7.

Sec. 7. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 1, is amended to read:

Subdivision 1. **Definition.** ~~As used in~~ (a) For purposes of this section, the ~~term~~ following terms have the meanings given.

(b) "Commissioner" has the meaning given in section 197.61, subdivision 2, paragraph (c).

(c) "Department" has the meaning given in section 197.61, subdivision 2, paragraph (e).

(d) "VA" has the meaning given in section 197.61, subdivision 2, paragraph (g).

(e) "Veteran of the Secret War in Laos" or "SGU veteran" means a person who resides in Minnesota and who:

(1) was naturalized as provided in section 2(1) of the federal Hmong Veterans' Naturalization Act of 2000, Public Law 106-207; or

(2) is a person who the commissioner of veterans affairs determines served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States.

Sec. 8. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 2, is amended to read:

Subd. 2. **Eligibility for benefits and privileges.** (a) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (1), is entitled to the benefits and privileges listed in paragraph (d) on July 2, 2025.

(b) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (2), is entitled to the benefits and privileges listed in paragraph (d) after the commissioner of veterans affairs verifies the person's veteran status. ~~The commissioner must not begin accepting applications for verification under this paragraph until the legislature enacts criteria and a protocol to determine:~~

~~(1) which Minnesotans served in special guerilla units or with irregular forces in Laos; and~~

~~(2) which of the Minnesotans who served in special guerilla units or with irregular forces in Laos are deserving of Minnesota veterans benefits.~~

(c) If the commissioner verifies a person's status as a veteran of the Secret War in Laos, the commissioner must provide the person with a certificate of eligibility for the benefits and privileges listed in paragraph (d) on a form developed by the commissioner for this purpose. The commissioner must develop the form required under this paragraph no later than September 15, 2025.

(d) The following statutory benefits and privileges available to a veteran, as defined in section 197.447, are also available to a veteran of the Secret War in Laos: ~~section 171.07, subdivision 15 (veteran designation on drivers' licenses and state identification cards);~~ section 43A.09 (civil service recruitment); section 43A.11 (veterans preference in state employment); section 43A.111 (certain disabled veterans); section 197.23 (purchase of grave markers); section 197.231 (honor guards); section 197.236 (state veterans cemeteries); section 197.455 (veterans preference); section 197.4551 (permissive preference for veterans in private employment); section 197.46 (writ of mandamus); section 197.48 (application); section 197.481 (enforcement by commissioner); and section 197.63 (vital records, certified copies)~~; section 197.65 (renewal of professional licenses, motor vehicle registration, and drivers' licenses); and section 197.987 (honor and remember flag)~~.

Sec. 9. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 3. **Eligibility determination.** (a) The commissioner must establish an application process to determine a veteran's eligibility for the benefits in subdivision 2, paragraph (d).

(b) To establish eligibility, an applicant must submit a completed application for preneed determination of eligibility for burial in a VA national cemetery. County veteran service officers and the commissioner must provide assistance to applicants filling out the application. The commissioner must make copies of the application and any successor form available on the department's website and at the department's offices.

(c) After the VA makes a determination on the application, the applicant must submit the determination to the commissioner. If the VA determines that an applicant is eligible to receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

Sec. 10. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 4. **Special consideration.** (a) If the VA determines that an applicant is not eligible, the applicant may request special consideration from the commissioner. The commissioner must establish a process to request special consideration consistent with the requirements of this subdivision. The commissioner must make applicable forms to request special consideration available on the department's website and at certain department offices.

(b) An applicant seeking special consideration under this subdivision must submit the following to the commissioner:

(1) documentation from the VA regarding the determination of ineligibility; and

(2) at least two different forms of documentation supporting the applicant's claim of veteran status, which may include:

(i) original service-related documents;

(ii) an affidavit from a commissioned officer, noncommissioned officer, or other member of the applicant's chain of command who has direct knowledge of the applicant's service;

(iii) two affidavits from individuals who served with the applicant in a special guerrilla unit or irregular force and who have personal knowledge of the applicant's service; or

(iv) other appropriate and relevant proof of the applicant's service as determined by the commissioner, including but not limited to:

(A) photographs taken during the applicant's service in Laos;

(B) newspaper articles featuring or citing the applicant's service in a special guerrilla unit or irregular force;

(C) certificates of membership from a veteran's organization such as the Lao-Hmong American Coalition; Lao Veterans of America; SGU Veterans and Families of USA, Inc.; and Royal Lao Armed Forces and SGU;

(D) congressional recognition certificates;

(E) certificates of training;

(F) letters of commendation; or

(G) an affidavit from a case officer or former case officer in the United States intelligence services.

(c) The commissioner must review an application for special consideration submitted under this subdivision. The commissioner may request additional information from an applicant to validate the contents of an application for special consideration. If the commissioner determines that an applicant is eligible to receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

(d) If an application for special consideration is denied by the commissioner, an applicant may request a contested case hearing to challenge the commissioner's denial by filing a request with the commissioner within 60 days of the date of the denial notice. The request must state specific reasons for contesting the denial. A contested case hearing on a timely and properly filed request must be conducted according to the procedures in sections 14.57 to 14.62.

(e) The deadline to submit an application for eligibility under this subdivision is December 31, 2030.

Sec. 11. **[197.581] COMMANDERS TASK FORCE.**

Subdivision 1. **Establishment.** The Commanders Task Force is established to advise the legislature, the governor, and the commissioner on matters pertaining to veterans and veterans' families.

Subd. 2. **Membership.** The task force must consist of the elected leaders from the following congressionally chartered veteran service organizations in Minnesota:

(1) The American Legion;

(2) American Veterans;

(3) Disabled American Veterans;

(4) Jewish War Veterans;

(5) Marine Corps League;

(6) Military Order of the Purple Heart;

(7) Paralyzed Veterans of America; and

(8) Veterans of Foreign Wars.

Subd. 3. **Organization.** (a) The task force shall adopt standing rules and order of business for conducting regular meetings.

(b) The task force shall annually elect a chair and a vice-chair from among current task force members.

Subd. 4. **Duties.** The task force shall:

(1) advise the commissioner, the legislature, and the governor on matters relating to veterans, the families of veterans, and the Minnesota Department of Veterans Affairs; and

(2) serve as a liaison between state government and the organizations that make up the task force membership.

Subd. 5. **Compensation.** Notwithstanding section 15.059, subdivision 6, members are not entitled to compensation, per diem, reimbursement for child care expenses, or other expense reimbursement from state funds.

Subd. 6. **Expiration.** Notwithstanding section 15.059, subdivision 6, the task force shall not expire."

Page 1, after line 21, insert:

"Sec. 13. **APPROPRIATIONS.**

(a) $59,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of veterans affairs for the purposes of this act.

(b) $141,000 in fiscal year 2027 is appropriated from general fund to the commissioner of public safety for the purposes of this act. This is a onetime appropriation.

Sec. 14. **REPEALER.**

Minnesota Statutes 2025 Supplement, section 192.49, subdivision 2, is repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3522 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

| | | | | |
|---|---|---|---|---|
| Fateh | Housley | Latz | Murphy | Seeberger |
| Frentz | Howe | Lieske | Nelson | Utke |
| Green | Jasinski | Limmer | Oumou Verbeten | Weber |
| Gruenhagen | Johnson | Lucero | Pappas | Wesenberg |
| Gustafson | Johnson Stewart | Mann | Pha | Westlin |
| Hauschild | Klein | Marty | Port | Westrom |
| Hawj | Koran | Mathews | Pratt | Wiklund |
| Heintzeman | Kreun | Maye Quade | Putnam | Xiong |
| Hemmingsen-Jaeger | Kunesh | McEwen | Rarick | |
| Hoffman | Kupec | Miller | Rasmusson | |
| Holmstrom | Lang | Mohamed | Rest | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Klein, Marty, Murphy, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Howe, and Johnson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3521:** A bill for an act relating to health; providing for an exception to the hospital construction moratorium; amending Minnesota Statutes 2024, section 144.551, subdivision 1.

Senator Westrom moved to amend H.F. No. 3521 as follows (A-1):

Delete everything after the enacting clause and insert:

### "ARTICLE 1

### HOSPITAL CONSTRUCTION MORATORIUM REPEAL

Section 1. **HOSPITAL CONSTRUCTION MORATORIUM EXEMPTION CONTINUATION.**

Any condition on which a hospital construction moratorium exemption was granted under Minnesota Statutes 2024, section 144.551, remains in effect.

Sec. 2. **REPEALER.**

Minnesota Statutes 2024, section 144.551, subdivisions 1, 1a, 2, 3, and 4, are repealed.

### ARTICLE 2

### CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 62J.17, subdivision 3, is amended to read:

Subd. 3. ~~**Hospital and**~~ **Nursing home moratoria preserved; nursing homes exempt.** Nothing in this section supersedes or limits the applicability of section ~~144.551 or~~ 144A.071. This section

# 121. HF 3521

**Vote:** 2026-05-07 | **Workbook row:** 126
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Exception to the hospital construction moratorium provided.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-05-05** - 7 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3521/versions/2/pdf/

## Original Senate journal context

PDF pages 79-82. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260507071.pdf#page=81

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3521/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3521

02/19/2026 Authored by Backer, Huot, Nadeau, Carroll and Johnson, W.,
The bill was read for the first time and referred to the Committee on Health Finance and Policy
03/18/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
05/04/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/07/2026 Passed by the Senate and returned to the House
Passed by the House as Amended and returned to the Senate to include Floor Amendments
05/11/2026 Presented to Governor
05/12/2026 Governor Approval

A bill for an act

relating to health; providing for an exception to the hospital construction moratorium; amending Minnesota Statutes 2024, section 144.551, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 144.551, subdivision 1, is amended to read:

Subdivision 1. **Restricted construction or modification.** (a) The following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

(b) This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied before July 1, 1990, if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site before the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another; or (iii) redistribution of hospital beds within the state or a region of the state;

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; (iv) the relocation or redistribution does not involve the construction of a new hospital building; and (v) the transferred beds are used first to replace within the hospital corporate system the total number of beds previously used in the closed facility site or complex for mental health services and substance use disorder services. Only after the hospital corporate system has fulfilled the requirements of this item may the remainder of the available capacity of the closed facility site or complex be transferred for any other purpose;

(9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice County that primarily serves adolescents and that receives more than 70 percent of its patients from outside the state of Minnesota;

(10) a project to replace a hospital or hospitals with a combined licensed capacity of 130 beds or less if: (i) the new hospital site is located within five miles of the current site;

and (ii) the total licensed capacity of the replacement hospital, either at the time of construction of the initial building or as the result of future expansion, will not exceed 100 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

(11) the relocation of licensed hospital beds from an existing state facility operated by the Direct Care and Treatment executive board to a new or existing facility, building, or complex operated by the Direct Care and Treatment executive board; from one regional treatment center site to another; or from one building or site to a new or existing building or site on the same campus;

(12) the construction or relocation of hospital beds operated by a hospital having a statutory obligation to provide hospital and medical services for the indigent that does not result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27 beds, of which 12 serve mental health needs, may be transferred from Hennepin County Medical Center to Regions Hospital under this clause;

(13) a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami County;

(14) a construction project involving the addition of up to eight new beds in an existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

(15) a construction project involving the addition of 20 new hospital beds in an existing hospital in Carver County serving the southwest suburban metropolitan area;

(16) a project for the construction or relocation of up to 20 hospital beds for the operation of up to two psychiatric facilities or units for children provided that the operation of the facilities or units have received the approval of the commissioner of human services;

(17) a project involving the addition of 14 new hospital beds to be used for rehabilitation services in an existing hospital in Itasca County;

(18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County that closed 20 rehabilitation beds in 2002, provided that the beds are used only for rehabilitation in the hospital's current rehabilitation building. If the beds are used for another purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

(19) a critical access hospital established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33, to the extent that the critical access hospital does not seek to exceed the maximum number of beds permitted such hospital under federal law;

(20) notwithstanding section 144.552, a project for the construction of a new hospital in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

(i) the project, including each hospital or health system that will own or control the entity that will hold the new hospital license, is approved by a resolution of the Maple Grove City Council as of March 1, 2006;

(ii) the entity that will hold the new hospital license will be owned or controlled by one or more not-for-profit hospitals or health systems that have previously submitted a plan or plans for a project in Maple Grove as required under section 144.552, and the plan or plans have been found to be in the public interest by the commissioner of health as of April 1, 2005;

(iii) the new hospital's initial inpatient services must include, but are not limited to, medical and surgical services, obstetrical and gynecological services, intensive care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health services, and emergency room services;

(iv) the new hospital:

(A) will have the ability to provide and staff sufficient new beds to meet the growing needs of the Maple Grove service area and the surrounding communities currently being served by the hospital or health system that will own or control the entity that will hold the new hospital license;

(B) will provide uncompensated care;

(C) will provide mental health services, including inpatient beds;

(D) will be a site for workforce development for a broad spectrum of health-care-related occupations and have a commitment to providing clinical training programs for physicians and other health care providers;

(E) will demonstrate a commitment to quality care and patient safety;

(F) will have an electronic medical records system, including physician order entry;

(G) will provide a broad range of senior services;

(H) will provide emergency medical services that will coordinate care with regional providers of trauma services and licensed emergency ambulance services in order to enhance the continuity of care for emergency medical patients; and

(I) will be completed by December 31, 2009, unless delayed by circumstances beyond the control of the entity holding the new hospital license; and

(v) as of 30 days following submission of a written plan, the commissioner of health has not determined that the hospitals or health systems that will own or control the entity that will hold the new hospital license are unable to meet the criteria of this clause;

(21) a project approved under section 144.553;

(22) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board;

(23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing a separately licensed 13-bed skilled nursing facility;

(24) notwithstanding section 144.552, a project for the construction and expansion of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients who are under 21 years of age on the date of admission. The commissioner conducted a public interest review of the mental health needs of Minnesota and the Twin Cities metropolitan area in 2008. No further public interest review shall be conducted for the construction or expansion project under this clause;

(25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the city of Maple Grove, exclusively for patients who are under 21 years of age on the date of admission, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(ii) this project shall serve patients in the continuing care benefit program under section 256.9693. The project may also serve patients not in the continuing care benefit program; and

(iii) if the project ceases to participate in the continuing care benefit program, the commissioner must complete a subsequent public interest review under section 144.552. If the project is found not to be in the public interest, the license must be terminated six months from the date of that finding. If the commissioner of human services terminates the contract without cause or reduces per diem payment rates for patients under the continuing care benefit program below the rates in effect for services provided on December 31, 2015, the

project may cease to participate in the continuing care benefit program and continue to operate without a subsequent public interest review;

(27) a project involving the addition of 21 new beds in an existing psychiatric hospital in Hennepin County that is exclusively for patients who are under 21 years of age on the date of admission;

(28) a project to add 55 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as ~~designated~~ regulated under section 383A.91, subdivision 5, of which 15 beds are to be used for inpatient mental health and 40 are to be used for other services. In addition, five unlicensed observation mental health beds shall be added;

(29) upon submission of a plan to the commissioner for public interest review under section 144.552 and the addition of the 15 inpatient mental health beds specified in clause (28), to its bed capacity, a project to add 45 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as ~~designated~~ regulated under section 383A.91, subdivision 5. Five of the 45 additional beds authorized under this clause must be designated for use for inpatient mental health and must be added to the hospital's bed capacity before the remaining 40 beds are added. Notwithstanding section 144.552, the hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552;

(30) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add up to 30 licensed beds in an existing psychiatric hospital in Hennepin County that exclusively provides care to patients who are under 21 years of age on the date of admission. Notwithstanding section 144.552, the psychiatric hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552;

(31) any project to add licensed beds in a hospital located in Cook County or Mahnomen County that: (i) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; (ii) has a licensed bed capacity of fewer than 25 beds; and (iii) has an attached nursing home, so long as the total number of licensed beds in the hospital after the bed addition does not exceed 25 beds. Notwithstanding section 144.552, a public interest review is not required for a project authorized under this clause;

(32) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add 22 licensed beds at a Minnesota freestanding children's hospital in St. Paul that is part of an independent pediatric health system with freestanding inpatient hospitals located in Minneapolis and St. Paul. The beds shall be utilized for pediatric inpatient behavioral health services. Notwithstanding section 144.552, the hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2022 deadline and adheres to the timelines for the public interest review described in section 144.552;

(33) a project for a 144-bed psychiatric hospital on the site of the former Bethesda hospital in the city of Saint Paul, Ramsey County, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete. Following the completion of the construction project, the commissioner of health shall monitor the hospital, including by assessing the hospital's case mix and payer mix, patient transfers, and patient diversions. The hospital must have an intake and assessment area. The hospital must accommodate patients with acute mental health needs, whether they walk up to the facility, are delivered by ambulances or law enforcement, or are transferred from other facilities. The hospital must comply with subdivision 1a, paragraph (b). The hospital must annually submit de-identified data to the department in the format and manner defined by the commissioner; ~~or~~

(34) a project involving the relocation of up to 26 licensed long-term acute care hospital beds from an existing long-term care hospital located in Hennepin County with a licensed capacity prior to the relocation of 92 beds to dedicated space on the campus of an existing safety net, level I trauma center hospital in Ramsey County as ~~designated~~ regulated under section 383A.91, subdivision 5, provided both the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete and the relocated beds continue to be used as long-term acute care hospital beds after the relocation~~.~~; or

(35) a project to add 85 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as regulated under section 383A.91, subdivision 5.

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| Fateh | Housley | Latz | Murphy | Seeberger |
| Frentz | Howe | Lieske | Nelson | Utke |
| Green | Jasinski | Limmer | Oumou Verbeten | Weber |
| Gruenhagen | Johnson | Lucero | Pappas | Wesenberg |
| Gustafson | Johnson Stewart | Mann | Pha | Westlin |
| Hauschild | Klein | Marty | Port | Westrom |
| Hawj | Koran | Mathews | Pratt | Wiklund |
| Heintzeman | Kreun | Maye Quade | Putnam | Xiong |
| Hemmingsen-Jaeger | Kunesh | McEwen | Rarick | |
| Hoffman | Kupec | Miller | Rasmusson | |
| Holmstrom | Lang | Mohamed | Rest | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Klein, Marty, Murphy, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Howe, and Johnson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3521:** A bill for an act relating to health; providing for an exception to the hospital construction moratorium; amending Minnesota Statutes 2024, section 144.551, subdivision 1.

Senator Westrom moved to amend H.F. No. 3521 as follows (A-1):

Delete everything after the enacting clause and insert:

### "ARTICLE 1

### HOSPITAL CONSTRUCTION MORATORIUM REPEAL

Section 1. **HOSPITAL CONSTRUCTION MORATORIUM EXEMPTION CONTINUATION.**

Any condition on which a hospital construction moratorium exemption was granted under Minnesota Statutes 2024, section 144.551, remains in effect.

Sec. 2. **REPEALER.**

Minnesota Statutes 2024, section 144.551, subdivisions 1, 1a, 2, 3, and 4, are repealed.

### ARTICLE 2

### CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 62J.17, subdivision 3, is amended to read:

Subd. 3. ~~**Hospital and**~~ **Nursing home moratoria preserved; nursing homes exempt.** Nothing in this section supersedes or limits the applicability of section ~~144.551 or~~ 144A.071. This section

does not apply to major spending commitments made by nursing homes or intermediate care facilities that are related to the provision of long-term care services to residents.

Sec. 2. Minnesota Statutes 2024, section 144.55, subdivision 4, is amended to read:

Subd. 4. **Routine inspections; presumption.** Any hospital surveyed and accredited under the standards of the hospital accreditation program of an approved accrediting organization that submits to the commissioner within a reasonable time copies of (a) its currently valid accreditation certificate and accreditation letter, together with accompanying recommendations and comments and (b) any further recommendations, progress reports and correspondence directly related to the accreditation is presumed to comply with application requirements of subdivision 1 and the standards requirements of subdivision 3 and no further routine inspections or accreditation information shall be required by the commissioner to determine compliance. Notwithstanding the provisions of sections 144.54 and 144.653, subdivisions 2 and 4, hospitals shall be inspected only as provided in this section. The provisions of section 144.653 relating to the assessment and collection of fines shall not apply to any hospital. The commissioner of health shall annually conduct, with notice, validation inspections of a selected sample of the number of hospitals accredited by an approved accrediting organization, not to exceed ten percent of accredited hospitals, for the purpose of determining compliance with the provisions of subdivision 3. If a validation survey discloses a failure to comply with subdivision 3, the provisions of section 144.653 relating to correction orders, reinspections, and notices of noncompliance shall apply. The commissioner shall also conduct any inspection necessary to determine whether hospital construction, addition, or remodeling projects comply with standards for construction promulgated in rules pursuant to subdivision 3. The commissioner may also conduct inspections to determine whether a hospital or hospital corporate system continues to satisfy the conditions on which a hospital construction moratorium exception was granted under Minnesota Statutes 2024, section 144.551, subdivision 1a. Pursuant to section 144.653, the commissioner shall inspect any hospital that does not have a currently valid hospital accreditation certificate from an approved accrediting organization. Nothing in this subdivision shall be construed to limit the investigative powers of the Office of Health Facility Complaints as established in sections 144A.51 to 144A.54.

Sec. 3. Minnesota Statutes 2024, section 144.55, subdivision 6, is amended to read:

Subd. 6. **Suspension, revocation, and refusal to renew.** (a) The commissioner may refuse to grant or renew, or may suspend or revoke, a license on any of the following grounds:

(1) violation of any of the provisions of sections 144.50 to 144.56 or the rules or standards issued pursuant thereto, or Minnesota Rules, chapters 4650 and 4675;

(2) permitting, aiding, or abetting the commission of any illegal act in the institution;

(3) conduct or practices detrimental to the welfare of the patient; or

(4) obtaining or attempting to obtain a license by fraud or misrepresentation; or

(5) with respect to hospitals and outpatient surgical centers, if the commissioner determines that there is a pattern of conduct that one or more physicians, advanced practice registered nurses, or physician assistants who have a "financial or economic interest," as defined in section 144.6521,

subdivision 3, in the hospital or outpatient surgical center, have not provided the notice and disclosure of the financial or economic interest required by section 144.6521.

(b) The commissioner shall not renew a license for a boarding care bed in a resident room with more than four beds.

(c) The commissioner shall not renew licenses for hospital beds issued to a hospital or hospital corporate system pursuant to a hospital construction moratorium exception under Minnesota Statutes 2024, section 144.551, subdivision 1a, if the commissioner determines the hospital or hospital corporate system is not satisfying the conditions on which the exception was granted.

Sec. 4. **REPEALER.**

Minnesota Statutes 2024, sections 144.552; 144.553; and 376.08, subdivision 3, are repealed."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Howe | Limmer | Rasmusson |
| Bahr | Farnsworth | Jasinski | Lucero | Utke |
| Coleman | Green | Johnson | Mathews | Weber |
| Dahms | Gruenhagen | Koran | Miller | Wesenberg |
| Dornink | Heintzeman | Kreun | Nelson | Westrom |
| Draheim | Holmstrom | Lang | Pratt | |
| Drazkowski | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Johnson.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Klein | McEwen | Putnam |
| Carlson | Gustafson | Kunesh | Mohamed | Rest |
| Champion | Hauschild | Kupec | Murphy | Seeberger |
| Clark | Hawj | Latz | Oumou Verbeten | Westlin |
| Cwodzinski | Hemmingsen-Jaeger | Mann | Pappas | Wiklund |
| Dibble | Hoffman | Marty | Pha | Xiong |
| Fateh | Johnson Stewart | Maye Quade | Port | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Carlson, Fateh, Hauschild, Klein, Marty, and Port.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 3521 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hauschild, Klein, Marty, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Johnson.

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

## RECONSIDERATION

Having voted on the prevailing side, Senator Johnson Stewart moved that the vote whereby S.F. No. 1714 was passed by the Senate on May 7, 2026, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 1714 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

# 122. SF 1714

**Vote:** 2026-05-07 | **Workbook row:** 127
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Public contracts payment transparency requirement provision

## Included complete bill documents

**1. 3rd Engrossment, posted 2026-05-08** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/1714/versions/3/pdf/

## Original Senate journal context

PDF pages 4-82. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260507071.pdf#page=82

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/1714/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 1714

**(SENATE AUTHORS: JOHNSON STEWART, Rarick, Lang, McEwen and Mathews)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/20/2025 | 457 | Introduction and first reading |
| | | Referred to State and Local Government |
| 03/09/2026 | 6539a | Comm report: To pass as amended and re-refer to Labor |
| | 6578 | Author added Mathews |
| 03/25/2026 | 6968a | Comm report: To pass as amended |
| | 6974 | Second reading |
| 04/27/2026 | 9183 | Special Order |
| | 9183 | Third reading Passed |
| 05/07/2026 | 9978a | Returned from House with amendment |
| | 9978 | Senate concurred and repassed bill |
| | 9978 | Third reading Passed as amended |
| | 10056 | Reconsidered |
| | 10056 | Third Reading Repassed |
| | | Presentment date 05/11/26 |
| | 10596 | Governor's action Approval 05/12/26 |
| | 10596 | Secretary of State Chapter 90 05/12/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to state government; requiring payment transparency in public contracts; amending Minnesota Statutes 2024, section 15.72, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 15.72, is amended by adding a subdivision to read:

Subd. 1a. **Payment information requests.** (a) Upon written request from a contractor or subcontractor of any tier that can provide documentation of participating in the public improvement project, a public contracting agency must provide information regarding any progress payment, retainage payment, final payment, or other payment made by the contracting agency.

(b) The information provided under paragraph (a) must include:

(1) the amount of the payment;

(2) the date the payment was made or approved; and

(3) a copy of the payment application submitted by the contractor.

For highway construction contracts, a copy of the estimate or voucher generated by the public contracting agency meets this requirement.

(c) The public contracting agency must provide the requested information within seven calendar days of receipt of the request.

(d) The public contracting agency must make available to subcontractors the contact information for the public contracting agency for payment information under this section.

If the public contracting agency has a website it must post the contact information on its public website for solicitations or bids or on another apparent location on its website. If a public contracting agency has an automated internet-based system to provide this information, the agency may request a requestor to use that system.

(e) No cost or fees may be charged to the contractor or subcontractor for providing information required under this section.

609.232, subdivision 11; 611A.37, subdivision 1; 611A.372; 624.7192; Minnesota Statutes 2025 Supplement, sections 13.46, subdivisions 2, 4; 65B.05; 120B.117, subdivision 4; 124F.01, subdivision 2; 136A.054; 142G.01, subdivision 3; 148.6404; 148.6408, subdivision 2; 161.14, subdivision 109; 161.45, subdivision 4; 168.012, subdivision 1; 168A.01, subdivisions 18, 19, 20; 171.301, subdivision 1; 216B.1622, subdivision 2; 245A.04, subdivision 1; 245A.191; 245C.08, subdivision 1; 253B.10, subdivision 1; 254B.0507, subdivision 2; 256B.055, subdivision 12; 256B.0615, subdivision 1; 256B.0616, subdivision 1; 256B.0924, subdivision 6; 256B.0943, subdivision 9; 256B.761, subdivision 2; 257.0769, subdivision 1; 260.65; 297I.20, subdivision 7; 299C.061, subdivision 1; 353D.07, subdivision 2; 357.021, subdivision 1a; 423A.022, subdivision 2; 424A.015, subdivision 4; 473.4465, subdivision 2; 580.07, subdivisions 1, 2; Laws 2023, chapter 1, section 22, as amended; repealing Minnesota Statutes 2024, sections 13.461, subdivision 16a; 137.50, subdivision 5; 142E.50, subdivisions 1, 4, 7; 256.9756, subdivision 3; 256B.092, subdivision 4b; 256R.50, subdivision 6; 257E.10, subdivision 11; 272.02, subdivision 31; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 289A.60, subdivision 15; 297I.15, subdivision 2; 383B.1511; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.565; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.596; 473.598; 473.599; 473.5995; 473.76; 473.763; 477A.18; 480.011; 504B.345, subdivision 2; Laws 2024, chapter 79, article 1, section 20; Laws 2025, chapter 21, sections 56; 57.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 6, 2026

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 1714:** A bill for an act relating to state government; requiring payment transparency in public contracts; amending Minnesota Statutes 2024, section 15.72, by adding a subdivision.

Senate File No. 1714 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 6, 2026

## CONCURRENCE AND REPASSAGE

Senator Johnson Stewart moved that the Senate concur in the amendments by the House to S.F. No. 1714 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1714 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Mann | Pratt |
| Bahr | Fateh | Johnson | Marty | Putnam |
| Boldon | Frentz | Johnson Stewart | Mathews | Rarick |
| Carlson | Green | Klein | Maye Quade | Rasmusson |
| Champion | Gruenhagen | Koran | McEwen | Rest |
| Coleman | Gustafson | Kreun | Miller | Seeberger |
| Cwodzinski | Hauschild | Kunesh | Mohamed | Utke |
| Dahms | Hawj | Kupec | Murphy | Weber |
| Dibble | Heintzeman | Lang | Nelson | Wesenberg |
| Dornink | Hemmingsen-Jaeger | Latz | Oumou Verbeten | Westlin |
| Draheim | Hoffman | Lieske | Pappas | Westrom |
| Drazkowski | Housley | Limmer | Pha | Wiklund |
| Duckworth | Howe | Lucero | Port | Xiong |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson and Latz.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Johnson.

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 3432:** A bill for an act relating to public safety; requiring removal of identifying equipment and insignia from emergency vehicles sold to the public; providing for security and protective services of certain state officials; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 299D.03, subdivision 1; 299E.01, subdivisions 1, 2, 3, 4, by adding a subdivision; Laws 2025, chapter 35, article 1, sections 2; 4; 5; Laws 2025, chapter 39, article 1, section 2; Laws 2025, First Special Session chapter 8, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169; 299A; 299E.

Senate File No. 3432 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 6, 2026

Senator Murphy, for Senator Latz, moved that the Senate do not concur in the amendments by the House to S.F. No. 3432, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 4188:

**H.F. No. 4188:** A bill for an act relating to commerce; modifying various consumer protections for insurance and financial products; prohibiting virtual-currency kiosks; modifying various provisions governing securities broker-dealers and broker-dealers' agents; making technical changes to various provisions governed or administered by the Department of Commerce; modifying and adding provisions governing unclaimed property; providing penalties; amending Minnesota Statutes 2024, sections 46.044, subdivision 1; 48.195; 49.37; 53B.69, subdivision 10; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.13, subdivisions 1, 6; 72A.061, subdivision 5; 72A.18, subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80A.50; 80A.69; 80C.12, subdivision 1; 80G.01, subdivision 5a; 325E.21, subdivisions 1b, 2c; 332.32; 345.31, by adding a subdivision; 345.43, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 58B.02, subdivision 8a; 80A.66; proposing coding for new law in Minnesota Statutes, chapters 53B; 80A; 82B; 82C; 345; repealing Minnesota Statutes 2024, sections 48.158; 53B.69, subdivisions 3b, 3c; 53B.75, subdivisions 1, 2, 3, 4, 5.

The House respectfully requests that a Conference Committee of 4 members be appointed thereon.

Koegel, Elkins, O'Driscoll and Perryman have been appointed as such committee on the part of the House.

House File No. 4188 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 6, 2026

Senator Klein moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 4188, and that a Conference Committee of 4 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 82, 3554, 4195, 4240, 4242, 4348, and 4482.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 6, 2026

## FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 82:** A bill for an act relating to health-related licensing; clarifying athletic trainer scope of practice; amending Minnesota Statutes 2024, sections 148.7802, subdivision 6, by adding a subdivision; 148.7806; 148.7807; 148.7814; repealing Minnesota Statutes 2024, section 148.7802, subdivisions 4, 5.

Referred to the Committee on Health and Human Services.

**H.F. No. 3554:** A bill for an act relating to state government; designating the month of January as Snow Professionals Appreciation Month; proposing coding for new law in Minnesota Statutes, chapter 10.

Referred to the Committee on State and Local Government.

**H.F. No. 4195:** A bill for an act relating to children, youth, and families; modifying grants to youth intervention programs; amending Minnesota Statutes 2024, section 142A.43.

Referred to the Committee on Health and Human Services.

**H.F. No. 4240:** A bill for an act relating to elections; making various changes related to election administration; modifying provisions related to absentee voting; modifying timelines; prohibiting elected officials and candidates from betting on elections; making technical and clarifying changes; appropriating money; amending Minnesota Statutes 2024, sections 203B.05, subdivision 1; 203B.06, subdivision 3; 203B.065; 204B.27, subdivision 2; 204C.26, subdivisions 2, 4; 205.185, subdivision 3; 205A.10, subdivision 3; 211B.32, subdivision 1; Minnesota Statutes 2025 Supplement, sections 203B.30, subdivisions 2, 3; 205A.11, subdivision 2; 375.20; proposing coding for new law in Minnesota Statutes, chapters 204D; 211B; repealing Minnesota Statutes 2024, section 5.31.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4006, now on General Orders.

**H.F. No. 4242:** A bill for an act relating to local government; modifying provisions governing disposition of decedents' personal property by coroners and medical examiners; amending Minnesota Statutes 2024, sections 390.225, subdivision 5; 525.393.

Referred to the Committee on Judiciary and Public Safety.

**H.F. No. 4348:** A bill for an act relating to local government; designating thermal energy networks as public improvements and waterworks; amending Minnesota Statutes 2024, sections 429.011, subdivisions 2a, 5; 429.021, subdivision 1; 444.075, subdivision 1.

Senator Murphy, Chair of the Committee on Rules and Administration, moved that H.F. No. 4348 be laid on the table. The motion prevailed.

**H.F. No. 4482:** A bill for an act relating to state government; permitting contracts for state historic sites; amending Minnesota Statutes 2024, section 138.669.

Referred to the Committee on State and Local Government.

## REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 4503. The motion prevailed.

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

**S.F. No. 3720:** A bill for an act relating to workers' compensation; adopting 2026 recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections 79.34, subdivisions 3, 4; 79.35; 79.36; 79.362; 79.38, subdivision 1; 175A.05, by adding a subdivision; 176.011, subdivision 15; 176.081, subdivision 9; 176.101, subdivision 2a; 176.155, subdivision 1; 176.221, subdivision 1; 176.322; repealing Minnesota Statutes 2024, sections 79.34, subdivision 2a; 79.361; 79.363.

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

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

**S.F. No. 4304:** A bill for an act relating to natural resources; appropriating money from outdoor heritage fund; extending and modifying prior appropriations; amending Laws 2024, chapter 106, article 1, section 2, subdivision 5.

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

Page 1, line 19, delete "187,528,000" and insert "191,081,000"

Page 8, line 9, delete "29,635,000" and insert "33,188,000"

Page 10, after line 13, insert:

"**(g) Roseau Lake Rehabilitation, Phase 3**

$3,553,000 the second year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance the Roseau Lake and Roseau River habitat complex in Roseau County. The approved accomplishment plan must include an operational and management plan for the Roseau Lake Rehabilitation Project. The Roseau River Watershed District must submit progress reports and a final report that include monitoring data related to water quantity and information about how flooding to adjacent and downstream agricultural lands has been addressed as part of the

progress reports and final report submitted to the Lessard-Sams Outdoor Heritage Council. No money from this appropriation may be expended:

(1) prior to January 1, 2027; or

(2) during any period in which a court order enjoining the project from moving forward is in effect."

Page 10, line 14, delete "(g)" and insert "(h)"

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

**Senator Marty from the Committee on Finance, to which was referred**

**S.F. No. 5202:** A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

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

Page 1, after line 4, insert:

"Section 1. **EXONERATION AWARDS.**

The amounts in this section are appropriated in fiscal year 2027 from the general fund to the commissioner of management and budget for full payment of awards of damages under the Imprisonment and Exoneration Remedies Act, Minnesota Statutes, sections 611.362 to 611.368. This appropriation is available until June 30, 2027, for payment to:

(1) James Lamar Davis, $250,000;

(2) Clayton Douglas Groves, $350,000; and

(3) Marvin Haynes, $4,500,000."

Page 1, line 12, delete "....." and insert "Mark Carroll" and delete "....." and insert ", $4,570.40."

Renumber the sections in sequence

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

**Senator Marty from the Committee on Finance, to which was referred**

**H.F. No. 4252:** A bill for an act relating to higher education; modifying student aid reporting requirements; requiring additional accommodations for parenting students; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools, private and out-of-state postsecondary institutions, unemployment insurance aid, and developmental courses; allowing denial of funding due to fraud; authorizing a lease agreement for construction of a sports

facility; specifying handling of uncashed distribution checks; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivisions 1, 5; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding subdivisions; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 268.193, subdivision 2; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2; 136A.833, subdivisions 1, 2; Laws 2025, First Special Session chapter 5, article 1, section 3, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4; 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 43A.187, is amended to read:

**43A.187 BLOOD DONATION LEAVE.**

A state employee must be granted leave from work with 100 percent of pay to donate blood at a location away from the place of work. The total amount of leave used under this section may not exceed three hours in a 12-month period, and must be determined by the employee. A state employee seeking leave from work under this section must provide 14 days' notice to the appointing authority. This leave must not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority. ~~For the purposes of this section, "state employee" does not include an employee of the Minnesota State Colleges and Universities.~~

Sec. 2. Minnesota Statutes 2024, section 135A.012, is amended to read:

**135A.012 ~~HIGHER EDUCATION~~ EDUCATIONAL ATTAINMENT GOAL.**

Subdivision 1. **Purpose.** This section sets a goal for postsecondary education and workforce training credential attainment for Minnesota residents.

Subd. 2. **Postsecondary credentials.** The number of Minnesota residents ages ~~25 to 44~~ 24 to 55 years who hold postsecondary ~~or industry-recognized~~ credentials should be increased to at least ~~70~~ 75 percent by ~~2025~~ the end of the 2040 calendar year, with subgoals for critical educational benchmarks in early childhood and kindergarten through grade 12 education to be established under subdivision 6.

Subd. 3. **Rights not created.** The attainment goal in this section is not to the exclusion of any other goals and does not confer a right or create a claim for any person.

Subd. 4. **Data development and analyses.** The Office of Higher Education shall work with the state demographer's office to measure progress towards the attainment of the goal specified in subdivision 2. The United States Census Bureau data shall be used to calculate the number of individuals in the state who hold a postsecondary degree. The Office of Higher Education~~,~~ and the state demographer's office~~, the Department of Employment and Economic Development, and the Department of Labor and Industry~~ shall develop a methodology to estimate the number of individuals that hold a credential awarded by a postsecondary institution or, when possible, recognized by an industry authority as their highest credential using data available at the time that the analysis is completed.

Subd. 5. **Reporting.** (a) Beginning in 2016 and every year thereafter, the Office of Higher Education, in collaboration with the state demographer's office, the Department of Children, Youth, and Families, and the Department of Education, shall, by October 15, report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance on the progress towards meeting or exceeding the goal and subgoals of this section.

(b) Meeting and maintaining the goal of ~~70~~ 75 percent of Minnesota residents ages ~~25 to 44~~ 24 to 55 years holding a postsecondary or, when possible, industry-recognized credential will likely be difficult without achieving attainment rates that are comparable across all race and ethnicity groups and regions of the state, using existing statewide economic development regions, and by gender. The Office of Higher Education shall utilize benchmarks of ~~30~~ 50 percent ~~or higher~~ and ~~50~~ 75 percent ~~or higher~~ to report progress by ~~race and ethnicity groups~~ these subpopulations toward meeting the educational attainment rate goal of ~~70~~ 75 percent. The Office of Higher Education will additionally report on interim progress of these subpopulations toward the 75 percent goal in 2031 and 2036.

Subd. 6. **Implementation and coordination.** The Office of Higher Education, in collaboration with the Minnesota P-20 Education Partnership, shall jointly implement, monitor, assess, and report on progress toward meeting the attainment goal established under subdivision 2. Activities under this subdivision include but are not limited to:

(1) ongoing consultation with relevant stakeholders;

(2) development of a strategic plan that identifies key metrics and initiatives that ensure all Minnesotans have the academic preparation and access necessary to ultimately attain a postsecondary or, when possible, industry-recognized credential;

(3) collaborating with other state agencies and additional key stakeholders to ensure alignment with other statewide goals and priorities; and

(4) identifying subgoals for critical benchmarks in early childhood and kindergarten through grade 12 education that assist in reaching the attainment goal.

Sec. 3. Minnesota Statutes 2024, section 135A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

(1) be enrolled in an undergraduate certificate, diploma, or degree program at the University of Minnesota or a Minnesota state college or university;

(2) be either (i) a ~~Minnesota~~ student eligible for a resident ~~for resident tuition purposes~~ tuition rate, or its equivalent, who is an enrolled member or citizen of a federally recognized American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident tuition status;

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 12 semesters or the equivalent, excluding courses taken that qualify as developmental education or below college-level; and

(4) meet satisfactory academic progress as defined under section 136A.101, subdivision 10.

Sec. 4. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Parenting student" means a student enrolled at a public college or university who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

(c) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

~~(c)~~ (d) "Pregnancy or related conditions" has the meaning given in Code of Federal Regulations, title 34, section 106.2.

~~(d) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.~~

(e) "Priority registration" means an opportunity to register for courses before the opening of general registration for the majority of undergraduate students.

Sec. 5. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 2, is amended to read:

Subd. 2. **Rights and protections.** (a) A postsecondary institution may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:

(1) take a leave of absence or withdraw from the student's degree or certificate program;

(2) limit the student's studies;

(3) participate in an alternative program;

(4) change the student's major, degree, or certificate program; or

(5) refrain from joining or cease participating in any course, activity, or program at the college or university.

(b) A postsecondary institution shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:

(1) would be provided to a student with a temporary medical condition; or

(2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.

(c) A postsecondary institution must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:

(1) excuse the student's absence;

(2) allow the student to make up missed assignments or assessments;

(3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; and

(4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence.

(d) A postsecondary institution must and the University of Minnesota is requested to allow a pregnant or parenting student to:

(1) take a leave of absence; and

(2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission.

(e) If a postsecondary institution provides early registration for courses or programs at the institution for any group of students, the institution must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner. Priority registration for parenting students shall include the following considerations:

(1) automatically assign eligible pregnant and parenting students a registration window time that occurs no later than the earliest undergraduate registration period offered;

(2) ensure that priority registration is granted without a separate petition, discretionary approval, or case-by-case determination beyond verification of parenting status;

(3) annual notification provided to all enrolled students describing the rights and protections afforded to pregnant and parenting students;

(4) provide notification of the priority registration process to each student who self-identifies as a pregnant or parenting student; and

(5) publish information regarding programs, services, and student rights specific to parenting students on the public postsecondary institution's public website.

(f) The Board of Trustees of the Minnesota State Colleges and Universities shall adopt policies and procedures to implement this subdivision. The Board of Regents of the University of Minnesota is requested to comply with this subdivision.

Sec. 6. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 3, is amended to read:

Subd. 3. **Policy on discrimination.** Each postsecondary institution must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:

(1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;

(2) be posted in an easily accessible, straightforward format on the ~~college or university's~~ postsecondary institution's website; and

(3) be made available annually to faculty, staff, and employees of the ~~college or university~~ postsecondary institution.

Sec. 7. Minnesota Statutes 2024, section 136A.053, is amended to read:

**136A.053 CONSOLIDATED STUDENT AID REPORTING.**

(a) The commissioner of the Office of Higher Education shall report annually beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of programs administered under sections 136A.091 ~~to 136A.1276~~, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233, including the:

(1) total funds appropriated and expended;

(2) total number of students applying for funds;

(3) total number of students receiving funds;

(4) average and total award amounts;

(5) summary demographic data on award recipients;

(6) retention rates of award recipients;

(7) completion rates of award recipients;

(8) average cumulative debt at exit or graduation; and

(9) average time to completion.

(b) Data must be disaggregated by aid program, institution, aid year, race and ethnicity, gender, ~~income,~~ socioeconomic status, family type, ~~dependency status,~~ and any other factors determined to be relevant by the commissioner, as available. The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 136A.091 ~~to 136A.1276~~, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233 as evidenced by activities funded under each program.

Sec. 8. Minnesota Statutes 2024, section 136A.091, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible for a program stipend, a student shall:

(1) be a resident ~~of Minnesota~~ student under section 136A.101, subdivision 8;

(2) attend an eligible office-approved program;

(3) be in grades 3 through 12, but not have completed high school;

(4) meet income requirements for free or reduced-price school meals; and

(5) be 19 years of age or younger.

Sec. 9. Minnesota Statutes 2024, section 136A.091, subdivision 9, is amended to read:

Subd. 9. **Report.** Annually, the office shall submit a report ~~to the legislative committees with jurisdiction over higher education finance regarding the program providers, stipend recipients, and program activities. The report shall include information about the students served, the organizations providing services, program goals and outcomes, and student outcomes~~ in accordance with section 136A.053.

Sec. 10. Minnesota Statutes 2024, section 136A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the office finds that the applicant:

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

(4) is not in default, as defined by the office, of any federal or state student educational loan;

(5) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages; and

(6) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C.

(b) A student is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 11. **[136A.1212] FRAUD; DENIAL OF FUNDING.**

Applicants or recipients of any student aid or grant program administered under chapter 136A may be denied funding if the applicant or recipient:

(1) presents information concerning the financial aid or grant application that is false, fraudulent, misleading, deceptive, or inaccurate in a material respect;

(2) refuses to allow reasonable inspection or to supply reasonable information after a written request by the office or school has been received; or

(3) has been determined by the commissioner or judicially determined to have committed fraud or a material violation of law involving federal, state, or local government funding.

Sec. 12. Minnesota Statutes 2024, section 136A.1215, subdivision 5, is amended to read:

Subd. 5. **Reporting.** ~~By February 15 of each year, the commissioner of higher education must submit a report on the details of the program under this section to the legislative committees with jurisdiction over higher education finance and policy. The report must include the following~~

~~information, broken out by postsecondary institution:~~ Annually, the office must submit a report in accordance with section 135A.053.

~~(1) the number of students receiving an award;~~

~~(2) the average and total award amounts; and~~

~~(3) summary demographic data on award recipients.~~

Sec. 13. Minnesota Statutes 2024, section 136A.1241, subdivision 8, is amended to read:

Subd. 8. **Report.** ~~(a)~~ Annually, the office ~~shall prepare an anonymized report to be submitted annually to the chairperson and minority chairperson of the legislative committees with jurisdiction over higher education that contains:~~ must submit a report in accordance with section 136A.053.

~~(1) the number of students receiving foster grants and the institutions attended; and~~

~~(2) annual retention and graduation data on students receiving foster grants.~~

~~(b) The report required under this subdivision may be combined with other legislatively required reporting. If submitted as a separate report, the report must be submitted by January 15.~~

Sec. 14. Minnesota Statutes 2024, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8, or the applicant's spouse is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) has not received child care grant funds for a period of ten semesters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;

(6) is enrolled in at least one credit in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student is entitled to an additional semester or equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 15. Minnesota Statutes 2024, section 136A.1274, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~By February 15 of each year, the commissioner must submit a report on the details of the program under this section to the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:~~ Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.

~~(1) the number of eligible applicants and the number of teacher candidates receiving an award, each broken down by postsecondary institution;~~

~~(2) the total number of awards, the total dollar amount of all awards, and the average award amount; and~~

~~(3) other summary data identified by the commissioner as outcome indicators.~~

Sec. 16. Minnesota Statutes 2024, section 136A.1275, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~(a) By February 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:~~ Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must include

~~(1) the total number of awards, the total dollar amount of all awards, and the average award amount;~~

~~(2) the number of eligible applicants and the number of student teachers receiving an award, each broken down by postsecondary institution;~~

~~(3)~~ the licensure areas and school districts in which the student teachers taught~~;~~ and must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.

~~(4) other summary data identified by the commissioner as outcome indicators, including how many student teachers awarded a rural teacher grant were employed in a rural school district after graduation.~~

~~(b) By July 1 of each odd numbered year, the commissioner must update and post on the office's website a list of licensure shortage areas eligible for a grant under this section.~~

Sec. 17. Minnesota Statutes 2024, section 136A.1465, subdivision 10, is amended to read:

Subd. 10. **Report.** ~~The commissioner of higher education shall submit a preliminary report by September 1, 2025, and an annual report beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of the program, including the:~~ Annually, the office must submit a report in accordance with section 136A.053.

~~(1) status of the scholarship fund; and~~

~~(2) North Star Promise participation data aggregated for each eligible institution to show the:~~

~~(i) number of eligible students who received scholarships in the prior academic year;~~

~~(ii) average and total award amounts;~~

~~(iii) summary demographic data on award recipients;~~

~~(iv) total number of students enrolled in eligible institutions in the prior academic year;~~

~~(v) retention rates of participating students; and~~

~~(vi) number of eligible students who graduated with a degree and, for each eligible student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation.~~

Sec. 18. Minnesota Statutes 2024, section 136A.233, subdivision 3, is amended to read:

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) ~~In selecting students for participation, priority must be given to students enrolled for at least 12 credits.~~ In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) ~~Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.~~

~~(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.~~

~~(h)~~ An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 19. Minnesota Statutes 2025 Supplement, section 136A.246, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

(c) "Eligible training" means training provided by an eligible training provider that:

(1) includes training to meet one or more identified competency standards;

(2) is instructor-led for a majority of the training or leads to an accredited certificate, diploma, or degree issued by a postsecondary institution; and

(3) results in the employee receiving an industry-recognized degree, certificate, or credential.

(d) "Eligible training provider" means an institution:

(1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;

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

(3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.

(e) "Industry-recognized degrees, certificates, or credentials" means:

(1) accredited certificates, diplomas, or degrees issued by a postsecondary institution;

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

(4) certifications issued by, or recognized by, industry or professional associations; and

(5) other certifications as approved by the commissioner.

Sec. 20. Minnesota Statutes 2024, section 136A.62, is amended by adding a subdivision to read:

Subd. 3b. **Institution.** "Institution" means school, as defined in this section.

Sec. 21. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

Subdivision 1. **Schools to provide information.** As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the

school, including but not limited to the following which shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

(1) articles of incorporation, constitution, bylaws, or other operating documents;

(2) a duly adopted statement of the school's mission and goals;

(3) evidence of current school or program licenses granted by departments or agencies of any state;

(4) compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted to the office on the same schedule stated under section 136A.675, subdivision 1, paragraph (a);

(5) all current promotional and recruitment materials and advertisements; ~~and~~

(6) the current school catalog and, if not contained in the catalog:

(i) the members of the board of trustees or directors, if any;

(ii) the current institutional officers;

(iii) current full-time and part-time faculty with degrees held or applicable experience;

(iv) a description of all school facilities;

(v) a description of all current course offerings;

(vi) all requirements for satisfactory completion of courses, programs, and degrees;

(vii) the school's policy about freedom or limitation of expression and inquiry;

(viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(ix) the school's policy about refunds and adjustments;

(x) the school's policy about granting credit for prior education, training, and experience;

(xi) the school's policies about student admission, evaluation, suspension, and dismissal; and

(xii) the school's disclosure to students on the student complaint process under section 136A.672; and

(7) enrollment data by academic term or calendar period following the submission schedules in section 136A.675, subdivision 1, paragraph (b).

Sec. 22. Minnesota Statutes 2024, section 136A.65, subdivision 8, is amended to read:

Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons to the school, the office may:

(1) revoke, suspend, or refuse to renew registration;

(2) refuse approval of a school's degree; and

(3) refuse approval of the use of a regulated term in its name.

(b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:

(1) violating the provisions of sections 136A.61 to 136A.71;

(2) providing false, misleading, or incomplete information to the office;

(3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students;

(4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received;

(5) failing to have enrollment within the last two years at the school;

(6) failing to have any enrollment within two years of a program's approval, except for programs that require extensive approval processes by the United States Department of Education, or the program's institutional or programmatic accreditor; or

(7) having been ~~administratively~~ determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.

(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Sec. 23. Minnesota Statutes 2024, section 136A.653, subdivision 1b, is amended to read:

Subd. 1b. **Tribal colleges.** A Tribal college is exempted from the provisions of sections 136A.61 to 136A.71. A Tribal college that is exempt may voluntarily waive its ~~exception~~ exemption by registering under section 136A.63. Upon registration, the Tribal college is subject to all applicable requirements of sections 136A.61 to 136A.71.

Sec. 24. Minnesota Statutes 2024, section 136A.653, subdivision 3a, is amended to read:

Subd. 3a. **Tuition-free educational courses.** A ~~school~~ course or program, including a ~~school~~ course or program using an online platform service, offering training, courses, or programs is exempt

from sections 136A.61 to 136A.71, to the extent tuition, fees, and any other charges for a student to participate do not exceed two percent of the most recent average undergraduate tuition and required fees as of January 1 of the current year charged for full-time students at all degree-granting institutions as published annually by the United States Department of Education as of January 1 of each year. To qualify for an exemption, a school or online platform service must prominently display a notice comparable to the following: "IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college."

Sec. 25. Minnesota Statutes 2024, section 136A.672, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.705 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if~~: (1)~~ the office substantially prevails on the merits in an action brought under this section~~; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of $1,000,000 or greater~~.

Sec. 26. Minnesota Statutes 2024, section 136A.675, subdivision 1, is amended to read:

Subdivision 1. **Standard development and usage.** (a) To screen and detect whether an institution may not be financially or administratively responsible, the office shall ~~develop~~ use financial and nonfinancial indicators. The ~~development of~~ financial and nonfinancial indicators shall use industry standards as guidance.

(b) Annually, the office must provide a copy of the financial and nonfinancial indicators to each registered institution and post a list of reviewed indicators on the office website.

(c) The office shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible.

(d) The office must use the indicators in this subdivision to identify institutions at potential risk of being unable to meet the standards established under sections 136A.646; 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3), and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its academic terms for the next 18 months.

Sec. 27. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision to read:

Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An institution must submit to the office the required audit reports under section 136A.64, subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine months after the last day of the institution's fiscal year.

(b) An institution must submit to the office the enrollment data required under section 136A.64, subdivision 1, clause (7), using one of the two following schedules:

(1) a school with limited program start dates within its academic year shall provide the office with a copy of the school's internal enrollment report for each academic term as soon as it is released internally. The school may provide the report with no additional data or required calculations; or

(2) a school with multiple or rolling program start dates must provide enrollment data to the office at least four times per year. Each school must determine four reporting dates per year that would result in the most useful data being provided to the office and must provide the office with the school's proposed enrollment reporting schedule.

Sec. 28. Minnesota Statutes 2025 Supplement, section 136A.82, subdivision 1, is amended to read:

Subdivision 1. **Policy.** The legislature has found and hereby declares that the availability of legitimate ~~vocational~~ programs offered by responsible nonprofit and for-profit private career schools are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing ~~vocational~~ programs by establishing policies and procedures to ensure the authenticity and legitimacy of ~~vocational~~ programs offered by nonprofit and for-profit private career schools. The legislature has found and declares that this same policy applies to any nonprofit and for-profit private career schools located in another state or country that offers or makes available to a Minnesota resident any ~~vocational~~ program which does not require leaving the state for its completion.

Sec. 29. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level. Except for those required to obtain a license exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, private career school does not extend to:

(1) public postsecondary institutions with a physical presence in Minnesota;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; or 136A.658 due to the nature of the institution's programs;

(4) ~~schools~~ persons, programs, or courses exclusively engaged in training physically or mentally disabled persons;

(5) persons, programs, or courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;

(6) persons, programs, or courses contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training~~,~~

~~except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant~~;

(7) ~~schools~~ persons, programs, or courses with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;

(8) ~~schools~~ persons, programs, or courses licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs~~, except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant~~;

(9) ~~review classes, courses, or~~ persons, programs, or courses intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;

(10) ~~classes, courses, or~~ persons, programs, or courses conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

(11) persons, programs in the fine arts provided by organizations, or courses that are exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment; or

(12) ~~classes, courses, or~~ persons, programs, or courses intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

Sec. 30. Minnesota Statutes 2024, section 136A.821, subdivision 13, is amended to read:

Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a private career school's ~~compliance with federal requirements related to its participation in federal Title IV student aid programs or other federal grant programs performed under either Uniform Grant Guidance, including predecessor Federal Circular A-133, or the United States Department of Education's audit guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers~~ administration of federal money conducted by a certified public accountant or federal auditor to determine if the school is adhering to applicable laws, regulations, and other grant conditions as required by Code of Federal Regulations, title 2, subtitle A, chapter II, part 200.

Sec. 31. Minnesota Statutes 2024, section 136A.821, subdivision 16, is amended to read:

Subd. 16. ~~**Audited**~~ **Financial statements audit report.** "~~Audited~~ Financial statements audit report" means the ~~financial statements of an entity or higher-level entity that have been examined by a certified public accountant or an equivalent government agency for public entities that include (1) an auditor's report, a statement of financial position, an income statement, a statement of cash flows, and notes to the financial statements or (2) the required equivalents for public entities as determined by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the Securities and Exchange Commission~~ result of a service provided by a certified public accountant or federal auditor that conducts a comprehensive and independent examination of the entity's financial statements as defined in Code of Federal Regulations, title 34, section 668.23(d). If an entity's own financial statements audit report is subsequently consolidated into a higher-level entity's financial statements audit report, financial statements audit report can refer to both the entity's own report and the higher-level entity's consolidated report in accordance with Code of Federal Regulations, section 668.23(d)(2).

Sec. 32. Minnesota Statutes 2024, section 136A.821, subdivision 17, is amended to read:

Subd. 17. ~~**Review-level engagement**~~ **Compilation report.** ~~"Review-level engagement" means a service performed by a certified public accountant that provides limited assurance that there are no material modifications that need to be made to an entity's financial statements in order for them to conform to generally accepted accounting principles. Review-level engagement provides fewer assurances than those reported under audited financial statements~~ "Compilation report" means the result of an accounting service provided by a certified public accountant to organize financial information provided by a client into professionally formatted financial statements. A compilation report provides no assurances about the financial statements, unlike those provided in a financial statements audit report.

Sec. 33. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 21, is amended to read:

Subd. 21. ~~**Vocational**~~ **Institution or school.** ~~"Vocational" means education or training for skills used in the labor market~~ "Institution" or "school" means a private career school or distance education private career school, as defined in this section.

Sec. 34. Minnesota Statutes 2024, section 136A.822, subdivision 4, is amended to read:

Subd. 4. **Application.** Application for a license shall be on forms prepared and furnished by the office, and shall include the following and other information as the office may require:

(1) the title or name of the private career school, ownership and controlling officers, members, managing employees, and director;

(2) the specific programs which will be offered ~~and the specific purposes of the instruction~~;

(3) the place or places where the instruction will be given;

(4) a listing of the equipment available for instruction in each program;

(5) the maximum enrollment to be accommodated with equipment available in each specified program;

(6) the qualifications of instructors and supervisors in each specified program;

(7) financial documents related to the entity's and higher-level entity's most recently completed fiscal year~~:~~, including a federal income tax return and, in accordance with the table below, one or more of the following: a financial statements audit report, compliance audit report, or compilation report. An applicant with financial statements that are consolidated into a higher-level entity's financial statements must include the consolidated financials of the higher-level entity with the documents listed in each row of the table except for the final row. If not stated in the financial statements audit report, compliance audit report, or compilation report, the entity must include a statement providing the total gross tuition and fee revenues associated with the programs and the total amount of institutional discounts and aid provided to students in the programs.

~~(i) annual gross revenues from all sources;~~

~~(ii) financial statements subjected to a review-level engagement or, if requested by the office, audited financial statements;~~

~~(iii) a school's most recent compliance audit, if applicable; and~~

~~(iv) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;~~

An entity or higher-level entity subject to fluctuating levels of total gross revenues must continue to submit the required financial documents according to the requirements under items (i) to (vi) even if the most current fiscal year's total gross revenues move the entity or higher-level entity into a different category. If an entity or higher-level entity continues to experience a change in total gross revenues for two consecutive fiscal years, the office must notify the entity that the entity will be subject to the documentation requirements under items (i) to (vi) for the next annual licensing application cycle. If, for the most recently completed fiscal year, the applicant or renewal applicant:

(i) is required by federal or other external entities to have both a financial statements audit and a compliance audit, the applicant must submit the financial statements audit report and the compliance audit report, which may be combined in one document;

(ii) is required by federal or other external entities to have a financial statements audit, but not a compliance audit, the applicant must submit the financial statements audit report;

(iii) is not required to have a financial statements audit, but elects to have one, the applicant must submit the financial statements audit report;

(iv) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of $5,000,000 or more and the office requires the applicant to have a financial statements audit, the applicant must submit the financial statement audit report. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year;

(v) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of $250,000 or more but less than $5,000,000 and the office requires the applicant to have a compilation engagement, the applicant must submit the compilation report,

including footnotes for a debt repayment schedule and other material items. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year; or

(vi) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of less than $250,000, the applicant must submit (A) depending on the ownership or corporate organization, the applicant's federal income tax return; and (B) if the net income flows through to the owners' personal federal tax returns, a copy of each owner's personal federal tax return. In addition to the tax return information, an applicant must provide a balance sheet dated as of the last day of the most recently ended fiscal year;

(8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the private career school; and

(9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota~~; and~~.

~~(10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges.~~

Sec. 35. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school with a physical presence within the state of Minnesota for any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b) The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, ~~but in no event less than $10,000,~~ except that a private career school ~~may~~ must deposit a greater amount at ~~its own~~ the office's discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net revenue from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota. In the case of an entity applying for an initial license where no history of revenues from student tuition, fees, or other required institutional charges, the amount of the bond must be ten percent of the total amount of tuition, fees, and other required institutional charges anticipated in the entity's first year of operation, based on a calculation of total student tuition, fees, and other required institutional charges multiplied by the maximum student enrollment in one academic year.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited

by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 36. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 8, is amended to read:

Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the private career school's financial obligations;

(ii) refund all tuition and other charges, within 60 days, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the private career school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the quality ~~and content~~ of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared, based on minimum standards for employment in the field, learning outcomes, assessment mechanisms, and clear structure of the curriculum;

(6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe~~, as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office~~;

(7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;

(8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause;

(9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization;

(10) that the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829 or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation; and

(11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.

Sec. 37. Minnesota Statutes 2024, section 136A.822, subdivision 10, is amended to read:

Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a private career school, the private career school shall furnish to the office a catalog, brochure, or electronic display including~~:~~ all required information to students under section 136A.826.

~~(1) identifying data, such as volume number and date of publication;~~

~~(2) name and address of the private career school and its governing body and officials;~~

~~(3) a calendar of the private career school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;~~

~~(4) the private career school policy and regulations on enrollment including dates and specific entrance requirements for each program;~~

~~(5) the private career school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;~~

~~(6) the private career school policy and regulations about standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;~~

~~(7) the private career school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;~~

~~(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;~~

~~(9) the private career school policy and regulations, including an explanation of section 136A.827, about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;~~

~~(10) a description of the available facilities and equipment;~~

~~(11) a course outline syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;~~

~~(12) the private career school policy and regulations about granting credit for previous education and preparation;~~

~~(13) a notice to students relating to the transferability of any credits earned at the private career school to other institutions;~~

~~(14) a procedure for investigating and resolving student complaints;~~

~~(15) the name and address of the office; and~~

~~(16) the student complaint process and rights under section 136A.8295.~~

~~A private career school that is exclusively a distance education school is exempt from clauses (3) and (5).~~

Sec. 38. Minnesota Statutes 2024, section 136A.822, subdivision 12, is amended to read:

Subd. 12. **Permanent student records.** (a) A private career school or a distance education private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a ~~permanent~~ student record for each student for 50 years from the last date of the student's attendance. ~~A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance~~ The private career school or distance education private career school may choose to reduce the amount of time the school maintains a student record to no less than 20 years if the entity sends the permanent student record to the office to hold for the remainder of the duration the student records are required to be maintained. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A private career school or distance education private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record required for professional licensure in Minnesota for each student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater. ~~A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for each Minnesota student for ten years from the last date of~~

~~the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.~~

(c) To preserve permanent student records, a private career school shall submit a plan that meets the following requirements:

(1) ~~at least one copy of the records must be held in a secure, fireproof depository;~~

~~(2)~~ an appropriate official must be designated to provide a student with copies of records or a transcript upon request; and

~~(3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the private career school ceases to exist; and~~

~~(4)~~ (2) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed $20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 39. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 13, is amended to read:

Subd. 13. **Limited license.** (a) Unless otherwise exempt under sections 136A.82 to 136A.834:

(1) a private career school licensed by another state agency or board must be required to obtain a limited license to participate in state financial aid; and

(2) a private career school exclusively seeking to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant shall be required to obtain a limited license.

(b) A private career school seeking a limited license under this subdivision shall be required to satisfy ~~only~~ the requirements of subdivisions 4, clauses (1), (2), and (3)~~, (7), (8), (9), and (10)~~; 5; 8, clauses (1), ~~(4), (7), (8),~~ (9), and (10); ~~9; 10; 11;~~ and 12. If requested by the office, a private career school seeking a limited license under this subdivision must satisfy the requirements of subdivisions 4, clauses (7), (8), (9), and (10); 8, clauses (4), (7), and (8); 9; 10; and 11. If a private career school is licensed to participate in state financial aid under this chapter, the private career school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a distance education private career school licensed to recruit Minnesota residents for attendance at a distance education private career school outside of this state, or a distance education private career school licensed by another state agency as its primary licensing body, may continue to use the distance education private career school's name as permitted by its home state or its primary licensing body.

Sec. 40. Minnesota Statutes 2024, section 136A.822, is amended by adding a subdivision to read:

Subd. 14. **Data privacy.** (a) Financial records submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(b) Accreditation records and reports submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(c) The office may disclose data that is classified as not public data under this subdivision for the purpose of defending the office's decision to approve or not approve a program or institution, or take any other action under sections 136A.82 to 136A.833, in connection with a legal or administrative proceeding, or pursuant to a subpoena or judicial warrant.

Sec. 41. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Application for renewal of a license must be made at least 60 days, other than the exception in paragraph (b), before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee as provided in section 136A.824 that is sufficient to recover, but does not exceed, the administrative costs of the office.

(b) The financial documents listed in section 136A.822, subdivision 4, clause (7), required to be submitted to the office as part of a renewal application, shall be submitted according to the following schedule:

(1) the financial statements audit reports, compliance audit reports, and compilation reports, by the earlier of 30 days after the issuance date of each report or nine months after the last day of the entity's or higher-level entity's fiscal year; or

(2) for federal tax returns and stand-alone balance sheets, by the earlier of 30 days after the federal tax return is completed or one week following the last day of a federal filing extension period that is usually six months in length.

Sec. 42. Minnesota Statutes 2024, section 136A.823, subdivision 3, is amended to read:

Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must submit a registration renewal application, the information and materials for an initial registration under section 136A.822, subdivision 4, and the applicable registration fees for a new institution under section 136A.824, subdivision 1. For purposes of this subdivision, "change of ownership" means: a merger or consolidation with a ~~corporation~~ separate entity or higher-level entity; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; entering into receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 43. Minnesota Statutes 2024, section 136A.826, subdivision 1, is amended to read:

Subdivision 1. **Catalog, brochure, or electronic display.** (a) A private career school or its agent must provide the catalog, brochure, or electronic display required in this section ~~136A.822, subdivision 10,~~ to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or

enrollment agreement or before being accepted by a private career school that does not use a written contract or enrollment agreement.

(b) A catalog, brochure, or electronic display must include, at a minimum:

(1) identifying data, such as volume number or date of publication;

(2) name, address, governing body, and names of senior officials;

(3) an academic calendar showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) the policy and regulations on enrollment including dates and specific entrance requirements for each program;

(5) the policy and regulations regarding leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

(6) the policy and regulations regarding standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;

(7) the policy and regulations regarding student conduct and conditions for dismissal for unsatisfactory conduct;

(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) the policy and regulations, including an explanation of section 136A.827, regarding refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline or syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;

(12) the policy and regulations regarding granting credit for previous education and preparation;

(13) a notice to students relating to the transferability of any credits earned; or

(14) a procedure for investigating and resolving student complaints and the rights of the student under section 136A.8295.

Sec. 44. Minnesota Statutes 2024, section 136A.827, subdivision 1, is amended to read:

Subdivision 1. **Student.** For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student. If there is no contract, student means the party who has been accepted into the course or program.

Sec. 45. Minnesota Statutes 2024, section 136A.827, subdivision 4, is amended to read:

Subd. 4. **Proration.** (a) When a student has been accepted by a private career school and gives notice of cancellation after the program of instruction has begun, the student is entitled to a refund if, at the last documented date of attendance, the student has not completed at least 75 percent of the entire program of instruction. For purposes of this subdivision, program of instruction is calculated under paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a module, or any other portion of the entire instructional program.

(b) A notice of cancellation from a student under this subdivision must be confirmed in writing by the private career school and mailed to the student's last known address. The confirmation from the school must state that the school has withdrawn the student from enrollment~~, and if this action was not the student's intent, the student must contact the school~~.

(c) The length of a program of instruction for a program that has a defined calendar start and end date that does not change after the program has begun equals the number of days from the first scheduled date of the program through the last scheduled date of the program. To calculate the completion percentage, divide the number of calendar days from the first date of the program through the student's last documented date of attendance by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed $50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) $100.

(d) The length of a program of instruction for a program that is measured in clock hours equals the number of clock hours the student was scheduled to attend. To calculate the completion percentage, divide the number of clock hours that the student actually attended by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed $50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) $100.

Sec. 46. Minnesota Statutes 2024, section 136A.828, subdivision 6, is amended to read:

Subd. 6. **~~Financial aid payments~~ Transcripts.** ~~(a) All private career schools must collect, assess, and distribute funds received from loans or other financial aid as provided in this subdivision.~~

~~(b) Student loans or other financial aid funds received from federal, state, or local governments or administered in accordance with federal student financial assistance programs under title IV of the Higher Education Act of 1965, as amended, United States Code, title 20, chapter 28, must be collected and applied as provided by applicable federal, state, or local law or regulation.~~

~~(c) Student loans or other financial aid assistance received from a bank, finance or credit card company, or other private lender must be collected or disbursed as provided in paragraphs (d) and (e).~~

~~(d) Loans or other financial aid payments for amounts greater than $3,000 must be disbursed:~~

~~(1) in two equal disbursements, if the term length is more than four months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class with the remainder to be disbursed halfway through the term; or~~

~~(2) in three equal disbursements, if the term length is more than six months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class, one-third of the way through the term, and two-thirds of the way through the term.~~

~~(e) Loans or other financial aid payments for amounts less than $3,000 may be disbursed as a single disbursement on the first day a student attends class, regardless of term length.~~

~~(f) No private career school may enter into a contract or agreement with, or receive any money from, a bank, finance or credit card company, or other private lender, unless the private lender follows the requirements for disbursements provided in paragraphs (d) and (e).~~

~~(g)~~ No private career school may withhold an official transcript for arrears or default on any loan made by the private career school to a student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b).

Sec. 47. Minnesota Statutes 2024, section 136A.829, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity for a hearing~~,~~ under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following grounds:

(1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted by the office;

(2) furnishing to the office false, misleading, or incomplete information;

(3) presenting to prospective students information relating to the private career school that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

(4) refusal to allow reasonable inspection or supply reasonable information after written request by the office;

(5) having been ~~administratively~~ determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds;

(6) the existence of any circumstance that would be grounds for the refusal of an initial or renewal license under section 136A.822; or

(7) using fraudulent or coercive practices, whether in the course of business in this state or elsewhere.

Sec. 48. Minnesota Statutes 2024, section 136A.829, subdivision 3, is amended to read:

Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

(a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of Laws 1973, chapter 714;

(b) To grant conditional private career school license ~~for periods of less than one year~~ if in the judgment of the office correctable deficiencies exist at the time of application and when ~~refusal to issue private career school license would adversely affect currently enrolled students~~ the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Conditional licenses may include requirements and restrictions for:

(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;

(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;

(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;

(4) a prohibition from accepting tuition and fee payments prior to the add-drop period of the current period of instruction or before the funding has been earned by the school according to the refund requirements of section 136A.827;

(5) a prohibition from enrolling new students;

(6) enrollment caps;

(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;

(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or

(9) submission of closure information under section 136A.8225;

(c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to hold a license or permit. However, before proceeding to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected and the private career school is in compliance with the provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation, or suspension shall be taken.

~~(d) To grant a private career school a probationary license for periods of less than three years if, in the judgment of the office, correctable deficiencies exist at the time of application that need more than one year to correct and when the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Probationary licenses may include requirements and restrictions for:~~

~~(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;~~

~~(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;~~

~~(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;~~

~~(4) a prohibition from accepting tuition and fee payments prior to the add/drop period of the current period of instruction or before the funds have been earned by the school according to the refund requirements of section 136A.827;~~

~~(5) a prohibition from enrolling new students;~~

~~(6) enrollment caps;~~

~~(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;~~

~~(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or~~

~~(9) submission of closure information under section 136A.8225.~~

Sec. 49. Minnesota Statutes 2024, section 136A.8295, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.832 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if~~:~~ ~~(1)~~ the office substantially prevails on the merits in an action brought under this

section~~; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of $1,000,000 or greater~~.

Sec. 50. Minnesota Statutes 2024, section 136A.83, is amended to read:

**136A.83 INSPECTION.**

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any private career school or applicant for license at any reasonable time. ~~The office may require the submission of audited financial statements.~~ The office or a delegate may inspect the financial books and records of the private career school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the private career school.

(b) Data obtained from an inspection of the financial records of a private career school or submitted to the office as part of a license application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

Sec. 51. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 1, is amended to read:

Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school ~~adds a new program or~~ makes a modification ~~equal to or greater than 25 percent to an existing educational program~~ that brings the school or program outside the scope of the school's or program's exemption. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration or any change that would bring the school or program outside the scope of the school's or program's exemption, the school is subject to fees and penalties under sections 136A.831 and 136A.832. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

(b) A school that meets any of the exemptions in this section and exclusively seeks to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, is exempt from sections 136A.822 to 136A.834, except the school must satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8, clauses (9) and (10); 10, clause (8); and 12.

Sec. 52. Minnesota Statutes 2024, section 136G.03, subdivision 30, is amended to read:

Subd. 30. **Qualified higher education expenses.** "Qualified higher education expenses" means expenses as defined in ~~section~~ sections 529(c)(7), (8), and (9); 529(e)(3); and 529(f) of the Internal Revenue Code.

Sec. 53. Minnesota Statutes 2024, section 136G.03, subdivision 31, is amended to read:

Subd. 31. **Qualified rollover distribution.** "Qualified rollover distribution" means a distribution that qualifies as a rollover under section 529(c)(3)(C) and (E) of the Internal Revenue Code.

Sec. 54. Minnesota Statutes 2024, section 136G.03, is amended by adding a subdivision to read:

Subd. 35. **Uncashed distribution check.** "Uncashed distribution check" means any distribution check generated by an account owner's request regardless of the payee that remains uncashed by the payee for at least 180 days.

Sec. 55. Minnesota Statutes 2024, section 136G.05, subdivision 10, is amended to read:

Subd. 10. **Data.** Account owner data, account data, and data on beneficiaries of accounts are private data on individuals or nonpublic data as defined in section 13.02, except that the names and addresses of the beneficiaries of accounts that receive matching grants are public. The office may use data received under this chapter to share information with account owners about the office's other programs and resources including those that describe the process to pay for postsecondary education.

Sec. 56. Minnesota Statutes 2024, section 136G.13, is amended by adding a subdivision to read:

Subd. 6. **Handling of uncashed distribution checks.** Unless otherwise directed by the office, the plan administrator must mark an uncashed distribution check as no longer outstanding and must credit back the amount of the check to the account owner's account from which the check was originally disbursed. The amount being credited must be accounted for as a new contribution and will be invested by the plan administrator according to the current instructions on file from the account owner.

Sec. 57. Minnesota Statutes 2024, section 137.0246, is amended by adding a subdivision to read:

Subd. 3. **Governor appointments.** If the joint legislative committee recommends a candidate to the joint convention for a vacancy on the Board of Regents of the University of Minnesota and the legislature does not elect a person to fill the vacancy, the governor, in making an appointment to fill the vacancy, may only appoint a candidate recommended by the joint legislative committee.

Sec. 58. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to read:

Subd. 2a. **Prohibition on curriculum control.** The Board of Regents of the University of Minnesota and the medical school are requested to prohibit any for-profit entity from developing, managing, or controlling curriculum taught at the medical school. Nothing in this subdivision prevents an individual from teaching at the medical school if the individual is also employed by a for-profit entity.

Sec. 59. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to read:

Subd. 2b. **Reporting.** By February 15 of each odd-numbered year, the Board of Regents of the University of Minnesota is requested to submit a report on medical school curriculum to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. At a minimum, the report must include information regarding for-profit entity funds used to:

(1) pay salaries of teaching faculty;

(2) support new or existing courses offered by the medical school; and

(3) support initiatives of the medical school.

Sec. 60. **REPEALER.**

Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.827, subdivisions 1b and 2; 136G.03, subdivision 11; and 136G.09, subdivision 10, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; modifying student aid reporting requirements; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools; modifying provisions related to private and out-of-state public postsecondary institutions; expanding eligibility for paid blood donation leave to include employees of the Minnesota State Colleges and Universities; requiring postsecondary institutions to provide priority registration for pregnant and parenting students; limiting the governor's appointment power to fill vacancies on the Board of Regents of the University of Minnesota; requesting the University of Minnesota prohibit for-profit control of medical school curriculum; modifying postsecondary attainment goal; requiring reports; amending Minnesota Statutes 2024, sections 43A.187; 135A.012; 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivision 1; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding a subdivision; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 137.0246, by adding a subdivision; 137.39, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.833, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.827, subdivisions 1b, 2; 136G.03, subdivision 11; 136G.09, subdivision 10."

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

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

**S.F. No. 4401:** A bill for an act relating to cannabis; modifying cannabis business and hemp business license and endorsement provisions; establishing a cannabis macrobusiness license; modifying labeling requirements for cannabinoid products and lower-potency hemp edible; modifying

studies and an annual market analysis conducted by the Office of Cannabis Management providing that data reported to the Office of Cannabis Management through statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; modifying provisions relating to local unit of government's regulation of cannabis businesses; amending Minnesota Statutes 2024, sections 342.01, subdivisions 14, 52, 54; 342.02, subdivision 2; 342.07, subdivision 3; 342.09, subdivision 3; 342.15, subdivisions 2, 5; 342.175; 342.19, subdivision 6; 342.20, subdivisions 1, 2, 3; 342.22, subdivisions 1, 4, 5; 342.23, subdivision 5; 342.25, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.26, subdivisions 1, 2, 3, 4, 5; 342.27, subdivisions 1, 2, 12, by adding a subdivision; 342.28, subdivisions 6, 7, 9, 11; 342.29, subdivisions 5, 6, 8, 8a, 10; 342.30, subdivision 3; 342.31, subdivisions 3, 5; 342.32, subdivision 3; 342.35, subdivision 1; 342.37, subdivision 1; 342.39, subdivision 1; 342.41, subdivision 1; 342.44, subdivision 2; 342.45, subdivision 3; 342.51, by adding subdivisions; 342.515, as amended; 342.61, subdivision 5; 342.63, subdivision 4, by adding a subdivision; 342.66, subdivision 3; 342.80; Minnesota Statutes 2025 Supplement, sections 342.01, subdivision 48; 342.04; 342.10; 342.11; 342.12; 342.13; 342.14, subdivisions 3, 6; 342.16; 342.18, subdivision 2; 342.22, subdivision 3; 342.28, subdivision 8; 342.29, subdivision 7; 342.30, subdivision 1; 342.32, subdivision 1; 342.40, subdivision 7; 342.43, subdivision 2; 342.44, subdivision 1; 342.51, subdivision 2; 342.61, subdivision 4; 342.62, subdivision 2; 342.63, subdivisions 2, 3, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2024, sections 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, 7; 342.51, subdivision 1; Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3, 5a.

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

Page 8, line 11, delete "evaluation" and insert "evalutations"

Page 19, after line 28, insert:

"Sec. 15. **PSILOCYBIN THERAPEUTIC USE PROGRAM REPORT.**

(a) The Office of Cannabis Management must regularly analyze the availability of federal programs to provide funds to support state efforts to establish a psilocybin therapeutic use program for individuals aged 21 and older who have qualifying medical conditions to access and use psilocybin under medical supervision.

(b) If a federal funding opportunity is identified, the office shall consult with the chairs and ranking minority members of the legislative committees with jurisdiction over cannabis, health, and veterans affairs to evaluate the federal funding opportunity and identify options for participation, guided by recommendations in the Minnesota Psychedelic Medicine Task Force's legislative report published January 1, 2025, related to a psilocybin therapeutic use program.

(c) The office must report to the legislature by each January 15 if federal funding opportunities have been identified in the previous calendar year, including the results of any evaluations."

Page 33, line 9, strike "Transportation between facilities" and insert "Internal transporter endorsement"

Page 33, after line 17, insert:

"Sec. 25. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 12. **Medical cannabis cultivation endorsement.** (a) A cannabis microbusiness with a cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement described in section 342.51, subdivision 1b.

(b) A cannabis microbusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility and meets the requirements of section 342.51, subdivision 1b, may cultivate up to 1,000 square feet plant canopy in addition to the limits in section 342.28, subdivision 2, paragraph (a).

(c) A cannabis microbusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location and meets the requirements of section 342.51, subdivision 1b, may cultivate up to one-quarter acre of mature flowering plants in addition to the limits in section 342.28, subdivision 2, paragraph (b).

Sec. 26. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 13. **Medical cannabis manufacturer endorsement.** (a) A cannabis microbusiness may apply for and obtain a medical cannabis manufacturer endorsement as described in section 342.51, subdivision 1c.

(b) A cannabis microbusiness with a medical cannabis manufacturer endorsement that meets the requirements of section 342.51, subdivision 1c, may manufacture cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or medical cannabinoid products up to 25 percent above the limit established in rule for manufacturing capacity of a cannabis microbusiness.

Sec. 27. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 14. **Medical cannabis retail endorsement.** (a) A cannabis microbusiness with a retail endorsement may apply for and obtain a medical cannabis retail endorsement described in section 342.51, subdivision 1d.

(b) A cannabis microbusiness with a medical cannabis retail endorsement that meets the requirements of section 342.51, subdivision 1d, may operate one additional retail location in excess of the limit in section 342.28, subdivision 2, paragraph (d), if at least one retail location is located in an area identified by the office as a high medical need area.

Sec. 28. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 15. **External transporter endorsement.** A cannabis microbusiness with at least two medical cannabis endorsements as described in section 342.51, subdivisions 1b, 1c, and 1d, may apply for and obtain an external transporter endorsement as described in section 342.51, subdivision 1e.

Sec. 29. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 16. **Medical cannabis delivery endorsement.** A cannabis microbusiness with a medical cannabis retail endorsement may apply for and obtain a medical cannabis delivery endorsement as described in section 342.51, subdivision 1e."

Page 35, line 5, strike "Transportation between facilities" and insert "Internal transporter endorsement"

Page 35, after line 13, insert:

"Sec. 36. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 11. **Medical cannabis cultivation endorsement.** (a) A cannabis mezzobusiness with a cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement described in section 342.51, subdivision 1b.

(b) A cannabis mezzobusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility and meets the requirements of section 342.51, subdivision 1b, may cultivate up to 3,000 square feet plant canopy in addition to the limits in section 342.29, subdivision 2, paragraph (a).

(c) A cannabis mezzobusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location and meets the requirements of section 342.51, subdivision 1b, may cultivate up to one-half acre of mature flowering plants in addition to the limits in section 342.29, subdivision 2, paragraph (b).

Sec. 37. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 12. **Medical cannabis manufacturer endorsement.** (a) A cannabis mezzobusiness may apply for and obtain a medical cannabis manufacturer endorsement as described in section 342.51, subdivision 1c.

(b) A cannabis mezzobusiness with a medical cannabis manufacturer endorsement that meets the requirements of section 342.51, subdivision 1c, may manufacture cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or medical cannabinoid products up to 25 percent above the limit established in rule for manufacturing capacity of a cannabis mezzobusiness.

Sec. 38. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 13. **Medical cannabis retail endorsement.** (a) A cannabis mezzobusiness with a retail endorsement may apply for and obtain a medical cannabis retail endorsement described in section 342.51, subdivision 1d.

(b) A cannabis mezzobusiness with a medical cannabis retail endorsement that meets the requirements of section 342.51, subdivision 1d, may operate up to two additional retail locations in excess of the limit in section 342.29, subdivision 2, paragraph (d), if at least two retail locations are located in an area identified by the office as a high medical need area.

Sec. 39. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 14. **External transporter endorsement.** A cannabis mezzobusiness with at least two medical cannabis endorsements as described in section 342.51, subdivisions 1b, 1c, and 1d, may apply for and obtain an external transporter endorsement as described in section 342.51, subdivision 1e.

Sec. 40. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 15. **Medical cannabis delivery endorsement.** A cannabis mezzobusiness with a medical cannabis retail endorsement may apply for and obtain a medical cannabis delivery endorsement as described in section 342.51, subdivision 1e."

Page 36, after line 15, insert:

"Sec. 43. Minnesota Statutes 2024, section 342.30, is amended by adding a subdivision to read:

Subd. 6. **Medical cannabis cultivation endorsement.** (a) A cannabis cultivator with a cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement described in section 342.51, subdivision 1b.

(b) A cannabis cultivator with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility and meets the requirements of section 342.51, subdivision 1b, may cultivate up to 6,000 square feet plant canopy in addition to the limits in section 342.30, subdivision 2, paragraph (a).

(c) A cannabis cultivator with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location and meets the requirements of section 342.51, subdivision 1b, may cultivate up to one acre of mature flowering plants in addition to the limits in section 342.30, subdivision 2, paragraph (b)."

Page 37, line 2, after "operations" insert "and endorsements" and before "A" insert "(a)"

Page 37, after line 7, insert:

"(b) A cannabis manufacturer may apply for and obtain a cannabis medical manufacturer endorsement as described in section 342.51, subdivision 1c."

Page 38, after line 10, insert:

"Sec. 48. Minnesota Statutes 2024, section 342.32, is amended by adding a subdivision to read:

Subd. 6. **Medical cannabis retail endorsement and medical cannabis delivery endorsement.** (a) A cannabis retailer with a retail endorsement may apply for and obtain a medical cannabis retail endorsement described in section 342.51, subdivision 1d.

(b) A cannabis retailer with a medical cannabis retail endorsement that meets the requirements of section 342.51, subdivision 1d, may operate up to three additional retail locations in excess of the limit in subdivision 2, if three retail locations are located in an area identified by the office as a high medical need area.

(c) A cannabis retailer with a medical cannabis retail endorsement may apply for and obtain a medical cannabis delivery endorsement as described in section 342.51, subdivision 1e."

Page 48, after line 22, insert:

"Sec. 2. Minnesota Statutes 2024, section 342.01, subdivision 20, is amended to read:

Subd. 20. **Cannabis product.** (a) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower;

(3) a ratio hemp-infused cannabis product; or

~~(3)~~ (4) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products, including but not limited to edible cannabis products and medical cannabinoid products. Cannabis product does not include cannabis flower, artificially derived cannabinoid, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products."

Page 50, after line 13, insert:

"Sec. 6. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

Subd. 63a. **Ratio hemp-infused cannabis product.** (a) "Ratio hemp-infused cannabis product" means a product that:

(1) contains cannabis extracts in combination with cannabinoids derived from hemp as defined in United States Code, title 7, section 1639o(1) that are not artificially derived cannabinoids and have been approved by the office as nonintoxicating, in the same or different concentrations than naturally occur in the plant; and

(2) is a product category approved by the office.

(b) Ratio hemp-infused cannabis products must not include more than 100 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene per serving.

(c) If the ratio hemp-infused cannabis product is meant to be eaten, the product must not include more than ten milligrams of THC per serving and 200 milligrams of THC per package.

(d) If the ratio hemp-infused cannabis product is meant to be consumed as a beverage, the product must not include more than ten milligrams of THC per serving, and a single beverage container may not contain more than two servings.

(e) If the ratio hemp-infused cannabis product is meant to be used as a transdermal or topical product, the product must not include more than the limit approved by the office in rule.

(f) If the ratio hemp-infused cannabis product is designed for vaporized delivery method, the product must not exceed the limit approved by the office in rule."

Page 54, line 22, delete "2027" and insert "2030"

Page 64, line 6, after "endorsement" insert "that cultivates cannabis at an indoor facility"

Page 64, line 7, delete "an additional" and insert "using up to" and delete "indoors or one-quarter acre outdoors" and insert "of plant canopy"

Page 64, line 8, before the period, insert ", subdivision 2, paragraph (a). A cannabis microbusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location may cultivate up to one-quarter acre of mature flowering plants in addition to the limits in section 342.28, subdivision 2, paragraph (b)"

Page 64, line 9, after "endorsement" insert "that cultivates cannabis at an indoor facility"

Page 64, line 10, delete "an additional" and insert "using up to" and delete "indoors or one-half acre outdoors" and insert "of plant canopy"

Page 64, line 11, before the period, insert ", subdivision 2, paragraph (a). A cannabis mezzobusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location may cultivate up to one-half acre of mature flowering plants in addition to the limits in section 342.29, subdivision 2, paragraph (b)"

Page 64, line 12, after "endorsement" insert "that cultivates cannabis at an indoor facility"

Page 64, line 13, before "an" insert "cannabis using up to" and delete "indoors or one acre outdoors" and insert "of plant canopy"

Page 64, line 14, before the period, insert ", subdivision 2, paragraph (a). A cannabis cultivator with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location may cultivate up to one acre of mature flowering plants in addition to the limits in section 342.30, subdivision 2, paragraph (b)"

Page 69, line 25, delete "manufacturing" and insert "manufacturer"

Page 70, line 9, after "macrobusiness" insert "with a cultivation endorsement and a medical cultivation endorsement"

Page 70, line 14, delete "two acres" and insert "one acre"

Page 70, after line 30, insert:

"(g) A cannabis macrobusiness may choose to engage in outdoor or indoor cultivation, but a cannabis macrobusiness may not engage in both outdoor and indoor cultivation."

Page 72, line 29, delete "By" and insert "On or after" and delete "2028" and insert "2027"

Page 72, line 31, delete "2029" and insert "2030"

Page 73, line 17, delete "facility" and insert "location"

Page 73, line 20, delete "facility" and insert "location" and delete "plant" and insert "mature flowing plants"

Page 73, line 21, delete "canopy"

Page 77, after line 18, insert:

"(c) A ratio hemp-infused cannabis product as defined in section 342.01, subdivision 63a, must include on the label the following statement: "This product contains nonintoxicating cannabinoids derived from hemp.""

Page 79, after line 22, insert:

**"ARTICLE 4**

**CANNABIS EVENT ORGANIZER LICENSE MODIFICATIONS**

Section 1. Minnesota Statutes 2025 Supplement, section 342.11, is amended to read:

**342.11 LICENSES; FEES.**

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of $500;

(ii) an initial license fee of $0; and

(iii) a renewal license fee of $2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(3) for a cannabis cultivator:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $30,000;

(4) for a cannabis manufacturer:

(i) an application fee of $10,000;

(ii) an initial license fee of $10,000; and

(iii) a renewal license fee of $20,000;

(5) for a cannabis retailer:

(i) an application fee of $2,500;

(ii) an initial license fee of $2,500; and

(iii) a renewal license fee of $5,000;

(6) for a cannabis wholesaler:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(7) for a cannabis transporter:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(8) for a cannabis testing facility:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(9) for a cannabis delivery service:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(10) for a cannabis event organizer:

(i) an application fee of $750; ~~and~~

(ii) an initial license fee of ~~$750~~ $0;

(iii) a renewal license fee of $750; and

(iv) a temporary cannabis event application fee of $750;

(11) for a lower-potency hemp edible manufacturer:

(i) an application fee of $250;

(ii) an initial license fee of $1,000; and

(iii) a renewal license fee of $1,000;

(12) for a lower-potency hemp edible wholesaler:

(i) an application fee of $250;

(ii) an initial license fee of $10,000; and

(iii) a renewal license fee of $10,000;

(13) for a lower-potency hemp edible retailer:

(i) an application fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location;

(ii) an initial license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(iii) a renewal license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(14) for a medical cannabis combination business:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $70,000.

Sec. 2. Minnesota Statutes 2024, section 342.39, as amended by Laws 2025 chapter 31, section 66, is amended to read:

**342.39 CANNABIS EVENT ORGANIZER LICENSING.**

Subdivision 1. **Authorized actions.** (a) A cannabis event organizer license entitles the license holder to organize ~~a~~ temporary cannabis events, with each event lasting no more than four days, and perform other actions approved by the office.

(b) For each temporary cannabis event, the license holder is required to submit additional information pursuant to section 342.40.

Subd. 2. **Additional information required.** (a) In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis event organizer license must submit the following information in a form approved by the office:

(1) the type and number of any other cannabis business license held by the applicant;

~~(2) the address and location where the temporary cannabis event will take place;~~

~~(3) the name of the temporary cannabis event;~~

~~(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds, all entrances and exits that will be used by participants during the event, all cannabis consumption areas, all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold, the location where cannabis waste will be stored, and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;~~

~~(5) a list of the name, number, and type of cannabis businesses and hemp businesses that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins;~~

~~(6) the dates and hours during which the cannabis event will take place;~~

~~(7) proof of local approval for the cannabis event; and~~

~~(8) evidence that the business will comply with the applicable operation requirements for the license being sought.~~

~~(b) A person, cooperative, or business seeking a cannabis event organizer license may also disclose whether the person or any officer, director, manager, and general partner of a cannabis business is serving or has previously served in the military.~~

(2) a description of the applicant's process for planning and organizing cannabis events, including:

(i) the applicant's method of selecting a venue;

(ii) the applicant's method of coordinating with and overseeing vendors that participate in cannabis events; and

(iii) criteria that the applicant will use for selecting cannabis and hemp businesses to participate in cannabis events;

(3) a description of security measures and protocols that the applicant will use, including:

(i) the process that the applicant will use for hiring and contracting with licensed security personnel;

(ii) the method that the applicant will use to ensure that security personnel do not consume cannabis or hemp products before or during cannabis events;

(iii) the method that the applicant will use for managing and controlling crowds at cannabis events;

(iv) the method that the applicant will use to ensure that access to an event is limited to individuals who are at least 21 years of age; and

(v) the method that the applicant will use for managing access to consumption and retail areas;

(4) a description of how the applicant will comply with state and local laws and rules at each cannabis event, including:

(i) the applicant's method of verifying that each participating business has a valid license issued by the office;

(ii) the applicant's method for ensuring that cannabis products are only sold by licensed retailers in designated retail areas; and

(iii) the applicant's methods for handling any violations of this chapter or Minnesota Rules at cannabis events;

(5) the applicant's procedures for protecting the health and safety of event participants, including:

(i) emergency response plans, fire safety protocols, and the availability of medical assistance devices in the case of a medical emergency; and

(ii) guidelines for managing consumption areas to prevent over-intoxication and other health risks;

(6) the applicant's procedures for working with licensed cannabis transporters to handle the transportation of cannabis plants, products, and related items to and from events;

(7) the applicant's management and disposal of cannabis waste in compliance with state laws and rules, including methods for securely collecting, storing, and transporting cannabis waste from each event site; and

(8) the applicant's methods for reporting and documenting cannabis events to regulators for inspections and post-event evaluations.

(b) Any commitment or statement that the applicant makes in an application to the office is an ongoing material condition of maintaining and renewing the applicant's cannabis event organizer license.

(c) An application for a cannabis event organizer license is not required to include the information required under section 342.14, subdivision 1, paragraph (a), clauses (5), (6), (9), and (10).

Subd. 2a. **Attestation required.** When renewing a cannabis event organizer license, a cannabis event organizer license holder with ten or more full-time equivalent employees must submit to the

office an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license~~, a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, or a lower-potency hemp edible retailer license~~.

(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.

(c) For purposes of this subdivision, restrictions on the number or type of license that a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 3. Minnesota Statutes 2024, section 342.40, subdivision 1, is amended to read:

Subdivision 1. ~~**Local**~~ **Temporary event approval.** (a) To host a temporary cannabis event under this section, a cannabis event organizer must ~~receive~~ submit a site registration with the following information to the office in a form approved by the office:

(1) proof that the event has received local approval, including ~~obtaining~~ proof that the cannabis event organizer has obtained any necessary permits or licenses issued by a local unit of government~~, before holding a cannabis event.~~;

(2) the address and location where the temporary cannabis event will take place;

(3) the name of the temporary cannabis event;

(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds; all entrances and exits that will be used by participants during the event; all cannabis consumption areas; all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold; the location where cannabis waste will be stored; and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(5) a list that includes: (i) the name of each cannabis business and hemp business that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at the temporary cannabis event; (ii) the type of each business participating in the temporary cannabis event; and (iii) the number of businesses participating in the temporary cannabis event. The list may be amended up to 72 hours before the temporary cannabis event begins;

(6) the dates and hours during which the temporary cannabis event will take place; and

(7) evidence that the cannabis event organizer will comply with all applicable operation requirements.

(b) Upon review of the temporary cannabis event application materials submitted by the license holder, the office may deny a temporary cannabis event if:

(1) the application is incomplete;

(2) the temporary cannabis event does not have local approval;

(3) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(4) the license holder fails to pay the applicable application fee in section 342.11, paragraph (b), clause (10), item (iv); and

(5) the license holder fails to pass any applicable site inspection for the temporary cannabis event.

(c) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within seven calendar days of the office's request for information, the office may deny the application.

Sec. 4. Minnesota Statutes 2025 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis combination businesses operating a retail location, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Display samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A display sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products; or

(4) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for display samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) Authorized retailers must record in the statewide monitoring system all cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, distributed, damaged, or destroyed at ~~a~~ the cannabis event ~~must be recorded in the statewide monitoring system~~.

Sec. 5. Minnesota Statutes 2025 Supplement, section 342.46, subdivision 8, is amended to read:

Subd. 8. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) A lower-potency hemp edible retailer must ensure that lower-potency hemp edibles sold for on-site consumption comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of the edibles' packaging if the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under subdivision 7, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell, give, furnish, or in any way procure for another lower-potency hemp edibles for the use of an obviously intoxicated person;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the products' packaging to be removed from the premises of the lower-potency hemp edible retailer.

(i) A lower-potency hemp edible retailer is permitted to sell and may permit the consumption of lower-potency hemp edibles ~~that are intended to be consumed as a beverage~~ at an event hosted off site if:

(1) the event has been authorized by the local unit of government exercising jurisdiction over the location;

(2) the event organizer holds an on-sale license issued under chapter 340A; and

(3) the event does not exceed four days."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete the first "and" and insert a comma and delete "license" and insert ", and cannabis event organizer licenses"

Page 1, line 4, delete "edible" and insert "edibles"

Page 1, line 6, after "Management" insert a semicolon

Page 1, line 10, after the semicolon, insert "defining ratio hemp-infused cannabis product; requiring reports;"

Amend the title numbers accordingly

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

**Senator Xiong from the Committee on State and Local Government, to which was referred**

**S.F. No. 4503:** A bill for an act relating to local government; designating thermal energy networks as public improvements and waterworks; amending Minnesota Statutes 2024, sections 429.021, subdivision 1; 444.075, subdivision 1.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2025 Supplement, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. A public utility serving low-income residential ratepayers who use natural gas or service from a thermal energy network, as defined in section 216B.2427, subdivision 1, for heating must file an affordability program with the commission.

(b) Any affordability program the commission orders a utility to implement must:

(1) lower the percentage of income that participating low-income households devote to energy bills;

(2) increase participating customer payments over time by increasing the frequency of payments;

(3) decrease or eliminate participating customer arrears;

(4) lower the utility costs associated with customer account collection activities; and

(5) coordinate the program with other available low-income bill payment assistance and conservation resources.

(c) In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

(1) the percentage of income that participating households devote to energy bills;

(2) service disconnections; and

(3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

(d) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs,

excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(e) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

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

Sec. 2. **[216B.2429] THERMAL ENERGY NETWORKS.**

Subdivision 1. **Definitions.** For the purposes of this section, "thermal energy network" or "TEN" has the meaning given in section 216B.2427, subdivision 1.

Subd. 2. **Thermal energy network service.** A public utility may offer service by a thermal energy network.

Subd. 3. **Cost recovery.** A public utility must, subject to commission review and approval, recover reasonable and prudently incurred costs of implementing an approved TEN in a general rate case or, before December 31, 2036, in a thermal energy network service rider.

Subd. 4. **TEN consumer protection.** A municipal utility, cooperative utility, or public utility's provision of service by a TEN is subject to the same laws, protections, and commission authority to which the utility's provision of natural gas service is subject under this chapter. Nothing in this subdivision extends commission authority over municipal or cooperative utilities beyond what is otherwise provided for gas service.

Subd. 5. **TEN siting; priorities.** In assessing locations at which to site a TEN, a utility must give preference to an area:

(1) whose residents have expressed a desire to have a TEN installed;

(2) whose characteristics resemble those of an area in which a successful TEN was completed under a natural gas innovation plan filed under section 216B.2427; or

(3) that includes or is within an area as defined in section 116.065, subdivision 1, paragraph (e).

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

Section 3. Minnesota Statutes 2024, section 429.011, subdivision 5, is amended to read:

Subd. 5. **Improvement.** "Improvement" means any type of improvement made under authority granted by section 429.021, and in the case of a county is limited to ~~the construction, reconstruction, or improvement of a county state aid highway or county highway including curbs and gutters and storm sewers, and to the purchase, installation, or maintenance of signs, posts, and markers for addressing related to the operation of enhanced 911 telephone service~~ improvements made pursuant to section 429.011, subdivision 2a."

Page 4, after line 21, insert:

"Sec. 6. **APPROPRIATION; PUBLIC UTILITIES COMMISSION.**

$40,000 in fiscal year 2027 is appropriated from the general fund to the Public Utilities Commission for thermal energy network services provided under Minnesota Statutes, section 216B.2429."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "establishing requirements for thermal energy network plans;"

Page 1, line 3, after the semicolon, insert "appropriating money;"

Amend the title numbers accordingly

And when so amended the bill do pass.

Pursuant to Senate Concurrent Resolution No. 6, the bill was referred to the Committee on Rules and Administration.

## SECOND READING OF SENATE BILLS

S.F. Nos. 3720, 4304, 5202, and 4401 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. No. 4252 was read the second time.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

**Senator Wiklund introduced--**

**S.F. No. 5270:** A bill for an act relating to health; establishing a hospital stabilization program; establishing a community-based safety net provider stabilization program; establishing a Hennepin Healthcare System, Inc., stabilization grant program; requiring reports; appropriating money; amending Minnesota Statutes 2024, section 16A.103, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

**Senator Lieske introduced--**

**S.F. No. 5271:** A bill for an act relating to public safety; making it a crime to nudify an image of another; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 617.

Referred to the Committee on Judiciary and Public Safety.

**Senator Dornink introduced--**

**S.F. No. 5272:** A bill for an act relating to capital investment; appropriating money for the Bioimaging Center at the Hormel Institute in Austin; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

## MOTIONS AND RESOLUTIONS

Senator Murphy moved that her name be stricken as a co-author to S.F. No. 3699. The motion prevailed.

Senator Latz moved that the name of Senator Fateh be added as a co-author to S.F. No. 3699. The motion prevailed.

Senator Hoffman moved that his name be stricken as a co-author to S.F. No. 4464. The motion prevailed.

Senator Champion moved that the name of Senator Hawj be added as a co-author to S.F. No. 4535. The motion prevailed.

Senator Howe moved that S.F. No. 4464 be withdrawn from the Committee on State and Local Government and returned to its author. The motion prevailed.

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 1141, 3900, 3522, and 3521.

## SPECIAL ORDER

**H.F. No. 1141:** A bill for an act relating to housing; establishing a supplemental budget for the Minnesota Housing Finance Agency; authorizing the issuance of housing infrastructure bonds; modifying the authority of the Minnesota Housing Finance Agency over the housing development fund; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 462A.05, subdivision 8; 462A.20, subdivisions 3, 4, by adding a subdivision; 462A.21, subdivisions 10, 12a; 462A.37, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 462A.37, subdivision 5; Laws 2025, chapter 32, article 1, section 2, subdivisions 1, 3, 15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, section 462A.21, subdivision 5.

Senator Port moved to amend H.F. No. 1141, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A12):

(The text of the amended House File is identical to S.F. No. 203.)

Page 10, after line 27, insert:

"(a) For the purposes of this section, "interactive technology" has the meaning in section 13D.001, subdivision 2."

Reletter the paragraphs in sequence

Page 17, delete section 21 and insert:

"Sec. 21. Minnesota Statutes 2024, section 462A.395, subdivision 3, is amended to read:

Subd. 3. **Eligible projects.** ~~Housing projects eligible~~ To be eligible for a grant under this section, a housing project must be located outside of the metropolitan area, and may be:

(1) a single-family ~~or multifamily housing~~ development~~.~~;

(2) a multifamily housing development;

~~and either owner-occupied or rental. Housing projects eligible for a grant under this section may also be~~ (3) a manufactured home development qualifying for homestead treatment under section 273.124, subdivision 3a~~.~~;

(4) a housing project funded under section 462A.38, or

(5) a housing project funded under section 462A.39."

Page 20, after line 14, insert:

"(2) a Tribal government or Tribally designated housing entity;"

Renumber the clauses in sequence

The motion prevailed. So the amendment was adopted.

Senator Coleman moved to amend H.F. No. 1141, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A-7):

(The text of the amended House File is identical to S.F. No. 203.)

Page 14, line 24, before "In" insert "(a)"

Page 14, line 26, after the period, insert "Of this authorization, $5,000,000 of proceeds from the sale of bonds must be applied for manufactured home park improvements and infrastructure under subdivision 2, paragraph (a), clause (4), unless modified under paragraph (b)."

Page 14, after line 26, insert:

"(b) The agency must use its best efforts to award grants and loans for the purposes allocated in paragraph (a). If the agency has not committed the full amount of the allocation by January 16, 2029, to the described purposes due to a lack of qualifying projects, the allocated amount may be applied to other purposes authorized in subdivision 2."

The motion prevailed. So the amendment was adopted.

Senator Abeler moved to amend H.F. No. 1141, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A-4):

(The text of the amended House File is identical to S.F. No. 203.)

Page 2, line 21, after the period, insert "A park owner receiving rent or other payments from a resident in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person."

Page 10, after line 11, insert:

"Sec. 11. Minnesota Statutes 2024, section 327C.11, subdivision 3, is amended to read:

Subd. 3. **Writ of recovery stayed.** The issuance of a writ of recovery, other than a conditional writ, shall be stayed for a reasonable period not to exceed seven days to allow the resident to arrange to remove the resident's home from the lot or for the purpose of an in park sale, as provided in section 327C.07.

Sec. 12. Minnesota Statutes 2024, section 327C.11, is amended by adding a subdivision to read:

Subd. 5. **Good cause.** (a) Upon a showing of good cause, the court may stay a writ under subdivision 3 or issue a conditional writ under subdivision 4 for a reasonable period not to exceed 30 days.

(b) Paragraph (a) does not apply to an action brought on the basis that the resident engaged in behavior that seriously endangered the safety of other residents or intentionally and seriously damaged the property of the park owner or a resident."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Abeler moved to amend H.F. No. 1141, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A14):

(The text of the amended House File is identical to S.F. No. 203.)

Page 14, after line 21, insert:

"Sec. 19. Minnesota Statutes 2024, section 462A.222, is amended by adding a subdivision to read:

Subd. 5. **Limitation on rental increases.** A housing project awarded tax credits under this section must not increase rent in any 12-month period by a percentage exceeding the percent change in the Consumer Price Index for all urban consumers, as published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period. The limitation on rent increases

in this subdivision applies only to an income restricted unit rented by a resident 65 years of age or over.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to rent increases that take effect on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 27, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Klein | Maye Quade | Putnam |
| Bahr | Frentz | Koran | McEwen | Rest |
| Boldon | Gustafson | Kunesh | Mohamed | Seeberger |
| Carlson | Hauschild | Kupec | Murphy | Westlin |
| Champion | Hawj | Latz | Oumou Verbeten | Wiklund |
| Clark | Hemmingsen-Jaeger | Mann | Pappas | Xiong |
| Cwodzinski | Hoffman | Marty | Pha | |
| Dibble | Johnson Stewart | Mathews | Port | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Johnson Stewart, Pappas, and Wiklund.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Coleman | Farnsworth | Howe | Lucero | Weber |
| Dahms | Green | Jasinski | Miller | Wesenberg |
| Dornink | Gruenhagen | Johnson | Pratt | Westrom |
| Draheim | Heintzeman | Lang | Rarick | |
| Drazkowski | Holmstrom | Lieske | Rasmusson | |
| Duckworth | Housley | Limmer | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Johnson.

The motion prevailed. So the amendment was adopted.

Senator Duckworth moved to amend H.F. No. 1141, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A10):

(The text of the amended House File is identical to S.F. No. 203.)

Page 19, after line 26, insert:

"Sec. 25. Minnesota Statutes 2024, section 500.215, subdivision 1, is amended to read:

Subdivision 1. **General rule.** (a) Any provision of any deed restriction, subdivision regulation, restrictive covenant, local ordinance, contract, rental agreement or regulation, or homeowners association document that limits the right of an owner or tenant of residential property to display the flag of the United States ~~and~~, the flag of the State of Minnesota, the National League of Families

POW/MIA flag, the flag of any branch of the United States Armed Forces, or a Blue Star Service flag or a Gold Star Service flag, is void and unenforceable.

(b) "Homeowners association document" includes the declaration, articles of incorporation, bylaws, and rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103(10), regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community, as defined in section 515B.1-103(10).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all limitations described in this section and not excepted in Minnesota Statutes, section 500.215, subdivision 2, regardless of whether adopted before, on, or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Nelson moved to amend H.F. No. 1141, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A-9):

(The text of the amended House File is identical to S.F. No. 203.)

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 2024, section 290.0683, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Agency" means the Minnesota Housing Finance Agency.

(c) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area.

(d) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

~~(c)~~ (e) "Minnesota housing tax credit contribution account" or "account" means the account established in section 462A.40.

~~(d)~~ (f) "Qualified project" means a project that qualifies for a grant or loan under section 462A.40.

~~(e)~~ (g) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer as defined in section 297I.01, subdivision 16.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2026.

Sec. 2. Minnesota Statutes 2024, section 290.0683, subdivision 3, is amended to read:

Subd. 3. **Allocation.** (a) To qualify for the credit, a taxpayer must contribute to the Minnesota housing tax credit contribution account. A taxpayer may indicate that a contribution is intended for a specific qualified project, subject to the limitations in paragraph (b). A taxpayer is prohibited from contributing to certain projects as provided in section 462A.40, subdivision 3.

(b) For each taxable year, the agency must reserve 50 percent of credits for contributions to qualified projects located in greater Minnesota. Any portion of a taxable year's credits reserved for contributions to qualified projects located in greater Minnesota that is not allocated by the agency by September 30 of each year is available for allocation to credit applications for contributions to other qualified projects beginning on October 1.

~~(b)~~ (c) The aggregate amount of tax credits allowed to all eligible contributors is limited to $9,900,000 annually.

~~(c)~~ (d) Within 30 days after a taxpayer contributes to the account, the agency must file with the contributing taxpayer a credit certificate statement or return any amounts to the taxpayer as provided in this paragraph. The agency must send a copy of the credit certificate to the commissioner. If there are insufficient credits to match the contribution, the agency must not issue a credit certificate for the amount of the contribution for which there are insufficient credits, and must return that amount to the taxpayer before issuing any credit certificate.

~~(d)~~ (e) The credit certificate must state the dollar amount of the contribution made by the taxpayer and the date the payment was received by the account, and indicate if the contribution was intended for a specific qualified project.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2026."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Weber moved to amend H.F. No. 1141, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A15):

(The text of the amended House File is identical to S.F. No. 203.)

Page 22, after line 9, insert:

"Sec. 27. **TASK FORCE ON HOUSING TAXES AND FEES.**

Subdivision 1. **Establishment.** The Task Force on Housing Taxes and Fees is established to study and analyze the impact of state, county, and local taxes, fees, and exactions on the cost of housing development and preservation in the state.

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

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the commissioner of revenue, or a designee;

(4) the commissioner of the Minnesota Housing Finance Agency, or a designee;

(5) one member representing the Association of Minnesota Counties;

(6) one member representing the League of Minnesota Cities;

(7) one member representing the Builders Association of Minnesota;

(8) one member representing the Minnesota Realtors;

(9) one member representing the Minnesota Multi Housing Association;

(10) one member representing a nonprofit affordable housing developer;

(11) one member representing a Tribal government; and

(12) three members of the public with expertise in municipal finance or housing policy, appointed by the governor.

(b) Appointments must be made no later than July 1, 2026.

(c) The task force must elect a chair at its first meeting from among the legislative task force members.

Subd. 3. **Duties.** The task force shall:

(1) inventory all current state and local taxes and related fees imposed on the development of new housing, including but not limited to building permit fees, exactions, park dedication fees, and infrastructure impact fees;

(2) analyze the cumulative effect of state and local taxes and fees on the net cost of residential construction;

(3) analyze how housing-related taxes are allocated to state, county, and local governments; and

(4) make recommendations for legislative or administrative changes to reduce the cost burden of taxes and fees on housing while maintaining essential public services.

Subd. 4. **Administration.** The Legislative Coordinating Commission shall convene the first meeting by August 15 and provide staff and administrative support to the task force.

Subd. 5. **Open Meeting Law.** Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Compensation.** Members of the task force shall receive no compensation and are not eligible for reimbursement of expenses.

Subd. 7. **Report.** By February 15, 2027, the task force shall submit a report with its findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and taxes.

Subd. 8. **Expiration.** The task force expires the day after submitting the report required under subdivision 7.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1141 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Johnson Stewart | Maye Quade | Port |
| Boldon | Frentz | Klein | McEwen | Putnam |
| Carlson | Gustafson | Kunesh | Mohamed | Rest |
| Champion | Hauschild | Kupec | Murphy | Seeberger |
| Clark | Hawj | Latz | Oumou Verbeten | Westlin |
| Cwodzinski | Hemmingsen-Jaeger | Mann | Pappas | Wiklund |
| Dibble | Hoffman | Marty | Pha | Xiong |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Hemmingsen-Jaeger, Johnson Stewart, Marty, Murphy, Pappas, Rest, and Wiklund.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Farnsworth | Jasinski | Lucero | Weber |
| Coleman | Green | Johnson | Mathews | Wesenberg |
| Dahms | Gruenhagen | Koran | Miller | Westrom |
| Dornink | Heintzeman | Kreun | Pratt | |
| Draheim | Holmstrom | Lang | Rarick | |
| Drazkowski | Housley | Lieske | Rasmusson | |
| Duckworth | Howe | Limmer | Utke | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Johnson.

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Westrom moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## CALL OF THE SENATE

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

## SPECIAL ORDER

**H.F. No. 3900:** A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 8; modifying the investment, management, and distribution policy for the permanent school fund; amending Minnesota Statutes 2024, sections 11A.16, subdivisions 5, 6; 127A.32.

Senator Kunesh moved that the amendment made to H.F. No. 3900 by the Committee on Rules and Administration in the report adopted May 6, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Duckworth moved to amend H.F. No. 3900 as follows (A-2):

Page 2, line 7, after the period, insert "Passage of a law regarding the distribution policy or the distribution apportionment to the different school districts from the permanent school fund requires the vote of two-thirds of the members of each house of the legislature."

## CALL OF THE SENATE

Senator Rasmusson imposed a call of the Senate for the balance of the proceedings on the Duckworth (A-2) amendment to H.F. No. 3900. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Duckworth (A-2) amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Lieske | Rarick |
| Bahr | Farnsworth | Howe | Limmer | Rasmusson |
| Coleman | Green | Jasinski | Lucero | Utke |
| Dahms | Gruenhagen | Johnson | Mathews | Weber |
| Dornink | Heintzeman | Koran | Miller | Wesenberg |
| Draheim | Hoffman | Kreun | Nelson | Westrom |
| Drazkowski | Holmstrom | Lang | Pratt | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Johnson.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Kunesh | Mohamed | Rest |
| Carlson | Gustafson | Kupec | Murphy | Seeberger |
| Champion | Hauschild | Latz | Oumou Verbeten | Westlin |
| Clark | Hawj | Mann | Pappas | Wiklund |
| Cwodzinski | Hemmingsen-Jaeger | Marty | Pha | Xiong |
| Dibble | Johnson Stewart | Maye Quade | Port | |
| Fateh | Klein | McEwen | Putnam | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Carlson, Hauschild, Hemmingsen-Jaeger, Marty, Murphy, and Port.

The motion prevailed. So the amendment was adopted.

H.F. No. 3900 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 8, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Marty | Pratt |
| Boldon | Farnsworth | Johnson Stewart | Mathews | Putnam |
| Carlson | Fateh | Klein | Maye Quade | Rarick |
| Champion | Frentz | Koran | McEwen | Rest |
| Clark | Gruenhagen | Kreun | Miller | Seeberger |
| Coleman | Gustafson | Kunesh | Mohamed | Utke |
| Cwodzinski | Hauschild | Kupec | Murphy | Weber |
| Dahms | Hawj | Lang | Nelson | Wesenberg |
| Dibble | Heintzeman | Latz | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Lieske | Pappas | Wiklund |
| Draheim | Hoffman | Lucero | Pha | Xiong |
| Drazkowski | Holmstrom | Mann | Port | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Frentz, Hauschild, Hemmingsen-Jaeger, Marty, Murphy, and Port.

Those who voted in the negative were:

| | | | |
|---|---|---|---|
| Bahr | Howe | Johnson | Rasmusson |
| Green | Jasinski | Limmer | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Johnson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3522:** A bill for an act relating to veterans; allowing the commissioner of veterans affairs to temporarily close veterans homes under certain circumstances; amending Minnesota Statutes 2024, section 198.01.

Senator Putnam moved to amend H.F. No. 3522, as amended pursuant to Rule 45, adopted by the Senate May 6, 2026, as follows (A-2):

(The text of the amended House File is identical to S.F. No. 3955.)

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; ~~or~~

(2) Veteran 100% T&P; or

(3) SGU Veteran.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; ~~or~~

(ii) a retired or honorably discharged member of the National Guard or a reserve component of the United States armed forces; or

(iii) a veteran of the Secret War in Laos, as defined in section 197.448, subdivision 1, paragraph (e);

(2) provide a certified copy of the applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status, ~~or~~ a military retiree identification card, a veteran identification card, ~~or~~ a veteran health identification card, or an eligibility certificate under section 197.448 if the applicant seeks the designation under paragraph (a), clause (3); and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 2. Minnesota Statutes 2025 Supplement, section 192.49, subdivision 1, is amended to read:

Subdivision 1. **Officers and enlisted members.** Every commissioned officer and enlisted member of the military forces ~~shall~~ must receive from the state, while engaged in state active service as defined in section 190.05, subdivision 5a, pay and allowances at the rate now or hereafter paid or allowed by law to officers or enlisted members of the same grade and length of service in the armed forces of the United States, but basic pay must not be less than ~~$130 a day~~ basic pay of an E-5 pay grade according to the military basic pay tables maintained by the federal Defense Finance and Accounting Service.

Sec. 3. **[196.055] REQUIREMENTS FOR LEGISLATIVELY DIRECTED COMPETITIVE AND DIRECT GRANTS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Active service member" means a person currently serving in the uniformed services of the United States:

(1) on active duty who is a resident of the state or stationed in the state; or

(2) in a reserve component who is a resident of the state.

(c) "Commissioner" means the commissioner of veterans affairs.

(d) "Dependent child" means a child under the age of 22 who is a biological or adopted child of a veteran.

(e) "Immediate family member" means a spouse or dependent child of a veteran.

(f) "Veteran" means a person who is a resident of Minnesota and who served in the armed forces of the United States of America.

Subd. 2. **Grantee eligibility.** (a) To be eligible to receive a legislatively directed competitive or direct grant administered by the commissioner, the grantee must:

(1) be a Minnesota-based nonprofit organization that has been operating for at least five years;

(2) be in good standing with the Office of the Attorney General; and

(3) have a current federal tax form 990 on file with the federal Internal Revenue Service.

(b) Grants made by the commissioner pursuant to sections 190.19, subdivision 2a, paragraph (a), clauses (5) and (6), 197.608, and 197.61 are exempt from the requirements of this section.

Subd. 3. **Limitations on use of grant money.** (a) A grantee may only use grant money subject to this section to provide services to:

(1) Minnesota veterans;

(2) active service members;

(3) immediate family members of a Minnesota veteran or active service member; and

(4) immediate family members of a deceased Minnesota veteran who died in the line of duty.

(b) When there are insufficient resources to serve all eligible applicants, a grantee must prioritize serving veterans with a service-connected disability.

Subd. 4. **Grant application scoring system.** The commissioner must develop a grant application scoring system that evaluates grant applications based upon an applicant's demonstrated history of

serving veterans. The scoring system must include measurable outcomes for veterans previously served by the applicant.

Subd. 5. **Grant amounts.** The commissioner shall determine the amount of each legislatively directed competitive grant awarded based on the results of the scoring system developed pursuant to subdivision 4. The commissioner may not use a grantee's request for a designated grant amount as a factor to determine the amount of the grant awarded to the grantee.

Subd. 6. **Suspension of grant money.** The commissioner may withhold amounts awarded to a grantee if the commissioner determines that the grantee has committed fraud, is under criminal investigation, has conducted itself in a manner that brings the state of Minnesota or the Department of Veterans Affairs into disrepute, or is incapable of delivering the services required under the grant agreement.

Subd. 7. **Reports.** (a) Beginning in 2027, by February 15 of each year a grantee must submit a report to the commissioner that includes the following information:

(1) a summary of the purpose of the grant;

(2) the grant amount provided to the grantee;

(3) the amount of previous grants issued by the commissioner to the grantee;

(4) the amount of other state and federal grants received by the grantee in the most recent fiscal year;

(5) the number of veterans, active service members, and immediate family members served by the grantee;

(6) the number of veterans, active service members, and immediate family members who successfully completed the grantee's programming and the criteria used to determine successful completion of the program; and

(7) the grantee's charitable giving ratio.

(b) The commissioner may require a grantee to report information in addition to the required information under paragraph (a) if specified in the grantee's grant agreement with the state.

(c) Beginning in 2027, by March 1 of each year the commissioner must submit a report on grantees that received legislatively directed competitive or direct grants from the agency in the preceding year to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance. The report must summarize the information and aggregate the data provided by grantees under paragraph (a).

Subd. 8. **Administrative costs.** The commissioner may retain up to five percent of the amount appropriated for legislatively directed competitive and direct grants to fund administrative and compliance monitoring costs related to the grants.

Subd. 9. **Interaction with other law.** Notwithstanding any law to the contrary, the requirements for grants established in this section are in addition to the applicable grants management requirements imposed under sections 16B.97 to 16B.991.

Sec. 4. Minnesota Statutes 2024, section 197.231, is amended to read:

**197.231 HONOR GUARDS.**

The commissioner of veterans affairs shall pay, within available funds and upon request by a local unit of a congressionally chartered veterans organization or its auxiliary, up to $50 to the local unit for each time that local unit provides an honor guard detail at the funeral of a:

(1) deceased veteran;

(2) veteran of the secret war in Laos, as defined in section 197.448, subdivision 1; or

(3) member of a reserve component of the armed forces, and any member of the Army National Guard or the Air National Guard, as defined in section 197.236, subdivision 8, paragraph (b), clause (3).

If the local unit provides a student to play "Taps," the local unit may pay some or all of the $50 to the student.

Sec. 5. Minnesota Statutes 2025 Supplement, section 197.236, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "minor child" means an unmarried child under 21 years of age or under 23 years of age and pursuing a full-time course of instruction at an approved educational institution;

(2) "unmarried adult child" means an unmarried child who became permanently physically or mentally disabled and incapable of self support before 21 years of age or before 23 years of age and pursuing a full-time course of instruction at an approved educational institution; and

(3) "willful misconduct" means an act involving conscious wrongdoing or known prohibited action as described in United States Code, title 38, section 3.1, paragraph (n).

(b) Cemeteries must be operated solely for the burial of the following persons:

(1) service members who die on active duty, eligible veterans, and ~~their spouses and dependent children,~~ other persons as ~~defined~~ listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to ~~5~~ 4 and 7~~.~~;

(2) veterans of the Secret War in Laos;

(3) beginning January 1, 2027, members of a reserve component of the armed forces, and any member of the Army National Guard or the Air National Guard when:

(i) the member completed at least one full term of service and received an honorable discharge; or

(ii) the member's death occurs while in good standing with their assigned component and was not due to their willful misconduct;

(4) spouses, surviving spouses, minor children, or unmarried adult children of a person listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to 4 and 7; and

(5) beginning January 1, 2027, spouses, surviving spouses, minor children, or unmarried adult children of a person listed in clause (3).

For purposes of this section, a surviving spouse includes a surviving spouse who had a subsequent marriage.

(c) An honorable discharge under this section does not include a general discharge under honorable conditions.

(d) Applicants with convictions under United States Code, title 18, section 704, are ineligible for burial in state veterans cemeteries. By January 1, 2027, the commissioner must establish a process to verify that applicants for burial have not been convicted of stolen valor.

Sec. 6. Minnesota Statutes 2025 Supplement, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of ~~eligible spouses and dependent children~~ qualified persons under subdivision 8, paragraph (b), clauses (2) to (5). The fees shall cover as nearly as practicable the actual costs of interment~~, excluding the value of the plot~~.

(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall maintain a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to 4 and 7.

Sec. 7. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 1, is amended to read:

Subdivision 1. **Definition.** ~~As used in~~ (a) For purposes of this section, the ~~term~~ following terms have the meanings given.

(b) "Commissioner" has the meaning given in section 197.61, subdivision 2, paragraph (c).

(c) "Department" has the meaning given in section 197.61, subdivision 2, paragraph (e).

(d) "VA" has the meaning given in section 197.61, subdivision 2, paragraph (g).

(e) "Veteran of the Secret War in Laos" or "SGU veteran" means a person who resides in Minnesota and who:

(1) was naturalized as provided in section 2(1) of the federal Hmong Veterans' Naturalization Act of 2000, Public Law 106-207; or

(2) is a person who the commissioner of veterans affairs determines served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States.

Sec. 8. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 2, is amended to read:

Subd. 2. **Eligibility for benefits and privileges.** (a) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (1), is entitled to the benefits and privileges listed in paragraph (d) on July 2, 2025.

(b) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (2), is entitled to the benefits and privileges listed in paragraph (d) after the commissioner of veterans affairs verifies the person's veteran status. ~~The commissioner must not begin accepting applications for verification under this paragraph until the legislature enacts criteria and a protocol to determine:~~

~~(1) which Minnesotans served in special guerilla units or with irregular forces in Laos; and~~

~~(2) which of the Minnesotans who served in special guerilla units or with irregular forces in Laos are deserving of Minnesota veterans benefits.~~

(c) If the commissioner verifies a person's status as a veteran of the Secret War in Laos, the commissioner must provide the person with a certificate of eligibility for the benefits and privileges listed in paragraph (d) on a form developed by the commissioner for this purpose. The commissioner must develop the form required under this paragraph no later than September 15, 2025.

(d) The following statutory benefits and privileges available to a veteran, as defined in section 197.447, are also available to a veteran of the Secret War in Laos: ~~section 171.07, subdivision 15 (veteran designation on drivers' licenses and state identification cards);~~ section 43A.09 (civil service recruitment); section 43A.11 (veterans preference in state employment); section 43A.111 (certain disabled veterans); section 197.23 (purchase of grave markers); section 197.231 (honor guards); section 197.236 (state veterans cemeteries); section 197.455 (veterans preference); section 197.4551 (permissive preference for veterans in private employment); section 197.46 (writ of mandamus); section 197.48 (application); section 197.481 (enforcement by commissioner); and section 197.63 (vital records, certified copies)~~; section 197.65 (renewal of professional licenses, motor vehicle registration, and drivers' licenses); and section 197.987 (honor and remember flag)~~.

Sec. 9. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 3. **Eligibility determination.** (a) The commissioner must establish an application process to determine a veteran's eligibility for the benefits in subdivision 2, paragraph (d).

(b) To establish eligibility, an applicant must submit a completed application for preneed determination of eligibility for burial in a VA national cemetery. County veteran service officers and the commissioner must provide assistance to applicants filling out the application. The commissioner must make copies of the application and any successor form available on the department's website and at the department's offices.

(c) After the VA makes a determination on the application, the applicant must submit the determination to the commissioner. If the VA determines that an applicant is eligible to receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

Sec. 10. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 4. **Special consideration.** (a) If the VA determines that an applicant is not eligible, the applicant may request special consideration from the commissioner. The commissioner must establish a process to request special consideration consistent with the requirements of this subdivision. The commissioner must make applicable forms to request special consideration available on the department's website and at certain department offices.

(b) An applicant seeking special consideration under this subdivision must submit the following to the commissioner:

(1) documentation from the VA regarding the determination of ineligibility; and

(2) at least two different forms of documentation supporting the applicant's claim of veteran status, which may include:

(i) original service-related documents;

(ii) an affidavit from a commissioned officer, noncommissioned officer, or other member of the applicant's chain of command who has direct knowledge of the applicant's service;

(iii) two affidavits from individuals who served with the applicant in a special guerrilla unit or irregular force and who have personal knowledge of the applicant's service; or

(iv) other appropriate and relevant proof of the applicant's service as determined by the commissioner, including but not limited to:

(A) photographs taken during the applicant's service in Laos;

(B) newspaper articles featuring or citing the applicant's service in a special guerrilla unit or irregular force;

(C) certificates of membership from a veteran's organization such as the Lao-Hmong American Coalition; Lao Veterans of America; SGU Veterans and Families of USA, Inc.; and Royal Lao Armed Forces and SGU;

(D) congressional recognition certificates;

(E) certificates of training;

(F) letters of commendation; or

(G) an affidavit from a case officer or former case officer in the United States intelligence services.

(c) The commissioner must review an application for special consideration submitted under this subdivision. The commissioner may request additional information from an applicant to validate the contents of an application for special consideration. If the commissioner determines that an applicant is eligible to receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

(d) If an application for special consideration is denied by the commissioner, an applicant may request a contested case hearing to challenge the commissioner's denial by filing a request with the commissioner within 60 days of the date of the denial notice. The request must state specific reasons for contesting the denial. A contested case hearing on a timely and properly filed request must be conducted according to the procedures in sections 14.57 to 14.62.

(e) The deadline to submit an application for eligibility under this subdivision is December 31, 2030.

Sec. 11. **[197.581] COMMANDERS TASK FORCE.**

Subdivision 1. **Establishment.** The Commanders Task Force is established to advise the legislature, the governor, and the commissioner on matters pertaining to veterans and veterans' families.

Subd. 2. **Membership.** The task force must consist of the elected leaders from the following congressionally chartered veteran service organizations in Minnesota:

(1) The American Legion;

(2) American Veterans;

(3) Disabled American Veterans;

(4) Jewish War Veterans;

(5) Marine Corps League;

(6) Military Order of the Purple Heart;

(7) Paralyzed Veterans of America; and

(8) Veterans of Foreign Wars.

Subd. 3. **Organization.** (a) The task force shall adopt standing rules and order of business for conducting regular meetings.

(b) The task force shall annually elect a chair and a vice-chair from among current task force members.

Subd. 4. **Duties.** The task force shall:

(1) advise the commissioner, the legislature, and the governor on matters relating to veterans, the families of veterans, and the Minnesota Department of Veterans Affairs; and

(2) serve as a liaison between state government and the organizations that make up the task force membership.

Subd. 5. **Compensation.** Notwithstanding section 15.059, subdivision 6, members are not entitled to compensation, per diem, reimbursement for child care expenses, or other expense reimbursement from state funds.

Subd. 6. **Expiration.** Notwithstanding section 15.059, subdivision 6, the task force shall not expire."

Page 1, after line 21, insert:

"Sec. 13. **APPROPRIATIONS.**

(a) $59,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of veterans affairs for the purposes of this act.

(b) $141,000 in fiscal year 2027 is appropriated from general fund to the commissioner of public safety for the purposes of this act. This is a onetime appropriation.

Sec. 14. **REPEALER.**

Minnesota Statutes 2025 Supplement, section 192.49, subdivision 2, is repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3522 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

| | | | | |
|---|---|---|---|---|
| Fateh | Housley | Latz | Murphy | Seeberger |
| Frentz | Howe | Lieske | Nelson | Utke |
| Green | Jasinski | Limmer | Oumou Verbeten | Weber |
| Gruenhagen | Johnson | Lucero | Pappas | Wesenberg |
| Gustafson | Johnson Stewart | Mann | Pha | Westlin |
| Hauschild | Klein | Marty | Port | Westrom |
| Hawj | Koran | Mathews | Pratt | Wiklund |
| Heintzeman | Kreun | Maye Quade | Putnam | Xiong |
| Hemmingsen-Jaeger | Kunesh | McEwen | Rarick | |
| Hoffman | Kupec | Miller | Rasmusson | |
| Holmstrom | Lang | Mohamed | Rest | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Klein, Marty, Murphy, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Howe, and Johnson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3521:** A bill for an act relating to health; providing for an exception to the hospital construction moratorium; amending Minnesota Statutes 2024, section 144.551, subdivision 1.

Senator Westrom moved to amend H.F. No. 3521 as follows (A-1):

Delete everything after the enacting clause and insert:

### "ARTICLE 1

### HOSPITAL CONSTRUCTION MORATORIUM REPEAL

Section 1. **HOSPITAL CONSTRUCTION MORATORIUM EXEMPTION CONTINUATION.**

Any condition on which a hospital construction moratorium exemption was granted under Minnesota Statutes 2024, section 144.551, remains in effect.

Sec. 2. **REPEALER.**

Minnesota Statutes 2024, section 144.551, subdivisions 1, 1a, 2, 3, and 4, are repealed.

### ARTICLE 2

### CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 62J.17, subdivision 3, is amended to read:

Subd. 3. ~~**Hospital and**~~ **Nursing home moratoria preserved; nursing homes exempt.** Nothing in this section supersedes or limits the applicability of section ~~144.551 or~~ 144A.071. This section

does not apply to major spending commitments made by nursing homes or intermediate care facilities that are related to the provision of long-term care services to residents.

Sec. 2. Minnesota Statutes 2024, section 144.55, subdivision 4, is amended to read:

Subd. 4. **Routine inspections; presumption.** Any hospital surveyed and accredited under the standards of the hospital accreditation program of an approved accrediting organization that submits to the commissioner within a reasonable time copies of (a) its currently valid accreditation certificate and accreditation letter, together with accompanying recommendations and comments and (b) any further recommendations, progress reports and correspondence directly related to the accreditation is presumed to comply with application requirements of subdivision 1 and the standards requirements of subdivision 3 and no further routine inspections or accreditation information shall be required by the commissioner to determine compliance. Notwithstanding the provisions of sections 144.54 and 144.653, subdivisions 2 and 4, hospitals shall be inspected only as provided in this section. The provisions of section 144.653 relating to the assessment and collection of fines shall not apply to any hospital. The commissioner of health shall annually conduct, with notice, validation inspections of a selected sample of the number of hospitals accredited by an approved accrediting organization, not to exceed ten percent of accredited hospitals, for the purpose of determining compliance with the provisions of subdivision 3. If a validation survey discloses a failure to comply with subdivision 3, the provisions of section 144.653 relating to correction orders, reinspections, and notices of noncompliance shall apply. The commissioner shall also conduct any inspection necessary to determine whether hospital construction, addition, or remodeling projects comply with standards for construction promulgated in rules pursuant to subdivision 3. The commissioner may also conduct inspections to determine whether a hospital or hospital corporate system continues to satisfy the conditions on which a hospital construction moratorium exception was granted under Minnesota Statutes 2024, section 144.551, subdivision 1a. Pursuant to section 144.653, the commissioner shall inspect any hospital that does not have a currently valid hospital accreditation certificate from an approved accrediting organization. Nothing in this subdivision shall be construed to limit the investigative powers of the Office of Health Facility Complaints as established in sections 144A.51 to 144A.54.

Sec. 3. Minnesota Statutes 2024, section 144.55, subdivision 6, is amended to read:

Subd. 6. **Suspension, revocation, and refusal to renew.** (a) The commissioner may refuse to grant or renew, or may suspend or revoke, a license on any of the following grounds:

(1) violation of any of the provisions of sections 144.50 to 144.56 or the rules or standards issued pursuant thereto, or Minnesota Rules, chapters 4650 and 4675;

(2) permitting, aiding, or abetting the commission of any illegal act in the institution;

(3) conduct or practices detrimental to the welfare of the patient; or

(4) obtaining or attempting to obtain a license by fraud or misrepresentation; or

(5) with respect to hospitals and outpatient surgical centers, if the commissioner determines that there is a pattern of conduct that one or more physicians, advanced practice registered nurses, or physician assistants who have a "financial or economic interest," as defined in section 144.6521,

subdivision 3, in the hospital or outpatient surgical center, have not provided the notice and disclosure of the financial or economic interest required by section 144.6521.

(b) The commissioner shall not renew a license for a boarding care bed in a resident room with more than four beds.

(c) The commissioner shall not renew licenses for hospital beds issued to a hospital or hospital corporate system pursuant to a hospital construction moratorium exception under Minnesota Statutes 2024, section 144.551, subdivision 1a, if the commissioner determines the hospital or hospital corporate system is not satisfying the conditions on which the exception was granted.

Sec. 4. **REPEALER.**

Minnesota Statutes 2024, sections 144.552; 144.553; and 376.08, subdivision 3, are repealed."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Howe | Limmer | Rasmusson |
| Bahr | Farnsworth | Jasinski | Lucero | Utke |
| Coleman | Green | Johnson | Mathews | Weber |
| Dahms | Gruenhagen | Koran | Miller | Wesenberg |
| Dornink | Heintzeman | Kreun | Nelson | Westrom |
| Draheim | Holmstrom | Lang | Pratt | |
| Drazkowski | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Johnson.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Frentz | Klein | McEwen | Putnam |
| Carlson | Gustafson | Kunesh | Mohamed | Rest |
| Champion | Hauschild | Kupec | Murphy | Seeberger |
| Clark | Hawj | Latz | Oumou Verbeten | Westlin |
| Cwodzinski | Hemmingsen-Jaeger | Mann | Pappas | Wiklund |
| Dibble | Hoffman | Marty | Pha | Xiong |
| Fateh | Johnson Stewart | Maye Quade | Port | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Carlson, Fateh, Hauschild, Klein, Marty, and Port.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 3521 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hauschild, Klein, Marty, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Johnson.

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

## RECONSIDERATION

Having voted on the prevailing side, Senator Johnson Stewart moved that the vote whereby S.F. No. 1714 was passed by the Senate on May 7, 2026, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 1714 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

# 123. SF 856

**Vote:** 2026-05-11 | **Workbook row:** 128
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Office of the Inspector General creation and appropriation

## Included complete bill documents

**1. 11th Engrossment, posted 2026-05-11** - 42 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/SF/856/versions/11/pdf/

## Original Senate journal context

PDF pages 2-3. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260511072.pdf#page=3

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/856/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 856

**(SENATE AUTHORS: GUSTAFSON, Draheim, Kreun, Putnam and Latz)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/30/2025 | 233 | Introduction and first reading |
| | | Referred to State and Local Government |
| 02/13/2025 | 353a | Comm report: To pass as amended and re-refer to Judiciary and Public Safety |
| 02/24/2025 | 525a | Comm report: To pass as amended and re-refer to Education Finance |
| 02/27/2025 | 548a | Comm report: To pass as amended and re-refer to Health and Human Services |
| 03/13/2025 | 740a | Comm report: To pass as amended and re-refer to Human Services |
| 03/17/2025 | 876a | Comm report: Amended, No recommendation, re-referred to State and Local Government |
| 03/24/2025 | 956a | Comm report: To pass as amended and re-refer to Rules and Administration |
| 03/27/2025 | 1117 | Withdrawn and re-referred to Judiciary and Public Safety |
| 04/01/2025 | 1158a | Comm report: To pass as amended and re-refer to Rules and Administration |
| 04/07/2025 | 1704a | Comm report: To pass as amended and re-refer to Finance |
| 05/07/2025 | 4516a | Comm report: To pass as amended |
| | 4519 | Second reading |
| 05/08/2025 | 4640a | Special Order: Amended |
| | 4653 | Third reading |
| | | Motion did not prevail to reconsider third reading |
| | 4654 | Third reading Passed as amended |
| 05/11/2026 | 10202a | Returned from House with amendment |
| | 10202 | Senate concurred and repassed bill |
| | 10203 | Third reading Passed as amended |
| | | Presentment date 05/12/26 |
| | 11757 | Governor's action Approval 05/14/26 |
| | 11758 | Secretary of State Chapter 92 05/15/26 |
| | | Effective date various dates |

A bill for an act

relating to state government; creating the Office of the Inspector General; creating an advisory commission; making conforming and technical changes; providing for interagency agreements; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 15A.0815, subdivision 2; 43A.32, by adding a subdivision; 127A.21, subdivision 1a, by adding subdivisions; 142A.03, by adding a subdivision; 142A.12, subdivision 5; 144.05, by adding a subdivision; 245.095, subdivision 5; 256.01, by adding a subdivision; 609.456, subdivision 2; Minnesota Statutes 2025 Supplement, sections 10A.01, subdivision 35; 13.82, subdivision 1; 127A.21, subdivision 5; 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 15E; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21, subdivisions 1, 2, 3, 4, 6, 7.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## OFFICE OF THE INSPECTOR GENERAL

Section 1. Minnesota Statutes 2024, section 3.971, is amended by adding a subdivision to read:

Subd. 3b. **Public reports of fraud and misuse.** Notwithstanding the classification of data as not public, the legislative auditor must refer all credible reports from the public about potential fraud or misuse, as those terms are defined in chapter 15E, to the inspector general appointed under chapter 15E. The legislative auditor may coordinate reviews and investigations with the inspector general when coordination conserves resources and does not compromise the reviews or investigations.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 2. Minnesota Statutes 2025 Supplement, section 10A.01, subdivision 35, is amended to read:

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

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

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

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Health and Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

(24) citizen member of the Clean Water Council established in section 114D.30;

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

(26) district court judge, appeals court judge, or supreme court justice;

(27) county commissioner;

(28) member of the Greater Minnesota Regional Parks and Trails Commission;

(29) member of the Destination Medical Center Corporation established in section 469.41; ~~or~~

(30) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities; or

(31) inspector general appointed under chapter 15E, or individual employed by the Office of the Inspector General.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 3. Minnesota Statutes 2024, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of

management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation;

Commissioner of veterans affairs;

Executive director of the Gambling Control Board;

Executive director of the Minnesota State Lottery;

Executive director of the Office of Cannabis Management;

Inspector general appointed under chapter 15E;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for mental health and developmental disabilities;

Ombudsperson for corrections;

Chair, Metropolitan Council;

Chair, Metropolitan Airports Commission;

School trust lands director;

Executive director of pari-mutuel racing;

Commissioner, Public Utilities Commission;

Chief Executive Officer, Direct Care and Treatment; and

Director of the Office of Emergency Medical Services.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 4. **[15E.10] OFFICE OF THE INSPECTOR GENERAL.**

(a) The inspector general serves as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state executive branch agencies and programs.

(b) In exercising the inspector general's powers and duties, the inspector general must operate independently of all state executive branch agencies and report directly to the governor. The inspector general is not subject to direction or interference from any executive or legislative authority, except as directed by enacted law.

(c) The inspector general shall direct an Office of the Inspector General.

(d) The inspector general serves in the unclassified service.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 5. **[15E.15] DEFINITIONS.**

For the purposes of this chapter, the following terms have the meanings given:

(1) "agency" means a department, board, council, committee, authority, commission, agency, or office in the executive branch of state government, including the constitutional offices;

(2) "agency program" means a program funded or administered by an agency, including grants and contracts;

(3) "fraud" means an intentional or deceptive act or failure to act to gain an unlawful benefit;

(4) "investigation" means an audit, review, or inquiry conducted by the inspector general to detect or prevent fraud or misuse;

(5) "misuse" means improper use of authority or position for personal gain or to cause harm to others, including the improper use of public resources or programs contrary to their intended purpose; and

(6) "personal gain" means a benefit to a person; to a person's spouse, parent, child, or other legal dependent; or to an in-law of the person or the person's child.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 6. **[15E.20] INSPECTOR GENERAL.**

Subdivision 1. **Minimum qualifications.** (a) To be eligible to be appointed as inspector general, a candidate must:

(1) have a bachelor's or higher degree in criminal justice, public administration, law, or a related field;

(2) have at least ten years of professional experience in auditing, investigations, law enforcement, or a related area;

(3) hold a professional certificate from the Association of Inspectors General, including Certified Inspector General or Certified Inspector General Investigator; and

(4) demonstrate a commitment to safeguarding the mission of public service and provide a public disclosure of prior professional opinions, positions, or actions that may influence the candidate's approach to the role.

(b) Current or former commissioners, agency heads, deputy commissioners or agency heads, governors, or legislators, and persons elected to an office other than governor or legislator, are not eligible to serve as inspector general within five years of their service in those roles.

Subd. 2. **Appointment.** The Legislative Inspector General Advisory Commission must recommend candidates for inspector general after a competitive process from among eligible applicants for the position of inspector general. To be recommended by the commission, a

candidate must be approved for recommendation by five of the eight members of the commission. The commission must assess eligible candidates based on qualifications, including experience in auditing, financial analysis, public administration, law enforcement, or related fields. The inspector general is appointed by the governor, after consideration of recommendations from the Legislative Inspector General Advisory Commission, with confirmation by a vote of three-fifths of the senate. Section 15.066, subdivision 3, does not apply. If the senate does not confirm a person appointed by the governor, the Legislative Inspector General Advisory Commission must consider applicants and make recommendations to the governor as required under section 15E.60, subdivision 4.

Subd. 3. **Term.** The inspector general serves a five-year term and may be appointed to unlimited additional terms. An appointment to an additional term must be confirmed by a vote of three-fifths of the senate.

Subd. 4. **Vacancy.** The Legislative Inspector General Advisory Commission must provide recommendations to the governor for appointment to fill a vacancy in the position of the inspector general within 90 days of a vacancy occurring or within 60 days of being advised by the inspector general that a vacancy is expected to occur. The governor must appoint an inspector general within 30 days of receiving recommendations from the Legislative Inspector General Advisory Commission or within 45 days of expiration of the 90- or 60-day period if the advisory commission does not provide recommendations within the time allotted.

Subd. 5. **Disclosure.** A candidate considered by the Legislative Inspector General Advisory Commission or selected for appointment by the governor must disclose all political affiliations, appointments, campaign work, or partisan activities prior to confirmation.

Subd. 6. **Nonpartisanship.** The inspector general, and all employees of the office, must perform duties of the office without regard to partisan preferences or influences. While serving, the inspector general, and all employees of the office, may not engage in partisan activities, campaign work, or public political speech, unless protected by the state or federal constitution.

Subd. 7. **Removal.** The inspector general may only be removed by the governor before the expiration of the term for cause after a public hearing conducted by the governor and with the approval of both the senate and the house of representatives.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 7. **[15E.25] POWERS AND DUTIES.**

Subdivision 1. **Authorized powers and responsibilities.** The inspector general is authorized and responsible to:

(1) establish standards and best practices concerning the operation, investigations, and fraud prevention processes of agency inspectors general, and periodically review agency compliance with these standards and best practices. Agencies must follow standards developed by the inspector general under this clause;

(2) facilitate information sharing between agencies, including coordinating investigations that involve multiple agencies and designating a lead agency, coordinating and assisting agency identification and review of suspicious documents and data anomalies, and alerting other agencies when a person suspected of committing fraud against any agency program may also be participating in, or applying to participate in, a program administered by another agency;

(3) evaluate the performance of agency inspector general offices and recommend improvements, as needed, to the agency's head and inspector general. An agency head that receives a recommendation under this clause must report annually to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency regarding the agency's implementation of the inspector general's recommendations until the inspector general notifies the agency head and the chairs and ranking members that the recommendation was resolved in a satisfactory manner;

(4) conduct inspections, evaluations, and investigations of agencies and programs, with a focus on recipients of public funds and publicly funded services, to: (i) identify fraud and misuse; (ii) make recommendations for changes to programs to prevent fraud and misuse; and (iii) protect the integrity of the use of public funds, data, and systems;

(5) refer matters for civil, criminal, or administrative action to the Office of the Inspector General Anti-Fraud and Waste Bureau under section 15E.27, the Bureau of Criminal Apprehension, the attorney general's office, the United States Department of Justice for federal programs, or other appropriate authorities;

(6) recommend legislative or policy changes to improve program efficiency and effectiveness;

(7) publish reports on completion of an investigation summarizing findings, recommendations, and outcomes of the inspector general's activities;

(8) investigate any private entity or local unit of government administering a state program, or any private recipient of state funds or services, to ensure the proper use of state funds and compliance with all other laws and requirements applicable to funds or services provided by the state;

(9) submit an annual report summarizing the work of the office to the Legislative Inspector General Advisory Commission and make the report publicly available by posting the report on the inspector general's website;

(10) alert relevant agency heads when the inspector general has a reasonable suspicion that fraud or misuse is being committed that constitutes a credible allegation, whether or not the inspector general is conducting an investigation, as provided in subdivision 3; and

(11) establish and maintain a current exclusion list in a format readily accessible to agencies that identifies each program and individual for which the inspector general has obtained a court order to freeze or cease distribution of funds or made a recommendation under clause (10) to freeze or cease distribution of funds.

Subd. 2. **Relationship to powers and duties of other agencies.** (a) The inspector general has authority to investigate fraud and misuse of public funds across all programs administered by agencies.

(b) The inspector general may perform the inspector general's duties and apply the inspector general's authority without obtaining approval from another agency.

(c) The Department of Human Services has primary responsibility to investigate fraud in the Medicaid program, but the inspector general has authority to conduct independent investigations related to the Medicaid program as necessary.

(d) The Department of Children, Youth, and Families has primary responsibility to investigate fraud in child care programs under chapters 142D and 142E, but the inspector general has authority to conduct independent investigations related to the child care programs under chapters 142D and 142E.

(e) The Department of Health has primary responsibility to investigate fraud related to women, infants, and children (WIC) and food support programs, but the inspector general has authority to conduct independent investigations related to WIC and food support programs.

(f) The inspector general has concurrent authority over program integrity assessments that are related to fraud or misuse.

(g) The inspector general must refer all credible reports from the public about potential fraud or misuse to the legislative auditor, and to the commissioner of human services for reports related to Medicaid. The inspector general may coordinate investigations with the legislative auditor, and the commissioner of human services for investigations related to Medicaid, when coordination conserves resources and does not compromise an investigation.

(h) The Department of Information Technology Services shall provide services to the Office of the Inspector General, under a managed services contract, according to section 16E.016.

(i) Nothing in this chapter may be construed to limit or interfere with the legislative auditor's authority or responsibility.

(j) When issuing findings or recommending sanctions with respect to an investigation concerning a program administered by the Department of Education, the inspector general must consider the commissioner of education's authority to impose sanctions and related requirements under section 127A.21. The inspector general must not investigate policy decisions on instruction, curriculum, personnel, or other discretionary policy decisions made by a school district; charter school; cooperative unit as defined by section 123A.24, subdivision 2; or any library, library system, or library district defined in section 134.001.

Subd. 3. **Alerting agency of issue; seeking a court order to freeze funds.** (a) If the agency does not have primary investigative authority under subdivision 2, the inspector general shall investigate and, if the inspector general has a reasonable suspicion that fraud or misuse is occurring, then the inspector general may, at the inspector general's discretion, alert the agency head and seek a court order to freeze or stop distribution of public funds, including any applicable due process and appeal rights, working in cooperation with the agency where practical and where it would not jeopardize an investigation.

(b) If the agency has primary investigative authority under subdivision 2 but the inspector general is not satisfied that the agency's internal investigation is adequate or proceeding quickly enough, the inspector general may independently investigate and, if the inspector general has a reasonable suspicion that fraud or misuse is being committed, may make a recommendation to the agency to freeze or cease distribution of funds and notify the appropriate law enforcement agencies.

(c) If an agency head does not act on a recommendation to freeze or cease distribution of funds as requested, after reasonable notice and consistent with any applicable interagency agreements under section 19, unless prohibited by federal requirements, the inspector general

may, at the inspector general's discretion, seek a court order to freeze or stop distribution of public funds, consistent with applicable due process and appeal rights.

(d) If public funds are stopped or frozen pursuant to this subdivision, the inspector general, working with and through the applicable agency, must ensure that any person whose public funds are interrupted and who is not implicated in the suspected fraud or misuse receive notice of their rights related to continued receipt of the public funds, services, or programs for which they are eligible.

**EFFECTIVE DATE.** Subdivision 2, paragraph (c), and subdivision 3, paragraphs (b) and (c), are effective January 1, 2027, or upon federal approval from the Centers for Medicare and Medicaid Services, whichever is later. The commissioner of human services must notify the revisor of statutes when the Centers for Medicare and Medicaid Services approve or deny this section. The remainder of this section is effective January 1, 2027.

Sec. 8. **[15E.27] LAW ENFORCEMENT POWERS.**

Subdivision 1. **Authorization.** (a) Beginning January 1, 2028, the inspector general may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Office of the Inspector General Anti-Fraud and Waste Bureau, to conduct statewide investigations, and to make statewide arrests under sections 629.30 and 629.34 for offenses that are within the bureau's jurisdiction.

Subd. 2. **Jurisdiction.** (a) As used in this subdivision:

(1) "law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f);

(2) "public employee" means a person employed by or acting for an agency or a county, municipality, or other subdivision or governmental instrumentality of the state for the purpose of exercising their respective powers and performing their respective duties, and who is not a public officer. Public employee includes a member of a charter commission; and

(3) "public officer" has the meaning given in section 609.415, subdivision 1, clause (1), paragraphs (a), (d), (e), and (f), and also includes a member of a governing board of a county, municipality, or other subdivision of the state, or other governmental instrumentality within the state.

(b) The Office of the Inspector General Anti-Fraud and Waste Bureau has jurisdiction to initiate inquiries and conduct investigations into suspected fraudulent activity, misuse, or criminal misconduct involving:

(1) a state agency;

(2) a public officer exercising official powers or performing official duties;

(3) a public employee;

(4) a program or service funded or administered by the state;

(5) a public assistance benefit; or

(6) public funds.

(c) At the inspector general's discretion, the bureau may respond to the request of a law enforcement agency to exercise law enforcement duties in cooperation with the law enforcement agency that has jurisdiction over the particular matter.

Subd. 3. **Coordination with other law enforcement agencies.** (a) The bureau must develop policies for notifying, coordinating with, and referring investigations to other law enforcement agencies with concurrent jurisdiction.

(b) The Department of Human Services and the state Medicaid Fraud Control Unit have primary responsibility to investigate suspected fraudulent activity in the Medicaid program. The bureau may work with the Department of Human Services, the state Medicaid Fraud Control Unit, the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension, and other state agencies and law enforcement agencies in cases involving suspected fraudulent activity in the Medicaid program. The bureau also has authority to conduct independent investigations into suspected fraudulent activity in the Medicaid program.

(c) If the bureau arrests a person, the bureau must notify the law enforcement agency with jurisdiction over the location where the offense occurred and, if different, the law enforcement agency with jurisdiction over the location where the arrest took place. The bureau is responsible for issuing any citations, filing any required reports, and delivering an arrested person to a county jail or other appropriate facility unless the bureau and a law enforcement agency with concurrent jurisdiction enter an agreement under which the other law enforcement agency acts as the lead agency.

(d) Following an arrest made by the bureau, the bureau is responsible for any subsequent investigation unless:

(1) the bureau is responding to a law enforcement agency's request to exercise its duties in cooperation with the law enforcement agency that has jurisdiction over the particular matter; or

(2) the bureau and a law enforcement agency with concurrent jurisdiction enter an agreement under which the other law enforcement agency acts as the lead agency.

Subd. 4. **Policy for notice of investigations.** The bureau must develop a policy for notifying the law enforcement agency with primary jurisdiction when it has initiated investigation of any person within the jurisdiction of that agency.

Subd. 5. **Chief law enforcement officer.** If the inspector general establishes a law enforcement agency under this section, the inspector general shall appoint a peace officer employed full time to be the chief law enforcement officer and to be responsible for the management of the bureau. The chief law enforcement officer shall possess the necessary police and management experience to manage a law enforcement agency. The chief law enforcement officer may appoint, discipline, and discharge all employees of the bureau. All police managerial and supervisory personnel must be full-time employees of the bureau. Supervisory personnel must be on duty and available any time peace officers of the bureau are on duty.

Subd. 6. **Compliance.** Except as otherwise provided in this section, the bureau shall comply with all statutes and administrative rules relating to the operation and management of a law enforcement agency.

Subd. 7. **Powers and duties; limitations.** Powers and duties for civil or administrative enforcement provided to the inspector general or the Office of the Inspector General under this chapter do not apply to the bureau. The inspector general must not delegate the auxiliary powers described in section 15E.30, such as the power to issue subpoenas, perform inspections without a warrant, and impose penalties, to the bureau and must not exercise those auxiliary powers at the direction of the bureau. Nothing in this subdivision prohibits:

(1) the inspector general from disseminating data to the bureau if there is reason to believe that the data are evidence of criminal activity within the bureau's jurisdiction; or

(2) the bureau from referring a matter to the inspector general for appropriate regulatory investigation.

Subd. 8. **Evidence, documentation, and related materials.** If the bureau seeks evidence, documentation, and related materials pertinent to an investigation, and the matter is located

outside of this state, the bureau may designate representatives, including officials of the state where the matter is located, to secure the matter or inspect the matter on its behalf.

Subd. 9. **Annual report on activities and cost-effectiveness.** By February 1 of each year, the chief law enforcement officer of the bureau shall report to the governor, the inspector general, and the chairs and ranking minority members of the legislative committees with jurisdiction over state government policy and finance, and public safety policy and finance, on the activities and cost-effectiveness of the bureau since the previous report, including but not limited to:

(1) the number of allegations or reports of suspected violations provided to the bureau;

(2) the number of investigations initiated by the bureau;

(3) the outcomes and current status of each investigation;

(4) the charging decisions made by the prosecuting authority of incidents investigated by the bureau;

(5) the amount of restitution ordered in cases investigated by the bureau; and

(6) the amount of money recovered by the bureau through restitution payments, asset forfeiture, or other means and the distribution of that money.

Subd. 10. **Assignment of peace officers; employment status.** (a) Regardless of whether the inspector general establishes a law enforcement agency under this section, the inspector general may enter into memoranda of understanding with chief law enforcement officers of state and local law enforcement agencies to assign peace officers as defined in section 626.84, subdivision 1, paragraph (c), to the Office of the Inspector General. Peace officers assigned to the Office of the Inspector General under this subdivision have statewide jurisdiction to conduct criminal investigations into matters described in subdivision 2 and have the same powers of arrest as those possessed by a sheriff.

(b) Peace officers assigned to the Office of the Inspector General under this subdivision remain employees of the same entity that employed them before the assignment authorized under this section. Those officers are not employees of the Office of the Inspector General.

(c) Peace officers assigned to the Office of the Inspector General under this subdivision are subject to annual performance reviews conducted by the inspector general or an operational supervisor designated by the inspector general.

Subd. 11. **Data practices.** The Office of the Inspector General Anti-Fraud and Waste Bureau is subject to chapter 13.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 9. **[15E.30] AUXILIARY POWERS.**

Subdivision 1. **Subpoena power.** In all matters relating to official duties, the inspector general has the powers possessed by courts of law to issue and have subpoenas served.

Subd. 2. **Inquiry and inspection power; duty to aid inspector general.** All executive branch officials and their deputies and employees, all political subdivision officials and employees administering state-funded programs, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times:

(1) afford reasonable facilities for examinations by the inspector general;

(2) provide returns and reports required by the inspector general;

(3) attend and answer under oath the inspector general's lawful inquiries;

(4) produce and exhibit all books, accounts, documents, data of any classification, and property that the inspector general requests to inspect; and

(5) in all things cooperate with the inspector general.

Subd. 3. **Penalties.** (a) If a person refuses or neglects to obey any lawful direction of the inspector general, a deputy, or assistant, or withholds any information, book, record, paper or other document called for by the inspector general for the purpose of examination, after having been lawfully required by order or subpoena, upon application by the inspector general, a judge of the district court in the county where the order or subpoena was made returnable shall compel obedience or punish disobedience as for contempt, as in the case of a similar order or subpoena issued by the court.

(b) A person who swears falsely to the inspector general concerning any matter stated under oath is guilty of a gross misdemeanor.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 10. **[15E.35] IDENTIFICATION OF FRAUD REPORTING TOOL.**

(a) The head of each agency must prominently highlight on the agency's website the fraud reporting tools administered by the Office of the Inspector General under this chapter, and by the Office of the Legislative Auditor under chapter 3.

(b) As part of any grant agreement between the state and a nonprofit organization, the agreement must require the nonprofit organization to prominently highlight on the organization's website the fraud reporting tools administered by the Office of the Inspector General under this chapter, and by the Office of the Legislative Auditor under chapter 3. The agency administering the grant must regularly confirm and document the organization's compliance with the requirement under this paragraph for the life of the grant agreement.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 11. **[15E.40] DATA PRACTICES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Confidential data on individuals" has the meaning given in section 13.02, subdivision 3.

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(d) "Nonpublic data" has the meaning given in section 13.02, subdivision 9.

(e) "Not public data" has the meaning given in section 13.02, subdivision 8a.

(f) "Private data on individuals" has the meaning given in section 13.02, subdivision 12.

(g) "Protected nonpublic data" has the meaning given in section 13.02, subdivision 13.

Subd. 2. **Government Data Practices Act.** The Office of the Inspector General is a government entity and is subject to the Government Data Practices Act, chapter 13. The inspector general is the head of a state agency for purposes of section 13.43, subdivision 2, paragraph (e).

Subd. 3. **Access.** In order to perform the duties under this chapter, the inspector general has access to data of any classification, including data classified as not public data. It is not a violation of chapter 13 or any other statute classifying government data as not public data if a government entity provides data pursuant to a subpoena issued under this chapter.

Subd. 4. **Dissemination.** The inspector general may disseminate data of any classification, including not public data, to:

(1) a government entity, other than a law enforcement agency or prosecuting authority, if the dissemination of the data aids a pending investigation or administrative action;

(2) a law enforcement agency or prosecuting authority if there is reason to believe that the data are evidence of criminal activity within the agency's or authority's jurisdiction; or

(3) the commissioner of human services as provided in section 15E.25, subdivision 2, paragraph (g).

Subd. 5. **Legislative auditor.** The inspector general must disseminate data of any classification, including not public data, to the legislative auditor upon request.

Subd. 6. **Data classifications; civil investigations.** (a) Notwithstanding any other law, data relating to a civil investigation conducted under this chapter are confidential data on individuals or protected nonpublic data while the investigation is active. Whether a civil investigation is active shall be determined by the inspector general.

(b) Data relating to a civil investigation conducted under this chapter become public data upon the inspector general's completion or referral of the investigation, unless:

(1) the release of the data would jeopardize another active investigation by the inspector general or another government entity;

(2) the inspector general reasonably believes the data will be used in litigation related to any civil, criminal, or administrative actions, including reconsideration or appeal of any such action; or

(3) the data are classified as not public under another statute or paragraph (e).

(c) Data subject to paragraph (b), clause (2), are confidential data on individuals or protected nonpublic data and become public when the litigation has been completed or the time period to appeal has expired, or the litigation is no longer being actively pursued.

(d) Unless the data are subject to a more restrictive classification, upon the inspector general's decision to no longer actively pursue a civil investigation under this chapter, data relating to a civil investigation are private data on individuals or nonpublic data except the following data are public:

(1) data relating to the investigation's general description, existence, status, and disposition; and

(2) data that document the inspector general's work.

(e) Inactive civil investigative data on an individual supplying information for an investigation that could reasonably be used to determine the individual's identity are private data on individuals if the information supplied was needed for the investigation and would not have been provided to the inspector general without an assurance to the individual that the individual's identity would remain private.

(f) Data relating to a civil investigation conducted under this chapter that are obtained from an entity that is not a government entity have the same classification that the data would have if obtained from a government entity.

Subd. 7. **Privileges.** Nothing in this section or section 15E.30 requires the disclosure of documents or information that is legally privileged under statute or other law, including documents or information subject to section 13.393 or 595.02.

Subd. 8. **Criminal investigations.** This section does not apply to criminal investigations conducted by the Office of the Inspector General Anti-Fraud and Waste Bureau under section 15E.27.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 12. **[15E.45] RESOURCES.**

Subdivision 1. **Staff.** (a) The inspector general may hire and manage staff as necessary and in accordance with chapter 43A. The inspector general must employ and manage at least one attorney to serve as legal counsel for the office and to advise the inspector general on all legal matters relating to the office. Except for the inspector general, the staff in the Office of the Inspector General shall serve in the classified civil service. Except as provided in paragraph (b), compensation for employees of the inspector general in the classified service who are represented by an exclusive representative shall be governed by a collective bargaining agreement negotiated between the commissioner of management and budget and the exclusive representative. Compensation for employees of the inspector general in the classified service who are not represented by an exclusive representative shall be as provided in the nonrepresented employees compensation plan under section 43A.18, subdivision 2, or by the managerial plan under section 43A.18, subdivision 3, depending on the employee's job classification.

(b) Section 15.039, subdivision 7, applies to employees transferred into the Office of the Inspector General from other offices of inspectors general within the first year following enactment of chapter 15E.

Subd. 2. **Contracting.** The inspector general may contract with external experts to support the work of the office, subject to section 16C.08.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 13. **[15E.50] REPORTING AND TRANSPARENCY.**

Subdivision 1. **Reports.** The inspector general must issue public reports detailing completed investigations and corrective actions taken.

Subd. 2. **Public tips.** The inspector general must maintain a phone line and website for reporting fraud and misuse that allows the person making the report to remain anonymous.

Subd. 3. **Report; inactive investigations.** By December 1, 2027, and each December 1 thereafter, the inspector general must submit a report to the legislative auditor and the chairs and ranking minority members of the legislative committees with jurisdiction over state government and data practices regarding all investigations the inspector general did not open after receiving a tip or complaint or decided to no longer actively pursue for the preceding calendar year. The report must include, at a minimum, summary data as defined in section 13.02, subdivision 19, for:

(1) all complaints or tips received;

(2) the type of allegation;

(3) if the complaint or tip was not frivolous, the reason that the inspector general did not open an investigation or decided to no longer pursue the investigation; and

(4) referrals to other agencies or the legislative auditor.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 14. **[15E.55] PROFESSIONAL STANDARDS AND REVIEW.**

(a) The inspector general's activities must adhere to professional standards as promulgated by the Association of Inspectors General or other recognized bodies.

(b) The governor must contract with the Association of Inspectors General or another recognized body for an external quality assurance review of the Office of the Inspector General after years two and four of each inspector general term.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 15. **[15E.60] LEGISLATIVE INSPECTOR GENERAL ADVISORY COMMISSION.**

Subdivision 1. **Membership.** The Legislative Inspector General Advisory Commission is comprised of:

(1) two senators appointed by the majority leader of the senate;

(2) two senators appointed by the minority leader of the senate;

(3) two members of the house of representatives appointed by the speaker of the house of representatives; and

(4) two members of the house of representatives appointed by the minority leader of the house of representatives.

Subd. 2. **Terms.** Members serve at the pleasure of their appointing authority and each member serves until a replacement is appointed.

Subd. 3. **Chair.** The commission must select a chair after consideration of its members by January 31 of each odd-numbered year. The chair serves until a successor is elected. The chair must alternate biennially between the senate and the house of representatives.

Subd. 4. **Duties.** (a) The Legislative Inspector General Advisory Commission:

(1) must consider applicants for and make recommendations to the governor for the position of inspector general; and

(2) may conduct hearings to review the work of the inspector general to ensure impartiality, independence, and effectiveness.

(b) By January 1, 2027, the commission must conduct at least one hearing on, and provide recommendations to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over commerce and public safety on, merging the Financial Crimes and Fraud Section of the Department of Public Safety into the Office of the Inspector General. The recommendations should include proposed legislation to effectuate the merger.

Subd. 5. **Per diem; expense reimbursement.** Members may be compensated for time spent on commission duties and may be reimbursed for expenses according to the rules of their respective bodies.

Subd. 6. **Meeting space; staff.** The Legislative Coordinating Commission must provide meeting space and staff to assist the commission in performing its duties.

Subd. 7. **Open meetings.** The Legislative Inspector General Advisory Commission is subject to the requirements in section 3.055.

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

Sec. 16. Minnesota Statutes 2024, section 609.456, subdivision 2, is amended to read:

Subd. 2. **Legislative auditor or inspector general.** Whenever an employee or officer of the state, University of Minnesota, or other organization listed in section 3.971, subdivision 6, discovers evidence of fraud, theft, embezzlement, or other unlawful use of public funds or property, the employee or officer shall~~, except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation,~~ promptly report in writing to the legislative auditor or the inspector general appointed under chapter 15E a detailed description of the alleged incident or incidents.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 17. **OFFICE OF THE INSPECTOR GENERAL ESTABLISHMENT AND TRANSITION.**

Subdivision 1. **Appointment.** Notwithstanding Minnesota Statutes, section 15E.20, subdivision 4, by January 1, 2027, the Legislative Inspector General Advisory Commission must make recommendations for appointment of an inspector general under Minnesota Statutes, chapter 15E. By February 1, 2027, the governor must appoint an inspector general. Upon appointment, the inspector general may engage the superintendent of the Bureau of Criminal Apprehension and negotiate an interagency agreement as provided in section 19, paragraph (e).

Subd. 2. **Operational.** By September 1, 2027, the Office of the Inspector General must be fully operational.

Subd. 3. **Staffing.** The inspector general's first annual report submitted under Minnesota Statutes, section 15E.25, subdivision 1, clause (9), is due February 1, 2028, and must include the following information:

(1) the current number of positions authorized by the inspector general, by job classification;

(2) the number of positions under clause (1) that the inspector general has filled; and

(3) any staffing changes the inspector general anticipates during calendar year 2028.

Subd. 4. **Transition of employees.** (a) After June 30, 2027, all officers and employees employed in an office of inspector general for a state department or agency shall transition to employment under the Office of the Inspector General under Minnesota Statutes, chapter 15E, except as specified in subdivision 7.

(b) The following protections shall apply to employees who are transferred to the Office of the Inspector General under Minnesota Statutes, chapter 15E, from state departments or agencies:

(1) no transferred employee shall have their employment status and job classification altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) any applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for transferred employees after the transfer while the agreement remains in effect;

(4) when an employee in a temporary unclassified position is transferred to the Office of the Inspector General, the total length of time that the employee has served in the appointment must include all time served in the appointment at the transferring department or agency and the time served in the appointment at the Office of the Inspector General. An employee in a temporary unclassified position who was hired by a transferring department or agency through an open competitive selection process under a policy enacted by the commissioner of management and budget is considered to have been hired through a competitive selection process after the transfer;

(5) the state must meet and negotiate with the exclusive representatives of the transferred employees about proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent that the proposed changes are not addressed in the applicable collective bargaining agreement; and

(6) if the state transfers ownership or control of any facilities, services, or operations of the Office of the Inspector General to another private or public entity by subcontracting, sale, assignment, lease, or other transfer, the state must require as a written condition of the transfer of ownership or control the following:

(i) employees who perform work in the facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring department or agency at the time of the transfer; and

(ii) the wage and benefit standards of the transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining

agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the department.

Subd. 5. **Assets.** Before September 1, 2027, assets and unused appropriations for existing offices of inspectors general shall be transferred to the Office of the Inspector General under Minnesota Statutes, chapter 15E, except as specified in subdivision 7.

Subd. 6. **Office space.** The commissioner of administration must provide or lease office space in the city of St. Paul for the Office of the Inspector General under Minnesota Statutes, chapter 15E, under a rental agreement.

Subd. 7. **Exceptions.** (a) No employees or positions in the Department of Human Services are transferred under this section.

(b) No employees or positions in the Department of Corrections are transferred under this section.

(c) No employees or positions in the student maltreatment program of the Department of Education or other Department of Education employees or positions dedicated to student maltreatment investigations under Minnesota Statutes, chapter 260E, are transferred under this section.

(d) No employees or positions in the Department of Children, Youth, and Families are transferred under this section.

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

Sec. 18. **LEGISLATIVE INSPECTOR GENERAL ADVISORY COMMISSION; INITIAL APPOINTMENTS AND FIRST MEETING.**

Subdivision 1. **Initial appointments.** Appointing authorities must make appointments to the Legislative Inspector General Advisory Commission by August 1, 2026.

Subd. 2. **First meeting.** The senate majority leader must designate one member of the Legislative Inspector General Advisory Commission to convene the first meeting of the Legislative Inspector General Advisory Commission by September 15, 2026.

Subd. 3. **Chair.** The Legislative Inspector General Advisory Commission must elect a chair from among its senate members at its first meeting. The first chair shall serve until a

successor is selected at the start of the next biennium as provided in Minnesota Statutes, section 15E.60, subdivision 3.

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

Sec. 19. **INTERAGENCY AGREEMENTS.**

(a) By December 31, 2027, the Office of the Inspector General must enter into an interagency agreement with the Department of Human Services. The agreement must not preclude the department from performing, or give the inspector general authority to take actions that would interfere with the department's ability to perform, duties required as a condition for securing or maintaining federal funding. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The department and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

(b) By December 31, 2027, the Office of the Inspector General must enter into an interagency agreement with the Department of Children, Youth, and Families. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The department and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

(c) By December 31, 2027, the Office of the Inspector General must enter into an interagency agreement with the Department of Health. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The department and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

(d) As soon as practicable after January 1, 2027, the Office of the Inspector General must enter into an interagency agreement with the Department of Education. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The interagency agreement must provide for embedding Office of the Inspector General employees, including but not limited to all employees transferred from the Department of Education, within office space occupied by the Department of Education. Embedded employees remain under the operational control and direction of the inspector general and must focus only on the Department of Education and its programs. Effective immediately, nothing in Minnesota Statutes, chapter 15E, authorizes any sanction by the commissioner or inspector general that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined by Minnesota Statutes, section 123A.24, subdivision 2; or any library, library system, or library district defined in Minnesota Statutes, section 134.001.

(e) The Office of the Inspector General may enter into an interagency agreement with the Bureau of Criminal Apprehension to assist the inspector general with any criminal investigation or to conduct a criminal investigation on behalf of the inspector general. The Office of the Inspector General and the Bureau of Criminal Apprehension may coordinate investigative efforts as necessary or practical. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. Any Bureau of Criminal Apprehension personnel that assist the Office of the Inspector General under an interagency agreement remain under the operational control and direction of the superintendent of the Bureau of Criminal Apprehension. The Office of the Inspector General may have access to any criminal investigative data obtained or created by the Bureau of Criminal Apprehension as part of any criminal investigation efforts conducted pursuant to the interagency agreement.

**EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2027, or upon federal approval from the Centers for Medicare and Medicaid Services, whichever is later. The commissioner of human services must notify the revisor of statutes when the Centers for Medicare and Medicaid Services approve or deny this section. The remainder of this section is effective January 1, 2027.

Sec. 20. **APPROPRIATIONS.**

Subdivision 1. **Inspector general.** $1,875,000 in fiscal year 2027 is appropriated from the general fund to the Office of the Inspector General for purposes of this act. The base

for this appropriation is $5,852,000 in fiscal year 2028 and $5,852,000 in fiscal year 2029. The commissioner of administration, in consultation with the commissioner of management and budget, may transfer amounts in fiscal year 2027 to the commissioner of administration for office build out, cost of space, office equipment, and other costs directly related to the establishment of the office.

Subd. 2. **Administration.** $892,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of administration to establish the Office of the Inspector General. The base for this appropriation is $891,000 in fiscal year 2028 and $0 in fiscal year 2029.

Subd. 3. **Children, youth, and families.** $465,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of children, youth, and families to coordinate with the Office of the Inspector General as required under this act. The base for this appropriation is $620,000 in fiscal year 2028 and $620,000 in fiscal year 2029.

Subd. 4. **Health.** $499,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of health to coordinate with the Office of the Inspector General as required under this act.

Subd. 5. **Human services.** $4,918,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of human services to coordinate with the Office of the Inspector General as required under this act. The base for this appropriation is $5,720,000 in fiscal year 2028 and $5,720,000 in fiscal year 2029.

Subd. 6. **Legislature.** $29,000 in fiscal year 2027 is appropriated from the general fund to the executive director of the Legislative Coordinating Commission to support the Legislative Inspector General Advisory Commission. The base for this appropriation is $7,000 in fiscal year 2028 and $7,000 in fiscal year 2029.

## ARTICLE 2
## CONFORMING ITEMS AND REPEALERS

Section 1. Minnesota Statutes 2025 Supplement, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, the Office of the Inspector General Anti-Fraud and Waste Bureau, and county human service agency client and provider

fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 2. Minnesota Statutes 2024, section 43A.32, is amended by adding a subdivision to read:

Subd. 4. **Leave for legislative service.** An officer or employee elected to state legislative office and required to take a leave of absence under subdivision 2 or 3 has the same rights with respect to accrued and future seniority status, efficiency rating, vacation, insurance benefits, sick leave, and other benefits as if the leave had not been taken. The appointing authority must not subtract a period of mandatory legislative leave when determining the officer's or employee's length of service. The officer's or employee's pension and retirement benefit rights are as provided for local government employees under section 3.088, subdivisions 3 and 6.

**EFFECTIVE DATE.** This section is effective July 1, 2027, and applies to collective bargaining agreements that take effect on or after that date.

Sec. 3. Minnesota Statutes 2024, section 127A.21, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

~~(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment.~~

~~(c)~~ (b) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant. "Department program" includes state and federal aids or grants received by a school district or charter school or other program participant.

(c) "Inspector general" means the inspector general appointed under chapter 15E.

~~(d) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by the department.~~

~~(e) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office of the Inspector General related to a program participant in a department program.~~

~~(f)~~ (d) "Program participant" means any entity or person, including associated persons, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a department program.

~~(g) "Waste" means practices that, directly or indirectly, result in unnecessary costs to department programs, such as misusing resources.~~

~~(h) For purposes of this section, neither "fraud," "waste," nor "abuse" includes decisions on instruction, curriculum, personnel, or other discretionary policy decisions made by a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.~~

**EFFECTIVE DATE.** Paragraph (c) is effective the day after the inspector general appointed under Minnesota Statutes, chapter 15E, notifies the revisor of statutes that the Office of the Inspector General under Minnesota Statutes, chapter 15E, has assumed responsibility for identifying and investigating fraud, misuse, and other unlawful use of public funds in the Department of Education. The remainder of this section is effective July 1, 2026.

Sec. 4. Minnesota Statutes 2025 Supplement, section 127A.21, subdivision 5, is amended to read:

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend ~~that~~ and the commissioner may impose appropriate ~~temporary~~ sanctions~~, including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General~~ if:

~~(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;~~

~~(2)~~ (1) there has been a criminal, civil, or administrative adjudication of fraud~~, waste, or abuse~~ or misuse against the program participant in Minnesota or in another state or jurisdiction; or

~~(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or~~

~~(4)~~ (2) the inspector general has found that a program participant has a demonstrated pattern of noncompliance with an investigation.

(c) If ~~an investigation finds~~ the commissioner determines, by a preponderance of the evidence, based on an investigation conducted by the inspector general, that a program participant committed fraud~~, waste,~~ or ~~abuse~~ misuse ~~by a program participant~~, the ~~inspector general~~ commissioner may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, ~~recommend that the commissioner~~ impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to ~~implement~~ take action based on findings or recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph (f).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under

chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the ~~Office of the~~ inspector general notifies the commissioner that the inspector general determines there is insufficient evidence of fraud~~, waste,~~ or ~~abuse~~ misuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Sec. 5. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 8. **Limits on receiving public funds; prohibition.** (a) This subdivision does not authorize any action that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined in section 123A.24, subdivision 2; or any library, library system, or library district defined in section 134.001.

(b) For purposes of this subdivision, "program participant" includes individuals or persons who have an ownership interest in, control of, or the ability to control a program participant in a department program.

(c) If a program participant is excluded from a department program, the commissioner may:

(1) prohibit the excluded program participant from enrolling in, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(d) If a program participant enrolled, licensed, or receiving funds under any contract or program administered by a Minnesota state agency or federal agency is excluded from that program, the inspector general shall notify the commissioner, who may:

(1) prohibit the excluded program participant from enrolling in, becoming licensed, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(e) The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (c) must last for the longest applicable sanction or disqualifying period in effect for the program participant permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (d) may last up until the longest applicable sanction or disqualifying period in effect for the program participant as permitted by state or federal law.

Sec. 6. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 9. **Notice.** Within five days of taking an action against a program participant under subdivision 8, paragraph (c) or (d), the commissioner must send notice of the action to the program participant. The notice must state the:

(1) basis for the action;

(2) effective date of the action;

(3) right to appeal the action; and

(4) requirements and procedures for reinstatement.

Sec. 7. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 10. **Appeal.** (a) Upon receipt of a notice under subdivision 9, a program participant may request a contested case hearing, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification was mailed to the program participant.

(b) The appeal request must specify:

(1) each disputed item and the reason for the dispute;

(2) the authority in statute or rule upon which the program participant relies for each disputed item;

(3) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(4) other information required by the commissioner.

(c) Unless a timely and proper appeal is received by the commissioner, the action of the commissioner shall be considered final and binding on the effective date of the action as stated in the notice under subdivision 9, clause (2).

Sec. 8. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 11. **Withholding of payments.** (a) This subdivision does not authorize withholding of payments that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined in section 123A.24, subdivision 2; or any library, library system, or library district defined in section 134.001.

(b) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a program participant in any program administered by the commissioner, to the extent permitted under federal law, if the inspector general determines there is a credible allegation of fraud or misuse in a pending investigation by the inspector general regarding a program administered by the department, a Minnesota state agency, or a federal agency.

(c) Allegations are considered credible when they have indicia of reliability and the inspector general has reviewed the evidence and acts on a case-by-case basis. A credible allegation of fraud is an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining; and

(3) patterns identified through provider audits, civil false claims cases, and investigations.

(d) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this paragraph;

(2) set forth the general allegations as to the reasons for the withholding action, but need not disclose any specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated; and

(4) inform the program participant of the right to submit written evidence for consideration by the commissioner.

(e) The withholding of payments shall not continue after the inspector general notifies the commissioner that there is insufficient evidence of fraud by the program participant or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 5 of the intention to take an additional action related to the program participant's participation in a program administered by the commissioner. If the inspector general determines there is insufficient evidence of fraud by the program participant or after legal proceedings relating to the alleged fraud are completed, the inspector general shall notify the commissioner within ten days of the determination.

(f) The withholding of payments is a temporary action and shall not be subject to appeal under this subdivision or chapter 14.

Sec. 9. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 36. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general appointed under chapter 15E, for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15E.15, within the child care assistance program.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 10. Minnesota Statutes 2024, section 142A.12, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; ~~and~~

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants; and

(5) information from the inspector general, including information listed on the inspector general's exclusion list under section 15E.25, subdivision 1, clause (11).

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.0451 or chapter 14.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 11. Minnesota Statutes 2024, section 144.05, is amended by adding a subdivision to read:

Subd. 9. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general appointed under chapter 15E for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15E.15, within the special supplemental nutrition program for women, infants, and children.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 12. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; ~~and~~

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants; and

(5) information from the inspector general appointed under chapter 15E, including information listed on the inspector general's exclusion list under section 15E.25, subdivision 1, clause (11).

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 13. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 45. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general, appointed under chapter 15E, for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15E.15, within the Medicaid program.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 14. Minnesota Statutes 2025 Supplement, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, Office of the Inspector General Anti-Fraud and Waste Bureau officers, the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state;

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101:

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 15. **EXISTING DUTIES ABOLISHED; TRANSFERS PROVIDED.**

Subdivision 1. **Duties abolished.** Except as exempted in article 1, section 17, subdivision 7, paragraph (c), duties pertaining to the investigation of fraud, misuse, and other unlawful use of public funds in the Office of the Inspector General in the Department of Education are abolished effective the day after the inspector general appointed under Minnesota Statutes, chapter 15E, certifies in writing to the commissioner of education and the commissioner of management and budget that the inspector general has assumed responsibility for these duties.

Subd. 2. **Inspector general transfers.** When the commissioner of education's duties are abolished under subdivision 1, pursuant to Minnesota Statutes, section 15.039, all active investigations, obligations, court actions, contracts, and records shall transfer from the Department of Education to the inspector general appointed under Minnesota Statutes, chapter 15E, except as provided by the inspector general and as provided in article 1, section 17, subdivision 7, paragraph (c).

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 16. **REVISOR INSTRUCTION.**

In the 2026 edition of Minnesota Statutes, the revisor of statutes must retitle section 127A.21 from "OFFICE OF THE INSPECTOR GENERAL" to "SANCTIONS; OTHER POWERS."

Sec. 17. **REPEALER.**

Minnesota Statutes 2024, sections 13.321, subdivision 12; and 127A.21, subdivisions 1, 2, 3, 4, 6, and 7, are repealed.

**EFFECTIVE DATE.** This section is effective the day after the inspector general appointed under Minnesota Statutes, chapter 15E, notifies the revisor of statutes that the Office of the Inspector General under Minnesota Statutes, chapter 15E, has assumed responsibility for identifying and investigating fraud, misuse, and other unlawful use of public funds in the Department of Education.

APPENDIX
Article locations for S0856-11

ARTICLE 1 OFFICE OF THE INSPECTOR GENERAL..... Page.Ln 1.15
ARTICLE 2 CONFORMING ITEMS AND REPEALERS..... Page.Ln 26.24

**13.321 PREKINDERGARTEN TO GRADE 12 EDUCATIONAL DATA CODED ELSEWHERE.**

Subd. 12. **Office of the Inspector General; access to data.** Data involving the Department of Education's Office of the Inspector General are governed by section 127A.21.

**127A.21 OFFICE OF THE INSPECTOR GENERAL.**

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The inspector general shall report directly to the commissioner. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

Subd. 2. **Hiring; reporting; procedures.** (a) The commissioner, or the commissioner's designee, must hire an inspector general to lead the Office of the Inspector General. The inspector general must hire a deputy inspector general and, at the discretion of the inspector general, sufficient assistant inspectors general to carry out the duties of the office. The inspector general, deputy inspector general, and any assistant inspectors general serve in the classified service.

(b) In a form and manner determined by the inspector general, the Office of the Inspector General must develop a public platform for the public to report instances of potential fraud, waste, or abuse of public funds administered by the department. Nothing in this paragraph shall be construed to give a member of the public standing to sue based on allegations of fraud, waste, or abuse.

(c) The inspector general shall establish procedures for conducting investigations. Procedures adopted under this subdivision are not subject to chapter 14, including section 14.386.

Subd. 3. **Subpoenas.** (a) For the purpose of an investigation, the inspector general or a designee may administer oaths and affirmations, subpoena witnesses, compel attendance, take evidence, and issue subpoenas duces tecum to require the production of books, papers, correspondence, memoranda, agreements, financial records, or other documents or records relevant to the investigation.

(b) A subpoena issued pursuant to this subdivision must state that the subpoena recipient may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to the inspector general, or their staff, except:

(1) in so far as the disclosure is necessary to find and disclose the records;

(2) pursuant to court order; or

(3) to legal counsel for the purposes of responding to the subpoena.

(c) The fees for service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued by a district court.

(d) The subpoena issued under this subdivision shall be enforceable through the district court in the district where the subpoena is issued.

Subd. 4. **Access to records.** (a) For purposes of an investigation, and regardless of the data's classification under chapter 13, the Office of the Inspector General shall have access to all relevant books, accounts, documents, data, and property related to department programs that are maintained by a program participant, charter school, or government entity as defined by section 13.02.

(b) Notwithstanding paragraph (a), the Office of the Inspector General must issue a subpoena under subdivision 3 in order to access routing and account numbers to which Department of Education funds have been disbursed.

(c) Records requested by the Office of the Inspector General under this subdivision shall be provided in a format, place, and time frame reasonably requested by the Office of the Inspector General.

(d) The department may enter into specific agreements with other state agencies related to records requests by the Office of the Inspector General.

Subd. 6. **Data practices.** (a) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for a government entity as defined in section 13.02 to provide data or information under this section.

(b) The inspector general is subject to the Government Data Practices Act, chapter 13, and shall protect from unlawful disclosure data classified as not public. Data collected, created, received, or maintained by the inspector general relating to an audit, investigation, proceeding, or inquiry are subject to section 13.39.

Subd. 7. **Retaliation, interference prohibited.** (a) An employee or other individual who discloses information to the Office of the Inspector General about fraud, waste, or abuse in department programs is protected under section 181.932, governing disclosure of information by employees.

(b) No state employee may interfere with or obstruct an investigation authorized by this section.

Dear Senator Champion:

Pursuant to Senate Rule 8.2, the following appointments have been withdrawn from the following committee and placed on the Confirmation Calendar:

From the Committee on Environment, Climate, and Legacy, to which were referred the following appointments as reported in the Journal for March 17, 2025:

CLEAN WATER COUNCIL
Eunice Biel
Christine Meyer
Fran Miron

Sincerely,
Thomas S. Bottern
Secretary of the Senate

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 856:** A bill for an act relating to state government; creating the Office of the Inspector General; creating an advisory committee; requiring reports; transferring certain agency duties; placing limits and prohibiting certain programs from receiving public funds; making conforming and technical changes; providing for interagency agreements; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 13.82, subdivision 1; 15A.0815, subdivision 2; 127A.21, subdivisions 1a, 5, by adding subdivisions; 142A.03, by adding a subdivision; 142A.12, subdivision 5; 144.05, by adding a subdivision; 181.932, subdivision 1; 245.095, subdivision 5; 256.01, by adding a subdivision; 609.456, subdivision 2; 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 15D; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21, subdivisions 1, 2, 3, 4, 6, 7.

Senate File No. 856 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 7, 2026

## CONCURRENCE AND REPASSAGE

Senator Gustafson moved that the Senate concur in the amendments by the House to S.F. No. 856 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 856:** A bill for an act relating to state government; creating the Office of the Inspector General; creating an advisory commission; making conforming and technical changes; providing

for interagency agreements; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 15A.0815, subdivision 2; 43A.32, by adding a subdivision; 127A.21, subdivision 1a, by adding subdivisions; 142A.03, by adding a subdivision; 142A.12, subdivision 5; 144.05, by adding a subdivision; 245.095, subdivision 5; 256.01, by adding a subdivision; 609.456, subdivision 2; Minnesota Statutes 2025 Supplement, sections 10A.01, subdivision 35; 13.82, subdivision 1; 127A.21, subdivision 5; 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 15E; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21, subdivisions 1, 2, 3, 4, 6, 7.

S.F. No. 856 was read the third time, as amended by the House, and placed on its repassage.

Pursuant to Rule 41.2, Senator Hemmingsen-Jaeger moved that she be excused from voting on all questions pertaining to S.F. No. 856. The motion prevailed.

The question was taken on the repassage of S.F. No. 856, as amended by the House.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Rasmusson |
| Bahr | Fateh | Johnson Stewart | Maye Quade | Rest |
| Boldon | Frentz | Klein | McEwen | Seeberger |
| Carlson | Green | Koran | Miller | Utke |
| Champion | Gruenhagen | Kreun | Mohamed | Weber |
| Clark | Gustafson | Kunesh | Murphy | Wesenberg |
| Coleman | Hauschild | Kupec | Nelson | Westlin |
| Cwodzinski | Hawj | Lang | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Latz | Pappas | Wiklund |
| Dibble | Hoffman | Lieske | Pha | Xiong |
| Dornink | Holmstrom | Limmer | Port | |
| Draheim | Housley | Lucero | Pratt | |
| Drazkowski | Howe | Mann | Putnam | |
| Duckworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Carlson, Mohamed, Port, Rest, and Xiong.

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 4612:** A bill for an act relating to state government; modifying provisions relating to the Departments of Health, Human Services, and Children, Youth, and Families; making changes for federal compliance; establishing work or community engagement requirements; providing for pharmacy dispensing reimbursements; modifying reimbursement rates for mental health services; modifying mental health provider credentialing requirements; modifying the county share for

# 124. HF 4987

**Vote:** 2026-05-11 | **Workbook row:** 129
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Ramsey County State-Aid Highway 96 portion designated as "Master Sergeant Nicole Amor Memorial Highway".

## Included complete bill documents

**1. Introduction, posted 2026-04-16** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4987/versions/0/pdf/

## Original Senate journal context

PDF pages 205-205. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260511072.pdf#page=205

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4987/

This Document can be made available in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4987**

04/16/2026 Authored by Olson and Curran
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
05/11/2026 R/S Rules Suspended, urgency declared
Read for the Second Time
Read for the Third Time
Passed by the House and transmitted to the Senate
Passed by the Senate and returned to the House
05/12/2026 Presented to Governor
05/14/2026 Governor Approval

A bill for an act

relating to transportation; providing for certain local highway designations; designating a portion of Ramsey County State-Aid Highway 96 as "Master Sergeant Nicole Amor Memorial Highway"; proposing coding for new law in Minnesota Statutes, chapter 160.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[160.805] CERTAIN HIGHWAY DESIGNATIONS.**

Subdivision 1. **Sign requirements; costs.** (a) A road authority must design and erect signs to mark or memorialize a highway or bridge that is under the road authority's jurisdiction and designated under this section. The requirement under this paragraph applies once the road authority identifies money from nonpublic sources sufficient to pay all costs related to designing, erecting, and maintaining the signs.

(b) The commissioner must act as a fiscal agent to provide for management and distribution of nonpublic money received under this section. The money collected is appropriated to the commissioner for distribution to the appropriate road authority for costs related to designing, erecting, and maintaining the signs.

Subd. 2. **Sign requirements; removal.** A road authority may remove a sign erected under this section if:

(1) the sign requires maintenance, repair, or replacement;

(2) the road authority, in consultation with the commissioner, has made a reasonable effort to obtain money for maintenance, repair, or replacement from nonpublic sources; and

(3) the money obtained under clause (2) is insufficient to pay all related costs.

Subd. 3. **Master Sergeant Nicole Amor Memorial Highway.** That segment of Ramsey County State-Aid Highway 96 from marked U.S. Highway 61 to marked Interstate Highway 35E in Ramsey County is designated as "Master Sergeant Nicole Amor Memorial Highway."

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman, Johnson, and Lieske.

So the bill, as amended, was passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 4987.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 11, 2026

## FIRST READING OF HOUSE BILLS

The following bill was read the first time.

**H.F. No. 4987:** A bill for an act relating to transportation; providing for certain local highway designations; designating a portion of Ramsey County State-Aid Highway 96 as "Master Sergeant Nicole Amor Memorial Highway"; proposing coding for new law in Minnesota Statutes, chapter 160.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SUSPENSION OF RULES

Senator Gustafson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 4987 and that the rules of the Senate be so far suspended as to give H.F. No. 4987 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 4987 was read the second time.

H.F. No. 4987 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

# 125. SF 3720

**Vote:** 2026-05-11 | **Workbook row:** 130
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** 2026 recommendations adoption of the Workers' Compensation Advisory Council

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-21** - 17 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3720/versions/1/pdf/

## Original Senate journal context

PDF pages 182-182. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260511072.pdf#page=182

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3720/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3720

**(SENATE AUTHORS: MCEWEN and Utke)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/19/2026 | 6344 | Introduction and first reading |
| | | Referred to Labor |
| 04/14/2026 | 8033 | Author added Utke |
| 04/20/2026 | 8314a | Comm report: To pass as amended and re-refer to Finance |
| | | Pursuant to Senate Concurrent Resolution No. 6, referred to Rules and Administration |
| 04/21/2026 | 8858 | Senate Concurrent Resolution 6 Suspended adopt previous committee report |
| 05/07/2026 | 9982 | Comm report: To pass |
| | 10033 | Second reading |
| 05/11/2026 | 10382 | Special Order |
| | 10382 | Third reading Passed |
| 05/15/2026 | 10666 | Returned from House |
| | | Presentment date 05/15/26 |
| | 11758 | Governor's action Approval 05/18/26 |
| | 11759 | Secretary of State Chapter 103 05/18/26 |
| | | Effective date various dates |

A bill for an act

relating to workers' compensation; adopting 2026 recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections 79.34, subdivisions 3, 4; 79.35; 79.36; 79.362; 79.38, subdivision 1; 175A.05, by adding a subdivision; 176.011, subdivision 15; 176.081, subdivision 9; 176.101, subdivision 2a; 176.155, subdivision 1; 176.221, subdivision 1; 176.322; repealing Minnesota Statutes 2024, sections 79.34, subdivision 2a; 79.361; 79.363.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 79.34, subdivision 3, is amended to read:

Subd. 3. **Withdrawal from association.** An insurer may withdraw from the reinsurance association only upon ceasing to be authorized by license issued by the commissioner of commerce to transact workers' compensation insurance in this state and when all workers' compensation insurance policies issued by such insurer have expired; a self-insurer may withdraw from the reinsurance association only upon ceasing to be approved to self-insure workers' compensation liability in this state pursuant to section 176.181.

An insurer or self-insurer which withdraws or whose membership in the reinsurance association is terminated shall continue to be bound by the plan of operation. Upon withdrawal or termination, all unpaid premiums which have been charged to the withdrawing or terminated member and any other outstanding amounts owed shall be payable as of the effective date of the withdrawal or termination.

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

Sec. 2. Minnesota Statutes 2024, section 79.34, subdivision 4, is amended to read:

Subd. 4. **Liabilities of insolvent members.** An unsatisfied net liability to the reinsurance association of an insolvent member shall be ~~assumed by and apportioned among the remaining members of the reinsurance association as provided in the plan of operation~~ governed by the plan of operation effective at the time a member is declared insolvent by a state regulatory authority or a court of competent jurisdiction, whichever comes earlier. The reinsurance association shall have all rights allowed by law on behalf of the remaining members against the estate or funds of the insolvent member for sums due the reinsurance association.

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

Sec. 3. Minnesota Statutes 2024, section 79.35, is amended to read:

**79.35 DUTIES; RESPONSIBILITIES; POWERS.**

The reinsurance association shall do the following on behalf of its members:

(1) assume 100 percent of the liability as provided in section 79.34;

(2) establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(3) maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(4) calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies. Each member shall be charged a premium established by the board as sufficient to cover the reinsurance association's incurred liabilities and expenses in excess of the member's selected retention limit. Each member shall be charged a proportion of the total premium calculated for its selected retention limit in an amount equal to its proportion of the exposure base of all members during the period to which the reinsurance association premium will

apply. The exposure base shall be determined by the board and is subject to the approval of the commissioner of labor and industry. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement. ~~Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit.~~ The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner of labor and industry;

(5) require and accept the payment of premiums from members of the reinsurance association;

(6) receive and distribute all sums required by the operation of the reinsurance association;

(7) establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association. The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; ~~and~~

(8) provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify~~.~~;

(9) equitably distribute excess or deficient premiums from previous periods to members based on amounts determined by the board. All excess or deficient premiums shall be approved by the commissioner of labor and industry;

(10) distribute excess surplus as recommended by the board and approved by order of the commissioner of labor and industry consistent with section 79.362; and

(11) collect deficiency assessments as recommended by the board and approved by order of the commissioner of commerce consistent with section 79.362.

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

Sec. 4. Minnesota Statutes 2024, section 79.36, is amended to read:

**79.36 ADDITIONAL POWERS.**

In addition to the powers granted in section 79.35, the reinsurance association may do the following:

(1) sue and be sued. A judgment against the reinsurance association shall not create any direct liability against the individual members of the reinsurance association. The reinsurance association shall provide in the plan of operation for the indemnification, to the extent provided in the plan of operation, of the members, members of the board of directors of the reinsurance association, and officers, employees and other persons lawfully acting on behalf of the reinsurance association;

(2) reinsure all or any portion of its potential liability~~, including potential liability in excess of the prefunded limit,~~ with reinsurers licensed to transact insurance in this state or otherwise approved by the commissioner of labor and industry;

(3) provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the reinsurance association;

(4) contract for goods and services, including but not limited to independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(5) adopt operating rules, consistent with the plan of operation, for the administration of the reinsurance association, enforce those operating rules, and delegate authority as necessary to assure the proper administration and operation of the reinsurance association;

(6) intervene in or prosecute at any time, including but not limited to intervention or prosecution as subrogee to the member's rights in a third-party action, any proceeding under this chapter or chapter 176 in which liability of the reinsurance association may, in the opinion of the board of directors of the reinsurance association or its designee, be established, or the reinsurance association affected in any other way;

(7) the net proceeds derived from intervention or prosecution of any subrogation interest, or other recovery, shall first be used to reimburse the reinsurance association for amounts paid or payable pursuant to this chapter, together with any expenses of recovery, including attorney's fees, and any excess shall be paid to the member or other person entitled thereto, as determined by the board of directors of the reinsurance association, unless otherwise ordered by a court;

(8) hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; and

(9) perform other acts not specifically enumerated in this section which are necessary or proper to accomplish the purposes of the reinsurance association and which are not inconsistent with sections 79.34 to 79.40 or the plan of operation.

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

Sec. 5. Minnesota Statutes 2024, section 79.362, is amended to read:

**79.362 WORKERS' COMPENSATION REINSURANCE ASSOCIATION EXCESS SURPLUS DISTRIBUTION OR DEFICIENCY ASSESSMENT.**

Subdivision 1. **Scope.** This section governs excess surplus distributions and deficiency assessment of the reinsurance association. An excess surplus distribution is not a distribution of excess premiums to members. The reinsurance association may not distribute excess surplus or assess members due to a deficiency except as provided for in this section. For purposes of this section, "insured employers" includes employers insured by insurer members and employers insured by the assigned risk plan.

Subd. 2. **Declaration of distribution or assessment.** (a) The board may declare an excess surplus distribution to self-insurer members and insured employers. The board shall determine the amount of excess surplus and set a timeline, a distribution rate for self-insurer members, and a distribution rate for insured employers as applied to the distribution exposure bases of self-insurer members and insured employers. The board shall notify the commissioner of labor and industry of the amount of excess surplus and recommended distribution rates and, if the commissioner is in agreement with the board's recommendation, the commissioner shall issue an order approving the recommended distribution.

(b) An order of the commissioner of ~~the Department of~~ labor and industry relating to the ~~distribution of~~ excess surplus distribution of the Workers' Compensation Reinsurance Association shall be reviewed by the commissioner of commerce. The commissioner of commerce may amend, approve, or reject an order or issue further orders to accomplish the purposes of this section ~~79.361 and Laws 1993, chapter 361, section 2~~. The commissioner of commerce may not change the amount of the distribution ordered by the commissioner of labor and industry without agreement of the commissioner of labor and industry.

(c) If the board determines that an excess surplus distribution resulted in inadequate funds being available to pay claims that arose during the period upon which the distribution was calculated, the board shall determine the amount of the deficiency. The board shall

notify the commissioner of commerce of the amount of deficiency and recommend assessment rates and the time period for an assessment for self-insurer members and insured employers. The commissioner of commerce shall order an assessment at the rates and for the time period necessary to eliminate the deficiency with consideration of potential financial hardship to employers. The assessment rates shall be applied to the exposure bases of self-insured employers and insured employers. All assessments under this section are payable to the association. The commissioner of commerce may issue orders necessary to administer this section.

Subd. 3. **Administration of distribution or assessment.** The reinsurance association may consider the actual and reasonable costs of distribution or assessment in determining the amount to be distributed or assessed. The excess surplus distribution or deficiency assessment may not be retroactive and applies only prospectively. Self-insurer members, insurer members, and the Minnesota Workers' Compensation Insurers Association must provide any information to the reinsurance association that the association determines necessary to administer this section. Any part of the excess surplus distribution not distributed within one year due to the inability to identify or locate insured employers remains with the reinsurance association and must not be distributed to its members.

Subd. 4. **Plan of operation.** The reinsurance association's plan of operation must provide the method for determining rates and exposure bases, the method for excess surplus distribution, and the method of collecting a deficiency assessment. For multiyear distributions or assessments, the exposure bases and rates shall be recalculated for each policy year of the excess surplus distribution or deficiency assessment.

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

Sec. 6. Minnesota Statutes 2024, section 79.38, subdivision 1, is amended to read:

Subdivision 1. **Provisions.** The plan of operation shall provide for all of the following:

(a) the establishment of necessary facilities;

(b) the management and operation of the reinsurance association;

(c) a preliminary premium, payable by each member in proportion to its total premium in the year preceding the inauguration of the reinsurance association, for initial expenses necessary to commence operation of the reinsurance association;

(d) procedures to be utilized in charging premiums~~, including adjustments from excess or deficient premiums from prior periods~~;

(e) procedures governing the actual payment of premiums to the reinsurance association;

(f) reimbursement of each member of the board by the reinsurance association for actual and necessary expenses incurred on reinsurance association business;

(g) the composition, terms, compensation and other necessary rules consistent with section 79.37 for boards of directors of the reinsurance association;

(h) the investment policy of the reinsurance association; ~~and~~

(i) the method for determining rates and exposure bases, the method for excess surplus distribution, and the method of collecting a deficiency assessment; and

~~(i)~~ (j) any other matters required by or necessary to effectively implement sections 79.34 to 79.40.

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

Sec. 7. Minnesota Statutes 2024, section 175A.05, is amended by adding a subdivision to read:

Subd. 4. **Active compensation judges.** If the number of Workers' Compensation Court of Appeals judges available to hear a case is insufficient to constitute a quorum and retired judges are not available to meet the quorum requirement, the chief judge of the Workers' Compensation Court of Appeals may, with the consent of the chief judge of the Court of Administrative Hearings, assign an active compensation judge from that court to hear any case properly assigned to a judge of the Workers' Compensation Court of Appeals. The compensation judge assigned to the case may act on that case with the full powers of a judge of the Workers' Compensation Court of Appeals. A compensation judge performing this service shall receive pay and expenses, calculated on an hourly basis, in the amount and manner provided by law for judges serving on the Workers' Compensation Court of Appeals. This compensation will be paid as an adjustment to the judge's normal compensation from the Court of Administrative Hearings. The Workers' Compensation Court of Appeals will reimburse the Court of Administrative Hearings based on the number of hours spent performing this service and any other expenditures incurred.

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

Sec. 8. Minnesota Statutes 2024, section 176.011, subdivision 15, is amended to read:

Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental impairment as defined in paragraph (d) or physical disease arising out of and in the course of employment

peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting in physical injury shall remain compensable. Mental impairment is not considered a disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota State Patrol, conservation officer service, state crime bureau, as a forest officer by the Department of Natural Resources, correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility, or sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota State Patrol, conservation officer service, state crime bureau, Department of Natural Resources, Department of Corrections, or sheriff's department of any county, which examination and report negatived any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1; firefighter; paramedic; correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; emergency medical technician; or licensed nurse providing

emergency medical care; and who contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment and the presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors which shall be used to rebut this presumption and which are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.

(d) For the purposes of this chapter, "mental impairment" means a diagnosis of post-traumatic stress disorder by a licensed psychiatrist ~~or~~, psychologist, or psychiatric mental health nurse practitioner. For the purposes of this chapter, "post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or more compensable mental impairment claims arising out of a single event or occurrence shall constitute a single loss occurrence.

(e) If, preceding the date of disablement or death, an employee who was employed on active duty as: a licensed police officer; a firefighter; a paramedic; an emergency medical technician; a licensed nurse employed to provide emergency medical services outside of a medical facility; a public safety dispatcher; a correctional officer or security counselor employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; a sheriff or full-time deputy sheriff of any county; or a member of the Minnesota State Patrol is diagnosed with a mental impairment as defined in paragraph (d), and had not been diagnosed with the mental impairment previously, then the mental impairment is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. This presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors that are used to rebut this presumption and that

are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability. The mental impairment is not considered an occupational disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer.

**EFFECTIVE DATE.** This section is effective for dates of injury on or after October 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 176.081, subdivision 9, is amended to read:

Subd. 9. **Retainer agreement.** An attorney who is hired by an employee to provide legal services with respect to a claim for compensation made pursuant to this chapter shall prepare a retainer agreement in which the provisions of this section are specifically set out and provide a copy of this agreement to the employee. The retainer agreement shall provide a space for the signature of the employee. A signed agreement shall raise a conclusive presumption that the employee has read and understands the statutory fee provisions. No fee shall be awarded pursuant to this section in the absence of a signed retainer agreement.

The retainer agreement shall contain a notice to the employee regarding the maximum fee allowed under this section in ten-point type, which shall read:

Notice of Maximum Fee

The maximum fee allowed by law for legal services is 20 percent of the first ~~$130,000~~ $275,000 of compensation awarded to the employee subject to a cumulative maximum fee of ~~$26,000~~ $55,000 for fees related to the same injury.

The employee shall take notice that the employee is under no legal or moral obligation to pay any fee for legal services in excess of the foregoing maximum fee.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to dates of injury on or after October 1, 2024.

Sec. 10. Minnesota Statutes 2024, section 176.101, subdivision 2a, is amended to read:

Subd. 2a. **Permanent partial disability.** (a) Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. During the 2026 regular legislative session, and every even-year legislative session thereafter, the Workers' Compensation Advisory Council must consider whether the

permanent partial disability schedule in paragraph (b) represents adequate compensation for permanent impairment.

(b) The percentage determined pursuant to the rules adopted under section 176.105 must be multiplied by the corresponding amount in the following table:

| Impairment Rating (percent) | Amount |
|---|---|
| less than 5.5 | ~~114,260~~ $ 137,240 |
| 5.5 to less than 10.5 | ~~121,800~~ 146,297 |
| 10.5 to less than 15.5 | ~~129,485~~ 155,527 |
| 15.5 to less than 20.5 | ~~137,025~~ 164,584 |
| 20.5 to less than 25.5 | ~~139,720~~ 167,821 |
| 25.5 to less than 30.5 | ~~147,000~~ 176,565 |
| 30.5 to less than 35.5 | ~~150,150~~ 180,348 |
| 35.5 to less than 40.5 | ~~163,800~~ 196,744 |
| 40.5 to less than 45.5 | ~~177,450~~ 213,139 |
| 45.5 to less than 50.5 | ~~177,870~~ 213,643 |
| 50.5 to less than 55.5 | ~~181,965~~ 218,562 |
| 55.5 to less than 60.5 | ~~209,475~~ 251,605 |
| 60.5 to less than 65.5 | ~~237,090~~ 284,774 |
| 65.5 to less than 70.5 | ~~264,600~~ 317,817 |
| 70.5 to less than 75.5 | ~~292,215~~ 350,986 |
| 75.5 to less than 80.5 | ~~347,340~~ 417,197 |
| 80.5 to less than 85.5 | ~~402,465~~ 483,409 |
| 85.5 to less than 90.5 | ~~457,590~~ 549,621 |

| | | |
|---|---|---|
| | | ~~512,715~~ |
| | 90.5 to less than 95.5 | 615,833 |
| | | ~~567,840~~ |
| | 95.5 up to and including 100 | 682,045 |

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(c) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee requests payment in a lump sum, then the compensation must be paid within 30 days. This lump-sum payment may be discounted to the present value calculated up to a maximum five percent basis. If the employee does not choose to receive the compensation in a lump sum, then the compensation is payable in installments at the same intervals and in the same amount as the employee's temporary total disability rate on the date of injury. Permanent partial disability is not payable while temporary total compensation is being paid.

**EFFECTIVE DATE.** This section is effective for dates of injury on or after October 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 176.155, subdivision 1, is amended to read:

Subdivision 1. **Employer's physician.** (a) The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. Examinations shall not be conducted in hotel or motel facilities. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the office to order an examination at a location further from the employee's residence. The employee is entitled upon request to have a personal physician or unpaid witness present at any such examination. Each party shall defray the cost of that party's physician or witness.

(b) Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury or whether litigation is pending, must be served upon the employee and the attorney representing the employee, if any, no later than 14 calendar days within the issuance of the report or written statement.

(c) The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination.

(d) A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition. Any request for a good cause extension pursuant to paragraph (e) must be made within 120 days of service of the claim petition, except that a request may be made after 120 days of service of a claim petition in the following circumstances:

(1) a change to the employee's claim regarding the nature and extent of the injury;

(2) a change to the permanency benefits claimed by the employee, including a change in permanent partial disability percentage;

(3) a new claim for indemnity benefits; or

(4) the employment relationship is not admitted by the uninsured employer.

(e) No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather additional information which was not included on the petition as required by section 176.291.

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

Sec. 12. Minnesota Statutes 2024, section 176.221, subdivision 1, is amended to read:

Subdivision 1. **Commencement of payment.** Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within 14 days of notice to or knowledge by an

employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner and served on the employee within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within ~~60~~ 90 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within ~~60~~ 90 days of notice or knowledge. After the ~~60-day~~ 90-day period, payment may be terminated only by the filing of a notice as provided under section 176.239. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail the facts forming the basis for the denial and specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

**EFFECTIVE DATE.** This section is effective for dates of injury on or after October 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 176.322, is amended to read:

**176.322 DECISIONS BASED ON STIPULATED FACTS.**

If the parties agree to a stipulated set of facts and only legal issues remain, the commissioner or compensation judge may determine the matter without a hearing based

upon the stipulated facts and the determination is appealable to the court of appeals pursuant to sections 176.421 and 176.442. In any case where a stipulated set of facts has been submitted to the Court of Administrative Hearings pursuant to this section, upon receipt of the file or the stipulated set of facts the chief administrative law judge shall immediately assign the case to a compensation judge for a determination. The commissioner or compensation judge shall issue a determination within 60 days after receipt of the stipulated facts.

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

Sec. 14. **REPEALER.**

Minnesota Statutes 2024, sections 79.34, subdivision 2a; 79.361; and 79.363, are repealed.

**79.34 CREATION OF REINSURANCE ASSOCIATION.**

Subd. 2a. **Deficiency.** If the board determines that a distribution of excess surplus resulted in inadequate funds being available to pay claims that arose during the period upon which that distribution was calculated, the board shall determine the amount of the deficiency. The deficiency shall be made up by imposing an assessment rate against self-insured members and policyholders of insurer members. The board shall notify the commissioner of commerce of the amount of the deficiency and recommend an assessment rate. The commissioner shall order an assessment at a rate and for the time period necessary to eliminate the deficiency. The assessment rate shall be applied to the exposure base of self-insured employers and insured employers. The assessment may not be retroactive and applies only prospectively. The assessment may be spread over a period of time that will cause the least financial hardship to employers. All assessments under this subdivision are payable to the association. The commissioner may issue orders necessary to administer this section.

**79.361 POST-1992 DISTRIBUTION OF WORKERS' COMPENSATION REINSURANCE ASSOCIATION SURPLUS.**

Subdivision 1. **Scope.** This section governs the distribution of excess surplus of the Workers' Compensation Reinsurance Association declared after January 1, 1993. A distribution of excess surplus is declared on the date the board votes to make a distribution. No distribution of excess surplus other than that provided by this section may be made.

Subd. 2. **Self-insured.** A self-insurer shall receive a distribution of excess surplus in an amount equal to the self-insurer's share of the premiums paid to the Workers' Compensation Reinsurance Association for the period and for each retention layer for which the distribution is made.

Subd. 3. **Insured employers.** A policyholder, other than a policyholder insured by the assigned risk plan or the State Fund Mutual Insurance Company, shall receive a refund of a share of the distribution equal to the policyholder's share of the annual total earned Minnesota workers' compensation insurance premium, as reported to the commissioner of commerce in the most recent annual statements of insurers, including the assigned risk plan and the State Fund Mutual Insurance Company.

Subd. 4. **Assigned risk plan.** A policyholder of the assigned risk plan shall receive a refund of a share of the distribution equal to the policyholder's share of the annual total earned Minnesota workers' compensation insurance premium, as reported to the commissioner of commerce in the most recent annual statements of insurers, including the assigned risk plan and the State Fund Mutual Insurance Company.

Subd. 5. **State Fund Mutual Insurance Company.** A policyholder of the State Fund Mutual Insurance Company shall receive a refund of a share of the distribution equal to the policyholder's share of the annual total earned Minnesota workers' compensation insurance premium, as reported to the commissioner of commerce in the most recent annual statements of insurers, including the assigned risk plan and the state fund mutual insurance company.

Subd. 6. **Distribution defined.** For the purpose of subdivisions 3 to 5, "distribution" means a distribution described in subdivision 1 minus a distribution to self-insurers under subdivision 2.

Subd. 7. **Policyholder.** For the purpose of this section "policyholder" means a workers' compensation insurance policyholder in the calendar year preceding a declaration of excess surplus by the board of the reinsurance association.

Subd. 8. **Information required.** Insurers and the Workers' Compensation Insurers Rating Association of Minnesota must provide the Workers' Compensation Reinsurance Association with information necessary to administer and calculate the refunds to policyholders governed by this section within 60 days of a request by the association. For the purpose of this subdivision, "insurer" includes the assigned risk plan.

Subd. 9. **Refund due date.** Policyholders must receive the refund within 60 days of the day the reinsurance association receives the information required to be provided by subdivision 8.

Subd. 10. **Unclaimed refund.** Any part of the refund not distributed within one year after the due date of a refund under this section due to the inability to identify or locate policyholders remains with the Workers' Compensation Reinsurance Association.

Subd. 11. **Costs of distribution.** The reinsurance association may pay the actual and reasonable costs of the refunds made under this section from earnings on a declared excess surplus prior to its distribution.

**79.363 DISTRIBUTION OF EXCESS SURPLUS.**

The distribution of excess surplus of the Workers' Compensation Reinsurance Association is not a distribution of excess premiums to members. Any excess surplus not refunded according to Laws 1993, chapter 361, section 2, must be returned to the association and must not be distributed to its members. Any excess surplus not distributed or refunded according to section 79.361 must be retained by the association and must not be distributed to members.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Kreun.

The motion prevailed. So the appointments were confirmed.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 3720, H.F. No. 4252, S.F. No. 3699, and H.F. No. 3426.

## SPECIAL ORDER

**S.F. No. 3720:** A bill for an act relating to workers' compensation; adopting 2026 recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections 79.34, subdivisions 3, 4; 79.35; 79.36; 79.362; 79.38, subdivision 1; 175A.05, by adding a subdivision; 176.011, subdivision 15; 176.081, subdivision 9; 176.101, subdivision 2a; 176.155, subdivision 1; 176.221, subdivision 1; 176.322; repealing Minnesota Statutes 2024, sections 79.34, subdivision 2a; 79.361; 79.363.

S.F. No. 3720 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Housley | Mann | Pratt |
| Bahr | Farnsworth | Howe | Marty | Putnam |
| Boldon | Fateh | Jasinski | Mathews | Rarick |
| Carlson | Frentz | Johnson | Maye Quade | Rasmusson |
| Champion | Green | Johnson Stewart | McEwen | Rest |
| Clark | Gruenhagen | Klein | Miller | Seeberger |
| Coleman | Gustafson | Koran | Mohamed | Utke |
| Cwodzinski | Hauschild | Kreun | Murphy | Weber |
| Dahms | Hawj | Kunesh | Nelson | Wesenberg |
| Dibble | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Lieske | Pappas | Westrom |
| Draheim | Hoffman | Limmer | Pha | Wiklund |
| Drazkowski | Holmstrom | Lucero | Port | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Carlson, Mohamed, Port, Rest, and Xiong.

So the bill passed and its title was agreed to.

# 126. SF 5200

**Vote:** 2026-05-12 | **Workbook row:** 131
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 63 yeas, 3 nays

**Workbook subject:** Miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors correction

## Included complete bill documents

**1. Introduction, posted 2026-04-21** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/5200/versions/0/pdf/

## Original Senate journal context

PDF pages 124-124. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260512073.pdf#page=124

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/5200/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 5200

**(SENATE AUTHORS: LIMMER and Latz)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 04/22/2026 | 8963 | Introduction and first reading |
| | | Referred to Rules and Administration |
| 05/07/2026 | 10198 | Comm report: To pass |
| | 10198 | Second reading |
| 05/12/2026 | 10534 | Special Order |
| | 10534 | Third reading Passed |
| 05/17/2026 | 11748 | Returned from House with amendment |
| | 11748 | Senate concurred and repassed bill |
| | 11748 | Third reading Passed as amended |

A bill for an act

relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, section 268B.185, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 268B.185, subdivision 1, is amended to read:

Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a determination or amended determination issued under this chapter, or (2) because of a hearing officer's decision under section ~~268B.08~~ 268B.081, has received any family or medical leave benefits that the applicant was held not entitled to, is overpaid the benefits and must promptly repay the benefits to the family and medical benefit insurance account.

(b) If the applicant fails to repay the benefits overpaid, including any penalty and interest assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed under state and federal law.

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

Sec. 2. **EFFECTIVE DATE.**

Unless otherwise provided, each section of this act is effective at the time the provision being corrected is effective.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Heintzeman and Johnson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 5200:** A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, section 268B.185, subdivision 1.

S.F. No. 5200 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Jasinski | Marty | Rarick |
| Bahr | Farnsworth | Johnson | Mathews | Rasmusson |
| Boldon | Fateh | Johnson Stewart | Maye Quade | Rest |
| Carlson | Frentz | Klein | McEwen | Seeberger |
| Champion | Green | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Housley | Limmer | Port | |
| Drazkowski | Howe | Mann | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, Hawj, Hoffman, Klein, Mann, Marty, Murphy, Port, Rest, Wiklund, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Heintzeman, and Johnson.

Those who voted in the negative were:

| | | |
|---|---|---|
| Gruenhagen | Holmstrom | Lucero |

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills, and Second Reading of House Bills.

# 127. SF 3891

**Vote:** 2026-05-13 | **Workbook row:** 132
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Permission to donate eggs past their quality assurance date

## Included complete bill documents

**1. Introduction, posted 2026-02-24** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/3891/versions/0/pdf/

## Original Senate journal context

PDF pages 30-31. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260513074.pdf#page=30

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/3891/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 3891

**(SENATE AUTHORS: MAYE QUADE, Westrom and Hemmingsen-Jaeger)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 02/26/2026 | 6401 | Introduction and first reading |
| | | Referred to Agriculture, Veterans, Broadband, and Rural Development |
| 03/18/2026 | 6821 | Author added Westrom |
| 03/23/2026 | 6858 | Comm report: To pass and re-referred to Finance |
| 04/07/2026 | 7917 | Author added Hemmingsen-Jaeger |
| 05/12/2026 | 10535 | Comm report: To pass |
| | 10535 | Second reading |
| 05/13/2026 | 10566 | Special Order |
| | 10566 | Third reading Passed |
| 05/17/2026 | 10922 | Returned from House |
| | | Presentment date 05/20/26 |
| | 11759 | Governor's action Approval 05/26/26 |
| | 11760 | Secretary of State Chapter 110 05/26/26 |
| | | Effective date 08/01/2026 |

A bill for an act

relating to agriculture; allowing eggs to be donated past their quality assurance date; amending Minnesota Statutes 2024, sections 29.21, by adding a subdivision; 29.26.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 29.21, is amended by adding a subdivision to read:

Subd. 12. **Quality assurance date.** "Quality assurance date" means any date after which the manufacturer or processor reasonably determines that the product may, by spoilage, wiltage, drying, or any other foreseeable and natural phenomenon, lose palatability or desired or nutritive properties.

Sec. 2. Minnesota Statutes 2024, section 29.26, is amended to read:

**29.26 EGGS IN POSSESSION OF RETAILER.**

(a) All eggs sold or offered for sale at retail must have been candled and graded and must be clearly labeled according to Minnesota consumer grades as established by rule under section 29.23. No eggs shall be sold or offered for sale as "ungraded," "unclassified," or by any other name that does not clearly designate the grade. All eggs in possession of the retailer, either in temporary storage or on display, must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius).

(b) Grade AA eggs held 31 days past the coded pack date for Grade AA eggs, or Grade A eggs held 46 days past the coded pack date for Grade A eggs, lose their grades and must

be removed from sale~~.~~, except eggs that are past their quality assurance date may be donated to and distributed by charitable food assistance programs if the eggs:

(1) are contained in their original packaging;

(2) have previously been candled and graded;

(3) are continuously refrigerated;

(4) are distributed to the end consumer prior to 30 days past the original quality assurance date; and

(5) are contained in packaging affixed with a label that includes the following information:

(i) the name of the charitable food assistance program distributing the eggs;

(ii) a "distribute by" date of no more than 30 days past the original quality assurance date; and

(iii) the following statement: "Donated Eggs - Not for Resale."

## CONFIRMATION

Senator Rest moved that the report from the Committee on Taxes, reported April 29, 2026, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Rest moved that the foregoing report be now adopted. The motion prevailed.

Senator Rest moved that in accordance with the report from the Committee on Taxes, reported April 29, 2026, the Senate, having given its advice, do now consent to and confirm the appointments of:

TAX COURT
JUDGE

Jane Bowman, Saint Paul, Ramsey County, effective January 2, 2023 for a term expiring January 1, 2029.

Bradford Delapena, Saint Paul, Ramsey County, effective January 5, 2021 for a term expiring January 4, 2027.

Beverly Luther Quast, Saint Paul, Ramsey County, effective March 26, 2025 for a term expiring January 6, 2031.

The motion prevailed. So the appointments were confirmed.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 3891; H.F. Nos. 4240 and 3404.

## SPECIAL ORDER

**S.F. No. 3891:** A bill for an act relating to agriculture; allowing eggs to be donated past their quality assurance date; amending Minnesota Statutes 2024, sections 29.21, by adding a subdivision; 29.26.

S.F. No. 3891 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

| | | | | |
|---|---|---|---|---|
| Fateh | Housley | Lang | Miller | Rasmusson |
| Frentz | Howe | Latz | Mohamed | Rest |
| Green | Jasinski | Lieske | Nelson | Seeberger |
| Gruenhagen | Johnson | Limmer | Oumou Verbeten | Utke |
| Gustafson | Johnson Stewart | Lucero | Pappas | Weber |
| Hauschild | Klein | Mann | Pha | Wesenberg |
| Hawj | Koran | Marty | Port | Westlin |
| Heintzeman | Kreun | Mathews | Pratt | Westrom |
| Hemmingsen-Jaeger | Kunesh | Maye Quade | Putnam | Wiklund |
| Holmstrom | Kupec | McEwen | Rarick | Xiong |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hawj, Johnson Stewart, Klein, Marty, Mohamed, Pappas, Rest, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley and Johnson.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4240:** A bill for an act relating to elections; making various changes related to election administration; modifying provisions related to absentee voting; modifying timelines; prohibiting elected officials and candidates from betting on elections; making technical and clarifying changes; appropriating money; amending Minnesota Statutes 2024, sections 203B.05, subdivision 1; 203B.06, subdivision 3; 203B.065; 204B.27, subdivision 2; 204C.26, subdivisions 2, 4; 205.185, subdivision 3; 205A.10, subdivision 3; 211B.32, subdivision 1; Minnesota Statutes 2025 Supplement, sections 203B.30, subdivisions 2, 3; 205A.11, subdivision 2; 375.20; proposing coding for new law in Minnesota Statutes, chapters 204D; 211B; repealing Minnesota Statutes 2024, section 5.31.

Senator Westlin moved that the amendment made to H.F. No. 4240 by the Committee on Rules and Administration in the report adopted May 11, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Westlin moved to amend H.F. No. 4240 as follows (A-4):

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2024, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

(1) the county auditor of that county has designated the clerk to administer them; or

(2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121 and the municipality must determine whether the municipality's office will be designated to administer voting under section 203B.081 starting on the 46th day before the election or the 18th day before the election.

# 128. HF 3404

**Vote:** 2026-05-13 | **Workbook row:** 133
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Criminal penalty for impersonating a peace officer increased, crime of impersonating a peace officer while possessing a firearm established, enhanced penalties established, persons presenting as peace officers required to fulfill duty to identify, and criminal penalties established.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-03-02** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3404/versions/1/pdf/

## Original Senate journal context

PDF pages 37-37. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260513074.pdf#page=37

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3404/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3404

02/17/2026 Authored by Klevorn, Bahner, Moller, Gomez, Acomb and others
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
03/02/2026 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/13/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
04/23/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate
05/13/2026 Passed by the Senate and returned to the House
05/14/2026 Presented to Governor
05/18/2026 Governor Approval

A bill for an act

relating to public safety; increasing criminal penalty for impersonating a peace officer; establishing the crime of impersonating a peace officer while possessing a firearm; establishing enhanced penalties for committing an offense while impersonating a peace officer; requiring individuals presenting as peace officers to identify themselves as peace officers; establishing criminal penalties; amending Minnesota Statutes 2024, section 609.4751.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 609.4751, is amended to read:

**609.4751 IMPERSONATING A PEACE OFFICER.**

Subdivision 1. ~~**Misdemeanor**~~ **Intent to mislead.** Whoever falsely impersonates a peace officer with intent to mislead another into believing that the impersonator is actually an officer is guilty of a ~~misdemeanor~~ felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both.

Subd. 2. ~~**Gross misdemeanor**~~ **Buildings; vehicles.** Whoever violates subdivision 1 while committing any of the following acts is guilty of a ~~gross misdemeanor~~ felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both:

(1) gaining access to a public building or government facility that is not open to the public;

(2) without legal authority, directing or ordering another person to act or refrain from acting;

(3) violating section 169.64, subdivision 2, 3, or 4, or the siren provisions of section 169.68; or

(4) operating a motor vehicle ~~marked~~:

(i) marked with the word or words "police," "patrolman," "sheriff," "deputy," "trooper," "state patrol," "conservation officer," "agent," or "marshal"; ~~or~~

(ii) marked with any lettering, marking, or insignia, or colorable imitation thereof, including, but not limited to, stars, badges, or shields identifying the vehicle as a law enforcement vehicle, and which a reasonable person would believe is a law enforcement vehicle governed under section 169.98, subdivision 1~~.~~; or

(iii) displaying equipment commonly attached to law enforcement vehicles, or a facsimile of such equipment, in a manner that would lead a reasonable person to believe that the motor vehicle is a law enforcement vehicle governed under section 169.98, subdivision 1.

Subd. 3. ~~**Felony**~~ **Previous violation; possession of a firearm.** (a) Whoever violates this section within five years of a previous violation of this section is guilty of a felony and may be sentenced to imprisonment for not more than ~~two~~ ten years or to payment of a fine of not more than ~~$4,000~~ $20,000, or both.

(b) Whoever violates this section while in possession of a firearm is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

Subd. 4. **Crime committed while impersonating an officer; enhanced penalties.** (a) A person who commits a crime other than a violation of this section while falsely impersonating a peace officer with intent to mislead another into believing that the impersonator is actually an officer may be sentenced as follows:

(1) if the crime committed is a misdemeanor, the person is guilty of a gross misdemeanor;

(2) if the crime committed is a gross misdemeanor, the person is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $15,000, or both; and

(3) if the crime committed is a felony, the statutory maximum for the crime is five years longer than the statutory maximum for the underlying crime.

(b) An enhanced penalty imposed under this subdivision does not preclude prosecution under any other provision of this section.

Subd. 5. **Duty to identify.** (a) A law enforcement officer must identify the law enforcement agency or other entity employing the individual, the individual's last name, and the individual's identification number if the individual is:

(1) licensed by the Board of Peace Officer Standards and Training;

(2) an officer employed by a federally recognized Tribe, as defined in United States Code, title 25, section 450b(e);

(3) a peace officer of a state adjoining Minnesota exercising authority pursuant to section 626.77; or

(4) an officer from another jurisdiction providing mutual assistance under the terms of an emergency management assistance compact entered into pursuant to section 192.89 or a mutual aid arrangement or cooperative agreement entered into pursuant to section 12.21.

(b) A law enforcement officer satisfies the requirements in paragraph (a) if:

(1) the officer wears a uniform that clearly identifies the law enforcement agency or other entity employing the officer and displays any combination of a badge, nameplate, identification patch, or other label that clearly identifies the officer's last name and identification number;

(2) the officer wears body armor or a protective suit for the purposes of crowd control or participation as a member of a special weapons and tactics team, and displays any combination of a badge, nameplate, identification patch, or other label that clearly identifies the law enforcement agency or other entity employing the officer and the officer's identification number; or

(3) upon request, the officer states the required information or provides a card that includes the required information.

(c) Nothing in this subdivision requires an undercover peace officer to reveal the undercover peace officer's identity unless the undercover peace officer is detaining a person, arresting a person, or executing a warrant.

(d) Failure by a peace officer to comply with the requirements of this subdivision does not make an arrest unlawful and must not be the basis to suppress any evidence identified or seized following an arrest.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

The roll was called, and there were yeas 46 and nays 21, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Johnson Stewart | McEwen | Putnam |
| Boldon | Farnsworth | Klein | Miller | Rest |
| Carlson | Fateh | Koran | Mohamed | Seeberger |
| Champion | Frentz | Kunesh | Murphy | Westlin |
| Clark | Gustafson | Kupec | Nelson | Wiklund |
| Coleman | Hauschild | Latz | Oumou Verbeten | Xiong |
| Cwodzinski | Hawj | Limmer | Pappas | |
| Dibble | Hemmingsen-Jaeger | Mann | Pha | |
| Draheim | Hoffman | Marty | Port | |
| Drazkowski | Housley | Maye Quade | Pratt | |

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Carlson, Hawj, Johnson Stewart, Marty, Mohamed, Murphy, Pappas, Rest, and Xiong.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senator: Housley.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Heintzeman | Kreun | Rarick | Westrom |
| Dahms | Holmstrom | Lang | Rasmusson | |
| Dornink | Howe | Lieske | Utke | |
| Green | Jasinski | Lucero | Weber | |
| Gruenhagen | Johnson | Mathews | Wesenberg | |

Pursuant to Rule 40, Senator Lang cast the negative vote on behalf of the following Senators: Jasinski, Johnson, and Rasmusson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3404:** A bill for an act relating to public safety; increasing criminal penalty for impersonating a peace officer; establishing the crime of impersonating a peace officer while possessing a firearm; establishing enhanced penalties for committing an offense while impersonating a peace officer; requiring individuals presenting as peace officers to identify themselves as peace officers; establishing criminal penalties; amending Minnesota Statutes 2024, section 609.4751.

H.F. No. 3404 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Cwodzinski | Farnsworth | Hawj | Jasinski |
| Bahr | Dahms | Fateh | Heintzeman | Johnson |
| Boldon | Dibble | Frentz | Hemmingsen-Jaeger | Johnson Stewart |
| Carlson | Dornink | Green | Hoffman | Klein |
| Champion | Draheim | Gruenhagen | Holmstrom | Koran |
| Clark | Drazkowski | Gustafson | Housley | Kreun |
| Coleman | Duckworth | Hauschild | Howe | Kunesh |

# 129. HF 3489

**Vote:** 2026-05-15 | **Workbook row:** 134
**Recorded stage:** Passage after conference report
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Licensing boards reporting required, criminal offense of grooming established, criminal penalties provided, and money appropriated.

## Included complete bill documents

**1. 4th Engrossment, posted 2026-04-22** - 9 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3489/versions/4/pdf/

**2. 2nd Unofficial Engrossment, posted 2026-05-15** - 8 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/3489/versions/ue/2/pdf/

## Original Senate journal context

PDF pages 12-13. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260515076.pdf#page=13

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3489/

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State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3489

02/19/2026 Authored by Bennett, Bakeberg, Knudsen, Gordon, Mueller and others
The bill was read for the first time and referred to the Committee on Education Policy
03/05/2026 Adoption of Report: Amended and re-referred to the Committee on Public Safety Finance and Policy
03/16/2026 Adoption of Report: Amended and re-referred to the Committee on Children and Families Finance and Policy
03/23/2026 Adoption of Report: Amended and re-referred to the Committee on Education Finance
04/07/2026 Adoption of Report: Re-referred to the Committee on Ways and Means
04/22/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
04/27/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to education; establishing a field trip policy; requiring reporting to licensing boards; establishing the criminal offense of grooming; appropriating money; amending Minnesota Statutes 2024, sections 122A.20, subdivisions 1, 2; 260E.15; 260E.28, subdivision 1; 609.352, subdivisions 1, 4, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 260E.065, by adding a subdivision; 260E.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[121A.613] FIELD TRIPS.**

(a) A school employee, independent contractor, or volunteer must not be alone with a student outside the presence of other persons during a field trip, including a field trip with an overnight stay.

(b) This section does not apply:

(1) to a student for whom the school has an individualized family service plan, an individualized education program, or a 504 plan in effect that documents the need for the child to be alone with a school employee, independent contractor, or volunteer;

(2) in an emergency, to address the health or safety of the student or other persons; or

(3) when the student's parent has consented to the student being alone with a school employee, independent contractor, or volunteer.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

(1) immoral character or conduct;

(2) failure, without justifiable cause, to teach for the term of the teacher's contract;

(3) gross inefficiency or willful neglect of duty;

(4) failure to meet licensure requirements; or

(5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children, or grooming under section 609.352, interference with privacy under section 609.746 or harassment or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the court of

appeals or the supreme court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Professional Educator Licensing and Standards Board is delegated the authority to suspend or revoke coaching licenses.

Sec. 3. Minnesota Statutes 2024, section 122A.20, subdivision 2, is amended to read:

Subd. 2. **Mandatory reporting.** (a) A school board, superintendent, charter school board, charter school executive director, or charter school authorizer must report to the Professional Educator Licensing and Standards Board, the Board of School Administrators, or the Board of Trustees of the Minnesota State Colleges and Universities, whichever has jurisdiction over the teacher's or administrator's license, when its teacher or administrator is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or after charges are filed that are grounds for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or chapter 260E; or 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or when a teacher or administrator is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or chapter 260E. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board, administrator, or authorizer must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the license, a board, charter school, authorizer, charter school executive director, or school superintendent shall provide the licensing board with information about the teacher or administrator from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion

of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

(b) The licensing board to which a report is made must transmit to the Attorney General's Office any record or data it receives under this subdivision for the sole purpose of having the Attorney General's Office assist that board in its investigation. When the Attorney General's Office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's or administrator's license within 45 days of receiving a stipulation executed by the teacher or administrator under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

(c) The Professional Educator Licensing and Standards Board and Board of School Administrators must report to the appropriate law enforcement authorities a revocation, suspension, or agreement involving a loss of license, relating to a teacher or administrator's inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement authority" means a police department, county sheriff, or Tribal police department. A report by the Professional Educator Licensing and Standards Board to appropriate law enforcement authorities does not diminish, modify, or otherwise affect the responsibilities of a school board or any person mandated to report abuse under chapter 260E.

(d) A police department or county sheriff must notify the appropriate licensing board when a teacher is criminally charged with an offense listed in subdivision 1, paragraph (b), or is charged with any other offense not listed in this section that requires the person to register as a predatory offender under section 243.166.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 4. Minnesota Statutes 2025 Supplement, section 260E.065, is amended by adding a subdivision to read:

Subd. 4. **Commissioner of children, youth, and families; education-related mandated reporter training module on grooming.** (a) By August 1, 2027, the commissioner of

children, youth, and families must develop a training module as part of the commissioner's mandated reporter training that is specifically applicable to professionals or professionals' delegates engaged in education, including but not limited to:

(1) the requirement to report allegations of maltreatment involving students ages 18 through 21, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma; and

(2) addressing grooming, as described in section 609.352, subdivision 2c, and threatened sexual abuse, including the duty to report grooming as maltreatment under section 260E.06, and how to identify the signs of grooming.

(b) The commissioner must consult with the Minnesota Department of Education while developing the training module.

Sec. 5. Minnesota Statutes 2024, section 260E.15, is amended to read:

**260E.15 SCREENING GUIDELINES.**

(a) Child protection staff, supervisors, and others involved in child protection screening shall follow the guidance provided in the maltreatment screening guidelines issued by the commissioner and, when notified by the commissioner, shall immediately implement updated procedures and protocols.

(b) Any modification to the screening guidelines must be preapproved by the commissioner and must not be less protective of children than is mandated by statute. The county agency must consult with the county attorney before proposing modifications to the commissioner. The guidelines may provide additional protection for children but must not limit reports that are screened in or provide additional limits on consideration of reports that were screened out in making a screening determination.

(c) The screening guidelines issued by the commissioner must not limit an agency's ability to screen in and investigate a report of alleged maltreatment that occurred more than three years prior to the date of the report.

Sec. 6. Minnesota Statutes 2025 Supplement, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment, noncaregiver human trafficking assessment, or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment, noncaregiver human trafficking assessment, or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency must coordinate a comprehensive assessment pursuant to section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(i) When conducting any family assessment, noncaregiver human trafficking assessment, or investigation, the agency shall ask the child, if age appropriate; parents; extended family; and reporter about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

(j) Nothing in this chapter shall prevent a local welfare agency or local law enforcement agency from investigating alleged maltreatment that occurred more than three years prior to the date of the maltreatment report.

Sec. 7. Minnesota Statutes 2024, section 260E.28, subdivision 1, is amended to read:

Subdivision 1. **Immediate investigation for alleged maltreatment in a facility.** (a) The commissioner of human services; children, youth, and families; health; or education, whichever is responsible for investigating the report, shall immediately investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in section 260E.03 is the victim of maltreatment in a facility by an individual in that facility or has been the victim of maltreatment in a facility by an individual in that facility within the three years preceding the report; or

(2) a child is the victim of maltreatment in a facility by an individual in a facility defined in section 260E.03, subdivision 6, while in the care of that facility within the three years preceding the report.

(b) The commissioner of the agency responsible for investigating the report shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. The commissioner of the agency responsible for investigating the report or local welfare agency may interview any children who are or have been in the care of a facility under investigation and the children's parents, guardians, or legal custodians.

(c) In conducting an investigation under this section, the commissioner has the powers and duties specified for a local welfare agency under this chapter.

(d) Nothing in this chapter shall prevent the agency responsible for screening and investigating allegations of maltreatment from investigating alleged maltreatment that occurred more than three years prior to the date of the maltreatment report.

Sec. 8. Minnesota Statutes 2024, section 609.352, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "child" means a person 15 years of age or younger, except as the term is used in subdivision 2d;

(b) "current or recent position of authority" has the meaning given in section 609.341, subdivision 10;

(c) "pattern" means two or more instances of conduct;

~~(b)~~ (d) "sexual conduct" means sexual contact of the individual's primary genital area, sexual penetration as defined in section 609.341, or sexual performance as defined in section 617.246; and

~~(c)~~ (e) "solicit" means commanding, entreating, or attempting to persuade a specific person in person, by telephone, by letter, or by computerized or other electronic means.

Sec. 9. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2c. **Grooming.** A person 18 years of age or older who knowingly engages in a pattern of conduct that seduces, solicits, lures, or entices, or attempts to seduce, solicit, lure, or entice, a child to engage or participate in unlawful sexual conduct that is for the purpose of sexual gratification or arousal of the victim, the accused, or another individual is guilty of a felony and may be sentenced as provided in subdivision 4.

Sec. 10. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2d. **School violations; positions of authority.** A person, while in a current or recent position of authority over a child as an employee, a volunteer, or an independent contractor of the public or nonpublic elementary or secondary school where the child is or was enrolled, who commits any of the acts prohibited under subdivisions 2 through 2c is guilty of a felony if:

(1) the child is less than 18 years of age; and

(2) the person is more than 36 months older than the child.

Sec. 11. Minnesota Statutes 2024, section 609.352, subdivision 4, is amended to read:

Subd. 4. **Penalty.** A person convicted under subdivision 2 ~~or~~, 2a, 2c, or 2d is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than $10,000, or both.

Sec. 12. **APPROPRIATIONS.**

(a) $1,451,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of education for purposes of this act. The base for this appropriation is $1,441,000 in fiscal year 2028 and $1,442,000 in fiscal year 2029.

(b) The general fund base for the commissioner of corrections is increased by $13,000 in fiscal year 2028 and $35,000 in fiscal year 2029 for additional prison bed costs.

A bill for an act

relating to education; requiring reporting to licensing boards; establishing the criminal offense of grooming; providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 122A.20, subdivisions 1, 2; 260E.15; 609.352, subdivisions 1, 4, by adding subdivisions; Minnesota Statutes 2025 Supplement, section 260E.065, by adding a subdivision; Laws 2025, First Special Session chapter 10, article 12, section 8.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

(1) immoral character or conduct;

(2) failure, without justifiable cause, to teach for the term of the teacher's contract;

(3) gross inefficiency or willful neglect of duty;

(4) failure to meet licensure requirements; or

(5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children, or grooming under section 609.352, interference with privacy under section 609.746 or harassment or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the court of appeals or the supreme court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Professional Educator Licensing and Standards Board is delegated the authority to suspend or revoke coaching licenses.

Sec. 2. Minnesota Statutes 2024, section 122A.20, subdivision 2, is amended to read:

Subd. 2. **Mandatory reporting.** (a) A school board, superintendent, charter school board, charter school executive director, or charter school authorizer must report to the

Professional Educator Licensing and Standards Board, the Board of School Administrators, or the Board of Trustees of the Minnesota State Colleges and Universities, whichever has jurisdiction over the teacher's or administrator's license, when its teacher or administrator is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or after charges are filed that are grounds for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or chapter 260E; or 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or when a teacher or administrator is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or chapter 260E. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board, administrator, or authorizer must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the license, a board, charter school, authorizer, charter school executive director, or school superintendent shall provide the licensing board with information about the teacher or administrator from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

(b) The licensing board to which a report is made must transmit to the Attorney General's Office any record or data it receives under this subdivision for the sole purpose of having the Attorney General's Office assist that board in its investigation. When the Attorney General's Office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's or administrator's license within 45 days of receiving a stipulation executed by the teacher or

administrator under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

(c) The Professional Educator Licensing and Standards Board and Board of School Administrators must report to the appropriate law enforcement authorities a revocation, suspension, or agreement involving a loss of license, relating to a teacher or administrator's inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement authority" means a police department, county sheriff, or Tribal police department. A report by the Professional Educator Licensing and Standards Board to appropriate law enforcement authorities does not diminish, modify, or otherwise affect the responsibilities of a school board or any person mandated to report abuse under chapter 260E.

(d) A police department or county sheriff must notify the appropriate licensing board when a teacher is criminally charged with an offense listed in subdivision 1, paragraph (b), or is charged with any other offense not listed in this section that requires the person to register as a predatory offender under section 243.166.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 3. Minnesota Statutes 2025 Supplement, section 260E.065, is amended by adding a subdivision to read:

Subd. 4. **Commissioner of children, youth, and families; education-related mandated reporter training module on grooming.** (a) By August 1, 2027, the commissioner of children, youth, and families must update the existing mandated reporter training to include but not be limited to:

(1) the requirement to report allegations of maltreatment of students, including students receiving special education services; and

(2) addressing grooming and threatened sexual abuse, including the duty to report grooming as maltreatment under section 260E.06, how to identify the signs of grooming, and recognizing environments and circumstances that present an increased risk of grooming.

(b) The commissioner must consult with the Minnesota Department of Education while updating the training.

Sec. 4. Minnesota Statutes 2024, section 260E.15, is amended to read:

**260E.15 SCREENING GUIDELINES.**

(a) Child protection staff, supervisors, and others involved in child protection screening shall follow the guidance provided in the maltreatment screening guidelines issued by the commissioner and, when notified by the commissioner, shall immediately implement updated procedures and protocols.

(b) Any modification to the screening guidelines must be preapproved by the commissioner and must not be less protective of children than is mandated by statute. The county agency must consult with the county attorney before proposing modifications to the commissioner. The guidelines may provide additional protection for children but must not limit reports that are screened in or provide additional limits on consideration of reports that were screened out in making a screening determination.

(c) The screening guidelines issued by the commissioner must not limit an agency's ability to screen in and investigate a report of alleged grooming, as defined in section 609.352, subdivision 2c, that occurred more than three years prior to the date of the report.

Sec. 5. Minnesota Statutes 2024, section 609.352, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "child" means a person 15 years of age or younger;

(b) "pattern" means two or more instances of conduct;

~~(b)~~ (c) "sexual conduct" means sexual contact of the individual's primary genital area, sexual penetration as defined in section 609.341, or sexual performance as defined in section 617.246; and

~~(c)~~ (d) "solicit" means commanding, entreating, or attempting to persuade a specific person in person, by telephone, by letter, or by computerized or other electronic means.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2c. **Grooming.** A person 18 years of age or older commits the felony offense of grooming, and may be sentenced as provided in subdivision 4, if the person:

(1) expresses to a child the desire or intent to engage in sexual conduct with that child; and

(2) engages in a deliberate pattern of conduct to methodically develop a false trusting relationship with the child that is intended to strategically manipulate the child to engage in sexual conduct with the person at a future time, regardless of whether any sexual conduct occurs.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2d. **Violations by persons in positions of authority.** A person who commits any of the acts described in subdivisions 2 to 2c is guilty of a felony if:

(1) the person is in a current or recent position of authority, as defined in section 609.341, subdivision 10, over the victim;

(2) the person is more than 36 months older than the victim; and

(3) the victim is under the age of 18 years.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2e. **School violations.** A person who commits any of the acts described in subdivisions 2 to 2c is guilty of a felony if:

(1) the person is employed or contracted to provide services for an elementary, middle, or secondary school; and

(2) the victim, regardless of age, is enrolled as a student at the school.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2024, section 609.352, subdivision 4, is amended to read:

Subd. 4. **Penalty.** A person convicted under subdivision 2 ~~or~~, 2a, 2c, 2d, or 2e is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than $10,000, or both.

**EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 10. Laws 2025, First Special Session chapter 10, article 12, section 8, is amended to read:

Sec. 8. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Department.** (a) For the Department of Education:

$ 46,508,000 ..... 2026

$ ~~41,196,000~~ 42,647,000 ..... 2027

Of these amounts:

(1) $405,000 each year is for the Board of School Administrators;

(2) $1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) $720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) $480,000 each year is for the Department of Education's mainframe update;

(5) $6,000,000 in fiscal year 2026 only is for legal fees and costs associated with: (i) litigation in which the department, commissioner, or department employee operating in their official capacity is the defendant, respondent, appellant, or relator; (ii) litigation initiated by the department, commissioner, or department employee operating in their official capacity to stop payment or recover funds in cases of alleged malfeasance or misuse; (iii) expenses for required administrative legal activities, including data practices operations and appeals from administrative decisions; and (iv) legal staff required for clauses (i), (ii), and (iii);

(6) $2,359,000 each year is for modernizing district data submissions;

(7) $573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) $2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

(9) $800,000 each year is for audit and internal control resources;

(10) $175,000 each year is for administrative expenses for unemployment aid, and, in consultation with the Department of Employment and Economic Development, guidance to educational institutions eligible for reimbursement under Minnesota Statutes 2024, section 124D.995, including written guidance for school employees on eligibility for unemployment benefits between academic terms;

(11) $550,000 each year is for General Counsel and Inspector General staff and case management and fiscal analysis technology to support program compliance and integrity; ~~and~~

(12) $572,000 each year is for administration of the Summer Electronic Benefits Transfer Program; and

(13) $1,451,000 in fiscal year 2027 is for increasing the capacity of the student maltreatment program. The base for the allocation under this clause is $1,441,000 in fiscal year 2028 and $1,442,000 in fiscal year 2029 and later.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2028 ~~and later~~ is ~~$41,326,000~~ $42,767,000. The base for fiscal year 2029 and later is $42,768,000.

Sec. 11. **CONTINGENT APPROPRIATION.**

If the appropriation for this purpose is enacted more than once during the 2026 legislative session, it shall be given effect only once.

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hawj, Hoffman, Johnson Stewart, Kupec, Latz, Mann, Marty, Mohamed, Pappas, Putnam, Wiklund, and Xiong.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Howe | Limmer | Rasmusson |
| Bahr | Farnsworth | Jasinski | Lucero | Utke |
| Coleman | Green | Johnson | Mathews | Weber |
| Dahms | Gruenhagen | Koran | Miller | Wesenberg |
| Dornink | Heintzeman | Kreun | Nelson | Westrom |
| Draheim | Holmstrom | Lang | Pratt | |
| Drazkowski | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley, Lieske, and Rasmusson.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

## SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 3489, 5074, 4074, 4138, 3067; and S.F. No. 3236.

## SPECIAL ORDER

**H.F. No. 3489:** A bill for an act relating to education; establishing a field trip policy; requiring reporting to licensing boards; establishing the criminal offense of grooming; appropriating money; amending Minnesota Statutes 2024, sections 122A.20, subdivisions 1, 2; 260E.15; 260E.28, subdivision 1; 609.352, subdivisions 1, 4, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 260E.065, by adding a subdivision; 260E.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121A.

Senator Maye Quade moved to amend H.F. No. 3489, the unofficial engrossment, as follows (A11):

Page 7, line 16, delete "42,396,000" and insert "42,647,000"

Page 8, line 16, delete "$1,200,000" and insert "$1,451,000" and delete "only"

Page 8, line 17, after the period, insert "The base for the allocation under this clause is $1,441,000 in fiscal year 2028 and $1,442,000 in fiscal year 2029 and later."

Page 8, line 22, strike "and later" and delete "$42,526,000" and insert "$42,767,000" and after the period, insert "The base for fiscal year 2029 and later is $42,768,000."

The motion prevailed. So the amendment was adopted.

H.F. No. 3489 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Rasmusson |
| Bahr | Fateh | Johnson Stewart | Maye Quade | Rest |
| Boldon | Frentz | Klein | McEwen | Seeberger |
| Carlson | Green | Koran | Miller | Utke |
| Champion | Gruenhagen | Kreun | Mohamed | Weber |
| Clark | Gustafson | Kunesh | Murphy | Wesenberg |
| Coleman | Hauschild | Kupec | Nelson | Westlin |
| Cwodzinski | Hawj | Lang | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Latz | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Lieske | Pha | Xiong |
| Dornink | Holmstrom | Limmer | Port | |
| Draheim | Housley | Lucero | Pratt | |
| Drazkowski | Howe | Mann | Putnam | |
| Duckworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Gustafson, Hawj, Johnson Stewart, Kupec, Mann, Marty, Pappas, Putnam, Wiklund, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Housley, Johnson, Lang, Lieske, Limmer, and Rasmusson.

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Maye Quade moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## SPECIAL ORDER

**H.F. No. 5074:** A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

H.F. No. 5074 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

# 130. HF 5074

**Vote:** 2026-05-15 | **Workbook row:** 135
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 2 nays

**Workbook subject:** Claims against the state settlement provided, and money appropriated.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-05-07** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/5074/versions/1/pdf/

## Original Senate journal context

PDF pages 13-13. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260515076.pdf#page=13

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/5074/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

## H. F. No. 5074

| | |
|---|---|
| 04/27/2026 | Authored by Frederick<br>The bill was read for the first time and referred to the Committee on Ways and Means |
| 05/07/2026 | Adoption of Report: Placed on the General Register as Amended<br>Read for the Second Time |
| 05/12/2026 | By motion, pursuant to Rule 1.21, be placed on the Calendar for the Day |
| 05/13/2026 | Calendar for the Day<br>Read for the Third Time<br>Passed by the House and transmitted to the Senate |
| 05/15/2026 | Passed by the Senate and returned to the House |
| 05/16/2026 | Presented to Governor |
| 05/19/2026 | Governor Approval |

A bill for an act

relating to claims against the state; providing for the settlement of certain claims; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **EXONERATION AWARDS.**

The amounts in this section are appropriated in fiscal year 2027 from the general fund to the commissioner of management and budget for full payment of awards of damages under the Imprisonment and Exoneration Remedies Act, Minnesota Statutes, sections 611.362 to 611.368. This appropriation is available until June 30, 2027, for payment to:

(1) James Lamar Davis, $250,000;

(2) Clayton Douglas Groves, $350,000; and

(3) Marvin Haynes, $4,500,000.

Sec. 2. **DEPARTMENT OF CORRECTIONS; APPROPRIATIONS.**

The amounts in this section are appropriated from the general fund to the commissioner of corrections in fiscal year 2027 for full and final payment under Minnesota Statutes, sections 3.738 and 3.739, of claims against the state for losses suffered while incarcerated in a state correctional facility or for injuries suffered by and medical services provided to persons injured while performing community service or sentence-to-service work for correctional purposes or while incarcerated in a state correctional facility. This appropriation is available until June 30, 2027, for payment to Mark Carroll for permanent injuries, $4,570.40.

H.F. No. 3489 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Rasmusson |
| Bahr | Fateh | Johnson Stewart | Maye Quade | Rest |
| Boldon | Frentz | Klein | McEwen | Seeberger |
| Carlson | Green | Koran | Miller | Utke |
| Champion | Gruenhagen | Kreun | Mohamed | Weber |
| Clark | Gustafson | Kunesh | Murphy | Wesenberg |
| Coleman | Hauschild | Kupec | Nelson | Westlin |
| Cwodzinski | Hawj | Lang | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Latz | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Lieske | Pha | Xiong |
| Dornink | Holmstrom | Limmer | Port | |
| Draheim | Housley | Lucero | Pratt | |
| Drazkowski | Howe | Mann | Putnam | |
| Duckworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Gustafson, Hawj, Johnson Stewart, Kupec, Mann, Marty, Pappas, Putnam, Wiklund, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Housley, Johnson, Lang, Lieske, Limmer, and Rasmusson.

So the bill, as amended, was passed and its title was agreed to.

## RECESS

Senator Maye Quade moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## SPECIAL ORDER

**H.F. No. 5074:** A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

H.F. No. 5074 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Carlson | Coleman | Dibble | Drazkowski |
| Bahr | Champion | Cwodzinski | Dornink | Duckworth |
| Boldon | Clark | Dahms | Draheim | Farnsworth |

# 131. HF 4138

**Vote:** 2026-05-15 | **Workbook row:** 136
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 66 yeas, 0 nays

**Workbook subject:** Social media platform requirements established relating to accounts for minors, and enforcement mechanisms established for regulations on child social media accounts.

## Included complete bill documents

**1. 4th Engrossment, posted 2026-05-12** - 13 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4138/versions/4/pdf/

**2. 1st Unofficial Engrossment, posted 2026-05-15** - 9 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/4138/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 17-24. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260515076.pdf#page=24

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4138/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4138**

03/09/2026 Authored by Scott, Bahner, Robbins, Elkins, Dotseth and others
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law
03/23/2026 Adoption of Report: Amended and re-referred to the Committee on Commerce Finance and Policy
04/07/2026 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/27/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
05/12/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

A bill for an act

relating to civil law; establishing requirements for social media platforms related to accounts for minors; establishing enforcement mechanisms for regulations on child social media accounts; providing for social media behavioral threat assessment and reporting; amending Minnesota Statutes 2024, sections 325M.31; 325M.33; proposing coding for new law in Minnesota Statutes, chapter 325M.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 325M.31, is amended to read:

**325M.31 DEFINITIONS.**

(a) For purposes of sections 325M.30 to ~~325M.34~~ 325M.36, the following terms have the meanings given.

(b) "Accessible user interface" means a way for a user to input data, make a choice, or take an action on a social media platform in two clicks or fewer.

(c) "Account holder" means a natural person or legal person who holds an account or profile with a social media platform.

(d) "Account interactions" means any action that a user can make within a social media platform that could have a negative impact on another account holder. Account interactions include but are not limited to:

(1) sending messages or invitations to users;

(2) reporting users;

(3) commenting on, resharing, liking, voting, or otherwise reacting to users' user-generated content; and

(4) posting user-generated content or disseminating user-generated content to users.

Actions that have no impact on other users, including viewing user-generated content or public content, are not account interactions.

(e) "Algorithmic ranking system" means a computational process, including one derived from algorithmic decision making, machine learning, statistical analysis, or other data processing or artificial intelligence techniques, used to determine the selection, order, relative prioritization, or relative prominence of content from a set of information that is provided to a user on a social media platform, including search results ranking, content recommendations, content display, or any other automated content selection method.

(f) "Conspicuously" means the information is presented in a manner, given the information's size, color, contrast, location, and proximity to any related information, as to be readily noticed and understood by a reasonable user.

(g) "Content" means any media, including but not limited to written posts, images, visual or audio recordings, notifications, and games, that a user views, reads, watches, listens to, or otherwise interacts or engages with on a social media platform. Content includes other account holders' accounts or profiles when recommended to a user by the social media platform.

(h) "Engage" or "engagement" means a user's utilization of the social media platform.

(i) "Expressed preferences" means a freely given, considered, specific, and unambiguous indication of a user's preferences regarding the user's engagement with a social media platform. Expressed preferences must not be based on the user's time spent engaging with content on the social media platform or on the use of features that do not indicate explicit preference, including comments made, posts reshared, or similar actions that may be taken on content the user perceives to be of low quality. Expressed preferences must not be obtained through a user interface designed or manipulated with the substantial effect of subverting or impairing a user's decision making.

(j) "Social media platform" means an electronic medium, including a browser-based or application-based interactive computer service, Internet website, telephone network, or data network, that allows an account holder to create, share, and view user-generated content for a substantial purpose of social interaction, sharing user-generated content, or personal networking. Social media platform does not include:

(1) an Internet search provider;

(2) an Internet service provider;

(3) an email service;

(4) a streaming service, online video game, e-commerce, or other Internet website where the content is not user generated but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon providing the content;

(5) a communication service, including text, audio, or video communication technology, provided by a business to the business's employees and clients for use in the course of business activities and not for public distribution, except that social media platform includes a communication service provided by a social media platform;

(6) an advertising network with the sole function of delivering commercial content;

(7) a telecommunications carrier, as defined in United States Code, title 47, section 153;

(8) a broadband service, as defined in section 116J.39, subdivision 1;

(9) single-purpose community groups for education or public safety;

(10) teleconferencing or video-conferencing services that allow reception and transmission of audio and video signals for real-time communication, except that social media platform includes teleconferencing or video-conferencing services provided by a social media platform;

(11) cloud computing services, which may include cloud storage and shared document collaboration;

(12) providing or obtaining technical support for a platform, product, or service; or

(13) a platform designed primarily and specifically for creative professional users, as distinct from the general public, to share their portfolio and creative content, engage in professional networking, acquire clients, and market the creative professional user's creative content and creative services through facilitated transactions.

(k) "Time sensitive" means content that is welcomed under a user's expressed preferences and that has significantly reduced value to the user with the passing of time.

(l) "User" means a natural person who is located in Minnesota and who holds an account or profile with a social media platform.

(m) "User-generated content" means any content created by an account holder that is uploaded, posted, shared, or disseminated on the social media platform.

Sec. 2. Minnesota Statutes 2024, section 325M.33, is amended to read:

**325M.33 TRANSPARENCY REQUIREMENTS FOR SOCIAL MEDIA PLATFORMS.**

A social media platform must publicly and conspicuously post the following information on the social media platform's website:

(1) an explanation of how the social media platform limits excessive account interactions, including:

(i) the maximum limit on the number of times that a user can engage in each specific kind of account interaction in an hour, day, week, and month; and

(ii) whether and how the platform engages in any reduction in the ability of accounts to affect other users when the user engages in a high number of account interactions that is below the maximum limit;

(2) an explanation detailing how the platform:

(i) assesses the quality of content;

(ii) assesses users' expressed preferences regarding content; and

(iii) utilizes the assessments under items (i) and (ii) in each of the social media platform's algorithmic ranking system, including how the assessments are weighted in relation to other signals in the algorithmic ranking system;

(3) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders for each distinct type of account interaction or engagement, including but not limited to:

(i) sending invitations or messages to other platform account holders;

(ii) commenting on, resharing, liking, voting for, or otherwise reacting to content;

(iii) posting new user-generated content;

(iv) disseminating user-generated content to other platform account holders; and

(v) time spent on the platform;

(4) an explanation of how the platform determines whether a notification is time sensitive and how many time-sensitive and non-time-sensitive notifications are sent to users including:

(i) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders in a given day; and

(ii) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders during each hour between the hours of 11:00 p.m. and 7:00 a.m.; ~~and~~

(5) a description of all product experiments that have been conducted on 1,000 or more users, including a description of the experimental conditions and the results of the product experiment for all experimental conditions on users' viewing or engaging with content that:

(i) users indicate to be high or low quality;

(ii) users indicate complies or does not comply with the users' expressed preferences; or

(iii) violates platform policies~~.~~; and

(6) an explanation of the age estimation process used to determine the age of account holders.

**EFFECTIVE DATE.** This section is effective July 1, 2027.

Sec. 3. **[325M.36] SOCIAL MEDIA BEHAVIORAL THREAT ASSESSMENT AND REPORTING.**

Subdivision 1. **Social media behavioral threat assessment and reporting; requirements.** (a) A social media platform must review publicly available user-generated content and if a social media platform becomes aware of any information that a mass violence event is threatened, or has taken place, is taking place, or is likely to take place, in Minnesota or to be committed by or committed against an individual or group located in Minnesota, it shall immediately report its suspicion to the Minnesota Fusion Center (MNFC) and provide all relevant information available.

(b) Nothing in this section prevents a social media platform from any other reporting normally done in the course of business or as required by law, including contacting local, state, or national law enforcement; school safety centers; or other facilities or individuals.

(c) For the purposes of this section, a "mass violence event" means a communicated, demonstrated, or reasonably inferred threat of injury likely to cause death, or the threat of killing or attempting to kill using targeted violence, mass casualty violence, or terrorism, against an identified or reasonably identifiable individual or group, a location, an institution,

or an event, where the violence is likely to result in death and where the facts and circumstances indicate a credible intent, capability, or preparation to carry out the threatened act.

(d) Information that must be provided in an immediate manner to the MNFC under this section shall be reported within 24 hours of the social media platform becoming aware of the information, or sooner if the information indicates an imminent mass violence event will occur in less than 24 hours.

Subd. 2. **Enforcement.** (a) If a social media platform violates this section, the attorney general may bring an enforcement action under paragraph (b).

(b) The attorney general may bring an enforcement action against a social media platform to enforce a provision of this section in accordance with section 8.31. If the state prevails in an action to enforce this section, the state may, in addition to penalties provided by paragraph (c) or other remedies provided by law, be allowed an amount determined by the court to be the reasonable value of all or part of the state's litigation expenses incurred.

(c) Any social media platform that violates this section is subject to an injunction and any other equitable relief, and is liable for a civil penalty of not more than $1,000,000 for each violation.

Subd. 3. **Data practices.** The MNFC, along with the agency that carries on a law enforcement function that subsequently obtains information from a social media platform, must treat the data as criminal investigative data under section 13.82, subdivision 7.

Subd. 4. **Immunity from liability.** This section does not create a unique cause of action for an individual. A social media platform that uses currently available technology and follows the requirements of this section is not liable to an individual or any persons for the criminal actions of another based on the requirements or standards in this section.

Sec. 4. **[325M.40] STOP HARMS FROM ADDICTIVE SOCIAL MEDIA.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Account holder" means a resident of the state who has an account or a profile with a covered social media platform with a unique identifier during any period in which that covered social media platform knows or should reasonably know the account holder is physically located in the state.

(c) "Addictive interface features" means:

(1) infinite scrolling meaning either continuously loading content, content that loads as the account holder scrolls down the page without the need to open a separate page, seamless content, or the use of pages with no visible or apparent end or page breaks;

(2) display of a profile-based feed;

(3) push notifications, whether audible, visual, or tactile, designed to call the attention of the account holder to newly posted content, user responses to content posted by the account holder, or other specific activities or events related to the account holder's account, but not including notifications for the purposes of alerting the account holder to incoming calls, text messages, email messages, or similar messages sent by human contact and delivered by means of any application;

(4) autoplay video or video that begins to play without the account holder first clicking on the video or on a play button for that video;

(5) display of personal metrics that indicate the number of times other users have clicked a button or taken other action to indicate their reaction to content posted by the account holder or have shared or reposted content posted by the account holder; or

(6) display of awards, badges, tiers, or any form of recognition of the account holder based on hours spent by the account holder on the covered social media platform, numbers of followers, numbers of postings, frequency or regularity of postings, or any other metric of usage or performance on the covered social media platform.

(d) "Child" means an individual who is age 15 or younger and residing in Minnesota.

(e) "Covered social media platform" means a social media platform that has 10,000 or more account holders or that has earned at least $1,000,000,000 in revenues worldwide in one or more of the preceding three years.

(f) "Minor" means an individual who is under the age of 18.

(g) "Paid commercial advertising" is advertising for which the covered social media platform receives compensation of any sort in return for displaying the advertising and that seeks to encourage the account holder to purchase a product or service or otherwise engage in a commercial transaction or to follow a link to a website that encourages the account holder to engage in a commercial transaction.

(h) "Parent" means any parent under state law or any legal guardian or legal custodian of a child who is a resident of the state.

(i) "Personal information" means information about an account holder collected online that comprises personal information within the meaning of the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(8), and the implementing regulations at Code of Federal Regulations, title 16, section 312.2. Personal information also includes any record of or derived from online activity or history, search history, or online communications of an account holder with respect to any application, website, or covered social media platform; any photograph or biometric information that is used or could reasonably be used to identify the account holder, including but not limited to fingerprints, voiceprints, iris or retina imagery scans, facial templates, or gait imagery or metrics; and any geolocation information associated with an account holder or with a device of an account holder. Personal information does not include an express search term, request, or selection submitted by the account holder during the current session on the covered social media platform; an identifier used solely for the purpose of directing personal communications to or from the account holder; information that comprises account holder-selected or parent-selected settings relating to privacy, accessibility, or blocking of age-inappropriate content; or technical information concerning the account holder's device.

(j) "Profile-based feed" means a feed in which the material presented has been selected or prioritized by the covered social media platform for display to an account holder based in whole or in part on personal information of that account holder, except that inclusion in a feed of content created by a third party that is displayed to the account holder because the account holder has taken an affirmative step to select the third party's content for inclusion in the feed displayed to the account holder, such as by following, friending, or engaging in similar actions in relation to the third party and not otherwise selected or prioritized for display to the account holder based on personal information, shall not render the feed a profile-based feed. Additionally, exclusion by a covered social media platform of certain content from the feed of an account holder based on information about or any estimate of the age of an account holder solely for the purpose of excluding content that (1) is obscene as to children age 15 or younger, or (2) by policy of the covered social media platform is not suitable for presentation to children of that age shall not render that feed a profile-based feed.

(k) "Social media platform" means an Internet website or application that is open to the public, allows a user to create an account, enables an account holder to communicate with other users for the primary purpose of posting and viewing information, comments, messages, images, or videos, and utilizes addictive interface features, provides profile-based feeds, or

utilizes personal information to display targeted paid commercial advertising. Social media platform does not include:

(1) a broadband Internet access service as defined by the Federal Communications Commission;

(2) an online service, website, or application where the exclusive function is the support of communications, including email, video conference capabilities, or direct messaging consisting of text, photographs, pictures, images, or videos only between the sender and recipients specifically identified by the sender, without displaying or posting publicly or to other users not specifically identified as the recipients by the sender;

(3) an online service, application, or website with content consisting primarily of information or content that is not user generated; or

(4) a streaming service, online video game, e-commerce, or other Internet website where the content is not user generated, but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon the non-user-generated content.

(l) "Targeted paid commercial advertising" means paid commercial advertising that has been selected or prioritized for display to an account holder based in whole or in part on account activity or personal information of the account holder by or with the participation of the covered social media platform, except that advertising selected for display to an account holder shall not constitute targeted paid commercial advertising if that selection process considers information about or an estimate of the age of the account holder solely for the purpose of excluding advertisements that by law or policy of the covered social media platform are not suitable for presentation to a child of that age.

(m) "Verifiable parental consent" has the meaning established in the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(9), and the implementing regulations under Code of Federal Regulations, title 16, section 312.5.

Subd. 2. **Age estimation; requirements.** (a) When a new account holder has been on the covered social media platform for 25 hours or more within a six-month period, the covered social media platform has 14 days to estimate the age of the account holder using reasonable efforts, taking into consideration available technology and the data in the possession of the covered social media platform. If the covered social media platform is able to conclude with a percentage confidence score of 80 percent or greater that the user is 16 years old or older, the covered social media platform may treat the account holder to

be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(b) When a new account holder has been on the covered social media platform for 50 hours or more within a six-month period, the covered social media platform has 14 days to use reasonable efforts to revise the covered social media platform's initial estimate of the age of the account holder. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is 16 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(c) A covered social media platform shall update its estimate of the age of each account holder after every six months that the account holder is on the platform, or as often as the covered social media platform applies any form of data analytics or artificial intelligence to update the covered social media platform's estimate of any other demographic characteristics of the account holder for any reason, whichever period is shorter. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is 16 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(d) Nothing in this section shall be construed to create any duty on the part of a covered social media platform to request, collect, or retain any information from or about any account holder, except as provided under subdivision 7. The age estimate required by this section shall be derived based on information collected by the covered social media platform in the ordinary course of operation of the covered social media platform, and a covered social media platform shall have no obligation under this section to estimate the age of an account holder who has had an account with the covered social media platform continuously for at least seven years or to take any action with respect to the account.

Subd. 3. **Creation and maintenance of account of a child.** (a) A covered social media platform shall require applicants for an account to provide the month and year of their birth date as part of the account application process, and shall not provide a default birthdate in any form or query used to obtain that information.

(b) A covered social media platform may not create an account for a user identified as a child pursuant to this section, or change the terms and conditions of an account of a child,

without first obtaining verifiable parental consent. A covered social media platform that is required to treat an account holder as a child pursuant to subdivision 2 must not maintain an account of a child without verifiable consent consistent with the process in subdivision 6, paragraph (c). Information collected for the purpose of obtaining verifiable parental consent shall not be used for any purpose other than obtaining verifiable parental consent and shall not be sold, transferred, or disclosed, except to the extent necessary to comply with any other applicable state or federal law or regulation.

(c) A covered social media platform shall provide clear, simple, and easy-to-locate information through a link about the creation or maintenance of an account of a child and include that information in the terms and services agreement.

Subd. 4. **Privacy and parental limitations for account of a child.** (a) An account for a child shall have all privacy settings set by default at the most private levels.

(b) A covered social media platform may not change the privacy settings of an account of a child so long as the account holder remains a child.

(c) In the course of obtaining verifiable parental consent for the establishment or continuation of an account of a child, a covered social media platform shall prominently provide and explain an option for the parent to:

(1) monitor the amount of time the child spends using the covered social media platform;

(2) set daily and weekly time limits on use of the covered social media platform; and

(3) set limits on times of day when the covered social media platform can be accessed by the child.

(d) Information collected on the account of a child by the social media platform shall not at any time be sold, transferred, or disclosed, except to the extent necessary to comply with any other applicable state or federal law or regulation.

Subd. 5. **Prohibition on addictive interface; presentation of paid commercial advertising.** (a) A covered social media platform may not present addictive interface features in the display or feed of any account of a child.

(b) A covered social media platform may not present targeted paid commercial advertising in the display or feed of any account of a child.

Subd. 6. **Termination of an account of a child.** (a) A covered social media platform shall terminate an account of a child within no more than seven days after receipt of a request for termination from the account holder.

(b) A covered social media platform shall terminate the account of a child within 14 days of the receipt of a request for termination from a parent of the account holder. Upon receipt of the parent's request, the covered social media platform shall verify that the requesting party is a parent of the account holder by whatever means of verification the covered social media platform uses for purposes of ascertaining the validity of verifiable parental consent. A covered social media platform shall provide clear, simple, and easy-to-locate means for the parent of any child to request termination of any account of a child.

(c) A covered social media platform must terminate an account if it concludes, consistent with the age estimation requirements in subdivision 2, that an account holder is a child unless verifiable parental consent is obtained for the account. The covered social media platform shall provide 30 days from the date of the notice for the account holder to dispute the age classification or to provide verifiable parental consent. If an account holder disputes his or her classification as a child, a covered social media platform may rely on any commercially reasonable process to resolve the dispute. A covered social media platform shall make a reasonable determination of the dispute within 30 days of the completion of that process. In the event a covered social media platform concludes, after considering a dispute, that the covered social media platform is obligated to terminate an account, it shall terminate that account within seven days of making that determination.

Subd. 7. **Verifiable parental consent; records.** A covered social media platform must retain documentation sufficient to reasonably establish that it has obtained verifiable parental consent as required under this section.

Subd. 8. **Contract provisions.** (a) Contracts formed in violation of this section are void and unenforceable. No part of this section may be waived in a contract or terms of service agreement.

(b) If a covered social media platform permits a child to open or continue an account on the platform in the absence of parental consent sufficient for the formation of a binding contract with a minor under ordinary principles of contract law under the laws of this state, any purported contract pertaining to the account is void and unenforceable as contrary to public policy, including but not limited to any arbitration provision, limitation of liability, or limitation of remedies, without regard to whether the covered social media platform had actual or constructive knowledge that the account holder was a child.

Subd. 9. **Enforcement; remedies.** (a) A child or parent shall have a private right of action for a violation of this section. The court may award declaratory or injunctive relief,

general and special damages, court costs and fees, reasonable attorney fees, and any other appropriate relief as a result of a negligent, reckless, or knowing violation of this section.

(b) If a covered social media platform's violation was reckless or knowing, a child or parent who prevails on a claim based on any violation of this section shall be entitled to recover actual damages or $10,000 in statutory damages, whichever is greater.

(c) If a covered social media platform's violation was part of a consistent pattern of reckless or knowing conduct, punitive damages may be awarded.

(d) A covered social media platform shall not be liable for any violation of this section if it has used reasonable efforts, taking into consideration available technology and the data in possession of the covered social media platform, to comply with the requirements of this section.

(e) A civil action for damages for a violation of this section must be brought within three years of the date the plaintiff knew, or reasonably should have known, of the alleged violation. However, this limitation period for the action shall be tolled until the holder of an account of a child reaches the age of 18.

Subd. 10. **Deceptive trade practices.** Any knowing or reckless violation of this section shall constitute a deceptive trade practice and a violation of section 325D.44. The attorney general shall have enforcement authority under section 8.31.

**EFFECTIVE DATE.** This section is effective July 1, 2027, and applies to accounts created before, on, or after that date.

A bill for an act

relating to civil law; establishing requirements for social media platforms related to accounts for minors; establishing enforcement mechanisms for regulations on child social media accounts; amending Minnesota Statutes 2024, section 325M.33; proposing coding for new law in Minnesota Statutes, chapter 325M.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 325M.33, is amended to read:

**325M.33 TRANSPARENCY REQUIREMENTS FOR SOCIAL MEDIA PLATFORMS.**

A social media platform must publicly and conspicuously post the following information on the social media platform's website:

(1) an explanation of how the social media platform limits excessive account interactions, including:

(i) the maximum limit on the number of times that a user can engage in each specific kind of account interaction in an hour, day, week, and month; and

(ii) whether and how the platform engages in any reduction in the ability of accounts to affect other users when the user engages in a high number of account interactions that is below the maximum limit;

(2) an explanation detailing how the platform:

(i) assesses the quality of content;

(ii) assesses users' expressed preferences regarding content; and

(iii) utilizes the assessments under items (i) and (ii) in each of the social media platform's algorithmic ranking system, including how the assessments are weighted in relation to other signals in the algorithmic ranking system;

(3) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders for each distinct type of account interaction or engagement, including but not limited to:

(i) sending invitations or messages to other platform account holders;

(ii) commenting on, resharing, liking, voting for, or otherwise reacting to content;

(iii) posting new user-generated content;

(iv) disseminating user-generated content to other platform account holders; and

(v) time spent on the platform;

(4) an explanation of how the platform determines whether a notification is time sensitive and how many time-sensitive and non-time-sensitive notifications are sent to users including:

(i) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders in a given day; and

(ii) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders during each hour between the hours of 11:00 p.m. and 7:00 a.m.; ~~and~~

(5) a description of all product experiments that have been conducted on 1,000 or more users, including a description of the experimental conditions and the results of the product experiment for all experimental conditions on users' viewing or engaging with content that:

(i) users indicate to be high or low quality;

(ii) users indicate complies or does not comply with the users' expressed preferences; or

(iii) violates platform policies~~.~~<u>; and</u>

<u>(6) an explanation of the age estimation process used to determine the age of account holders.</u>

**<u>EFFECTIVE DATE.</u>** <u>This section is effective July 1, 2027.</u>

Sec. 2. **[325M.40] STOP HARMS FROM ADDICTIVE SOCIAL MEDIA.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Account holder" means a resident of the state who has an account or a profile with a covered social media platform with a unique identifier during any period in which that covered social media platform knows or should reasonably know the account holder is physically located in the state.

(c) "Addictive interface features" means:

(1) infinite scrolling meaning either continuously loading content, content that loads as the account holder scrolls down the page without the need to open a separate page, seamless content, or the use of pages with no visible or apparent end or page breaks;

(2) display of a profile-based feed;

(3) push notifications, whether audible, visual, or tactile, designed to call the attention of the account holder to newly posted content, user responses to content posted by the account holder, or other specific activities or events related to the account holder's account, but not including notifications for the purposes of alerting the account holder to incoming calls, text messages, email messages, or similar messages sent by human contact and delivered by means of any application;

(4) autoplay video or video that begins to play without the account holder first clicking on the video or on a play button for that video;

(5) display of personal metrics that indicate the number of times other users have clicked a button or taken other action to indicate their reaction to content posted by the account holder or have shared or reposted content posted by the account holder; or

(6) display of awards, badges, tiers, or any form of recognition of the account holder based on hours spent by the account holder on the covered social media platform, numbers of followers, numbers of postings, frequency or regularity of postings, or any other metric of usage or performance on the covered social media platform.

(d) "Child" means an individual who is age 15 or younger and residing in Minnesota.

(e) "Covered social media platform" means a social media platform that has 10,000 or more account holders or that has earned at least $1,000,000,000 in revenues worldwide in one or more of the preceding three years.

(f) "Minor" means an individual who is under the age of 18.

(g) "Paid commercial advertising" is advertising for which the covered social media platform receives compensation of any sort in return for displaying the advertising and that seeks to encourage the account holder to purchase a product or service or otherwise engage in a commercial transaction or to follow a link to a website that encourages the account holder to engage in a commercial transaction.

(h) "Parent" means any parent under state law or any legal guardian or legal custodian of a child who is a resident of the state.

(i) "Personal information" means information about an account holder collected online that comprises personal information within the meaning of the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(8), and the implementing regulations at Code of Federal Regulations, title 16, section 312.2. Personal information also includes any record of or derived from online activity or history, search history, or online communications of an account holder with respect to any application, website, or covered social media platform; any photograph or biometric information that is used or could reasonably be used to identify the account holder, including but not limited to fingerprints, voiceprints, iris or retina imagery scans, facial templates, or gait imagery or metrics; and any geolocation information associated with an account holder or with a device of an account holder. Personal information does not include an express search term, request, or selection submitted by the account holder during the current session on the covered social media platform; an identifier used solely for the purpose of directing personal communications to or from the account holder; information that comprises account holder-selected or parent-selected settings relating to privacy, accessibility, or blocking of age-inappropriate content; or technical information concerning the account holder's device.

(j) "Profile-based feed" means a feed in which the material presented has been selected or prioritized by the covered social media platform for display to an account holder based in whole or in part on personal information of that account holder, except that inclusion in a feed of content created by a third party that is displayed to the account holder because the account holder has taken an affirmative step to select the third party's content for inclusion in the feed displayed to the account holder, such as by following, friending, or engaging in similar actions in relation to the third party and not otherwise selected or prioritized for display to the account holder based on personal information, shall not render the feed a profile-based feed. Additionally, exclusion by a covered social media platform of certain content from the feed of an account holder based on information about or any estimate of the age of an account holder solely for the purpose of excluding content that (1) is obscene as to children age 15 or younger, or (2) by policy of the covered social media platform is

not suitable for presentation to children of that age shall not render that feed a profile-based feed.

(k) "Social media platform" means an Internet website or application that is open to the public, allows a user to create an account, enables an account holder to communicate with other users for the primary purpose of posting and viewing information, comments, messages, images, or videos, and utilizes addictive interface features, provides profile-based feeds, or utilizes personal information to display targeted paid commercial advertising. Social media platform does not include:

(1) a broadband Internet access service as defined by the Federal Communications Commission;

(2) an online service, website, or application where the exclusive function is the support of communications, including email, video conference capabilities, or direct messaging consisting of text, photographs, pictures, images, or videos only between the sender and recipients specifically identified by the sender, without displaying or posting publicly or to other users not specifically identified as the recipients by the sender;

(3) an online service, application, or website with content consisting primarily of information or content that is not user generated; or

(4) a streaming service, online video game, e-commerce, or other Internet website where the content is not user generated, but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon the non-user-generated content.

(l) "Targeted paid commercial advertising" means paid commercial advertising that has been selected or prioritized for display to an account holder based in whole or in part on account activity or personal information of the account holder by or with the participation of the covered social media platform, except that advertising selected for display to an account holder shall not constitute targeted paid commercial advertising if that selection process considers information about or an estimate of the age of the account holder solely for the purpose of excluding advertisements that by law or policy of the covered social media platform are not suitable for presentation to a child of that age.

(m) "Verifiable parental consent" has the meaning established in the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(9), and the implementing regulations under Code of Federal Regulations, title 16, section 312.5.

Subd. 2. **Age estimation; requirements.** (a) When a new account holder has been on the covered social media platform for 25 hours or more within a six-month period, the covered social media platform has 14 days to estimate the age of the account holder using reasonable efforts, taking into consideration available technology and the data in the possession of the covered social media platform. If the covered social media platform is able to conclude with a percentage confidence score of 80 percent or greater that the user is 16 years old or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(b) When a new account holder has been on the covered social media platform for 50 hours or more within a six-month period, the covered social media platform has 14 days to use reasonable efforts to revise the covered social media platform's initial estimate of the age of the account holder. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is 16 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(c) A covered social media platform shall update its estimate of the age of each account holder after every six months that the account holder is on the platform, or as often as the covered social media platform applies any form of data analytics or artificial intelligence to update the covered social media platform's estimate of any other demographic characteristics of the account holder for any reason, whichever period is shorter. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is 16 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(d) Nothing in this section shall be construed to create any duty on the part of a covered social media platform to request, collect, or retain any information from or about any account holder, except as provided under subdivision 7. The age estimate required by this section shall be derived based on information collected by the covered social media platform in the ordinary course of operation of the covered social media platform, and a covered social media platform shall have no obligation under this section to estimate the age of an account holder who has had an account with the covered social media platform continuously for at least seven years or to take any action with respect to the account.

Subd. 3. **Creation and maintenance of account of a child.** (a) A covered social media platform shall require applicants for an account to provide the month and year of their birth date as part of the account application process, and shall not provide a default birthdate in any form or query used to obtain that information.

(b) A covered social media platform may not create an account for a user identified as a child pursuant to this section, or change the terms and conditions of an account of a child, without first obtaining verifiable parental consent. A covered social media platform that is required to treat an account holder as a child pursuant to subdivision 2 must not maintain an account of a child without verifiable consent consistent with the process in subdivision 6, paragraph (c). Information collected for the purpose of obtaining verifiable parental consent shall not be used for any purpose other than obtaining verifiable parental consent and shall not be sold, transferred, or disclosed, except to the extent necessary to comply with any other applicable state or federal law or regulation.

(c) A covered social media platform shall provide clear, simple, and easy-to-locate information through a link about the creation or maintenance of an account of a child and include that information in the terms and services agreement.

Subd. 4. **Privacy and parental limitations for account of a child.** (a) An account for a child shall have all privacy settings set by default at the most private levels.

(b) A covered social media platform may not change the privacy settings of an account of a child so long as the account holder remains a child.

(c) In the course of obtaining verifiable parental consent for the establishment or continuation of an account of a child, a covered social media platform shall prominently provide and explain an option for the parent to:

(1) monitor the amount of time the child spends using the covered social media platform;

(2) set daily and weekly time limits on use of the covered social media platform; and

(3) set limits on times of day when the covered social media platform can be accessed by the child.

(d) Information collected on the account of a child by the social media platform shall not at any time be sold, transferred, or disclosed, except to the extent necessary to comply with any other applicable state or federal law or regulation.

Subd. 5. **Prohibition on addictive interface; presentation of paid commercial advertising.** (a) A covered social media platform may not present addictive interface features in the display or feed of any account of a child.

(b) A covered social media platform may not present targeted paid commercial advertising in the display or feed of any account of a child.

Subd. 6. **Termination of an account of a child.** (a) A covered social media platform shall terminate an account of a child within no more than seven days after receipt of a request for termination from the account holder.

(b) A covered social media platform shall terminate the account of a child within 14 days of the receipt of a request for termination from a parent of the account holder. Upon receipt of the parent's request, the covered social media platform shall verify that the requesting party is a parent of the account holder by whatever means of verification the covered social media platform uses for purposes of ascertaining the validity of verifiable parental consent. A covered social media platform shall provide clear, simple, and easy-to-locate means for the parent of any child to request termination of any account of a child.

(c) A covered social media platform must terminate an account if it concludes, consistent with the age estimation requirements in subdivision 2, that an account holder is a child unless verifiable parental consent is obtained for the account. The covered social media platform shall provide 30 days from the date of the notice for the account holder to dispute the age classification or to provide verifiable parental consent. If an account holder disputes his or her classification as a child, a covered social media platform may rely on any commercially reasonable process to resolve the dispute. A covered social media platform shall make a reasonable determination of the dispute within 30 days of the completion of that process. In the event a covered social media platform concludes, after considering a dispute, that the covered social media platform is obligated to terminate an account, it shall terminate that account within seven days of making that determination.

Subd. 7. **Verifiable parental consent; records.** A covered social media platform must retain documentation sufficient to reasonably establish that it has obtained verifiable parental consent as required under this section.

Subd. 8. **Contract provisions.** (a) Contracts formed in violation of this section are void and unenforceable. No part of this section may be waived in a contract or terms of service agreement.

(b) If a covered social media platform permits a child to open or continue an account on the platform in the absence of parental consent sufficient for the formation of a binding contract with a minor under ordinary principles of contract law under the laws of this state, any purported contract pertaining to the account is void and unenforceable as contrary to

public policy, including but not limited to any arbitration provision, limitation of liability, or limitation of remedies, without regard to whether the covered social media platform had actual or constructive knowledge that the account holder was a child.

Subd. 9. **Enforcement; remedies.** (a) A child or parent shall have a private right of action for a violation of this section. The court may award declaratory or injunctive relief, general and special damages, court costs and fees, reasonable attorney fees, and any other appropriate relief as a result of a negligent, reckless, or knowing violation of this section.

(b) If a covered social media platform's violation was reckless or knowing, a child or parent who prevails on a claim based on any violation of this section shall be entitled to recover actual damages or $10,000 in statutory damages, whichever is greater.

(c) If a covered social media platform's violation was part of a consistent pattern of reckless or knowing conduct, punitive damages may be awarded.

(d) A covered social media platform shall not be liable for any violation of this section if it has used reasonable efforts, taking into consideration available technology and the data in possession of the covered social media platform, to comply with the requirements of this section.

(e) A civil action for damages for a violation of this section must be brought within three years of the date the plaintiff knew, or reasonably should have known, of the alleged violation. However, this limitation period for the action shall be tolled until the holder of an account of a child reaches the age of 18.

Subd. 10. **Deceptive trade practices.** Any knowing or reckless violation of this section shall constitute a deceptive trade practice and a violation of section 325D.44. The attorney general shall have enforcement authority under section 8.31.

**EFFECTIVE DATE.** This section is effective July 1, 2027, and applies to accounts created before, on, or after that date.

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Latz, Mann, Marty, Mohamed, Murphy, Wiklund, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Draheim, and Miller.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Green | Holmstrom | Lucero | Westrom |
| Drazkowski | Gruenhagen | Lieske | Wesenberg | |

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 4138:** A bill for an act relating to civil law; establishing requirements for social media platforms related to accounts for minors; establishing enforcement mechanisms for regulations on child social media accounts; providing for social media behavioral threat assessment and reporting; amending Minnesota Statutes 2024, sections 325M.31; 325M.33; proposing coding for new law in Minnesota Statutes, chapter 325M.

Senator Maye Quade moved to amend H.F. No. 4138, as amended pursuant to Rule 45, adopted by the Senate May 14, 2026, as follows (A-1):

(The text of the amended House File is identical to S.F. No. 4696.)

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 325M.33, is amended to read:

**325M.33 TRANSPARENCY REQUIREMENTS FOR SOCIAL MEDIA PLATFORMS.**

A social media platform must publicly and conspicuously post the following information on the social media platform's website:

(1) an explanation of how the social media platform limits excessive account interactions, including:

(i) the maximum limit on the number of times that a user can engage in each specific kind of account interaction in an hour, day, week, and month; and

(ii) whether and how the platform engages in any reduction in the ability of accounts to affect other users when the user engages in a high number of account interactions that is below the maximum limit;

(2) an explanation detailing how the platform:

(i) assesses the quality of content;

(ii) assesses users' expressed preferences regarding content; and

(iii) utilizes the assessments under items (i) and (ii) in each of the social media platform's algorithmic ranking system, including how the assessments are weighted in relation to other signals in the algorithmic ranking system;

(3) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders for each distinct type of account interaction or engagement, including but not limited to:

(i) sending invitations or messages to other platform account holders;

(ii) commenting on, resharing, liking, voting for, or otherwise reacting to content;

(iii) posting new user-generated content;

(iv) disseminating user-generated content to other platform account holders; and

(v) time spent on the platform;

(4) an explanation of how the platform determines whether a notification is time sensitive and how many time-sensitive and non-time-sensitive notifications are sent to users including:

(i) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders in a given day; and

(ii) how many time-sensitive and non-time-sensitive notifications are sent with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders during each hour between the hours of 11:00 p.m. and 7:00 a.m.; ~~and~~

(5) a description of all product experiments that have been conducted on 1,000 or more users, including a description of the experimental conditions and the results of the product experiment for all experimental conditions on users' viewing or engaging with content that:

(i) users indicate to be high or low quality;

(ii) users indicate complies or does not comply with the users' expressed preferences; or

(iii) violates platform policies~~.~~; and

(6) an explanation of the age estimation process used to determine the age of account holders.

**EFFECTIVE DATE.** This section is effective July 1, 2027.

Sec. 2. **[325M.40] STOP HARMS FROM ADDICTIVE SOCIAL MEDIA.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Account holder" means a resident of the state who has an account or a profile with a covered social media platform with a unique identifier during any period in which that covered social media platform knows or should reasonably know the account holder is physically located in the state.

(c) "Addictive interface features" means:

(1) infinite scrolling meaning either continuously loading content, content that loads as the account holder scrolls down the page without the need to open a separate page, seamless content, or the use of pages with no visible or apparent end or page breaks;

(2) display of a profile-based feed;

(3) push notifications, whether audible, visual, or tactile, designed to call the attention of the account holder to newly posted content, user responses to content posted by the account holder, or other specific activities or events related to the account holder's account, but not including notifications for the purposes of alerting the account holder to incoming calls, text messages, email messages, or similar messages sent by human contact and delivered by means of any application;

(4) autoplay video or video that begins to play without the account holder first clicking on the video or on a play button for that video;

(5) display of personal metrics that indicate the number of times other users have clicked a button or taken other action to indicate their reaction to content posted by the account holder or have shared or reposted content posted by the account holder; or

(6) display of awards, badges, tiers, or any form of recognition of the account holder based on hours spent by the account holder on the covered social media platform, numbers of followers, numbers of postings, frequency or regularity of postings, or any other metric of usage or performance on the covered social media platform.

(d) "Child" means an individual who is age 15 or younger and residing in Minnesota.

(e) "Covered social media platform" means a social media platform that has 10,000 or more account holders or that has earned at least $1,000,000,000 in revenues worldwide in one or more of the preceding three years.

(f) "Minor" means an individual who is under the age of 18.

(g) "Paid commercial advertising" is advertising for which the covered social media platform receives compensation of any sort in return for displaying the advertising and that seeks to encourage the account holder to purchase a product or service or otherwise engage in a commercial transaction or to follow a link to a website that encourages the account holder to engage in a commercial transaction.

(h) "Parent" means any parent under state law or any legal guardian or legal custodian of a child who is a resident of the state.

(i) "Personal information" means information about an account holder collected online that comprises personal information within the meaning of the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(8), and the implementing regulations at Code of Federal Regulations, title 16, section 312.2. Personal information also includes any record of or derived from online activity or history, search history, or online communications of an account holder with respect to any application, website, or covered social media platform; any photograph or biometric

information that is used or could reasonably be used to identify the account holder, including but not limited to fingerprints, voiceprints, iris or retina imagery scans, facial templates, or gait imagery or metrics; and any geolocation information associated with an account holder or with a device of an account holder. Personal information does not include an express search term, request, or selection submitted by the account holder during the current session on the covered social media platform; an identifier used solely for the purpose of directing personal communications to or from the account holder; information that comprises account holder-selected or parent-selected settings relating to privacy, accessibility, or blocking of age-inappropriate content; or technical information concerning the account holder's device.

(j) "Profile-based feed" means a feed in which the material presented has been selected or prioritized by the covered social media platform for display to an account holder based in whole or in part on personal information of that account holder, except that inclusion in a feed of content created by a third party that is displayed to the account holder because the account holder has taken an affirmative step to select the third party's content for inclusion in the feed displayed to the account holder, such as by following, friending, or engaging in similar actions in relation to the third party and not otherwise selected or prioritized for display to the account holder based on personal information, shall not render the feed a profile-based feed. Additionally, exclusion by a covered social media platform of certain content from the feed of an account holder based on information about or any estimate of the age of an account holder solely for the purpose of excluding content that (1) is obscene as to children age 15 or younger, or (2) by policy of the covered social media platform is not suitable for presentation to children of that age shall not render that feed a profile-based feed.

(k) "Social media platform" means an Internet website or application that is open to the public, allows a user to create an account, enables an account holder to communicate with other users for the primary purpose of posting and viewing information, comments, messages, images, or videos, and utilizes addictive interface features, provides profile-based feeds, or utilizes personal information to display targeted paid commercial advertising. Social media platform does not include:

(1) a broadband Internet access service as defined by the Federal Communications Commission;

(2) an online service, website, or application where the exclusive function is the support of communications, including email, video conference capabilities, or direct messaging consisting of text, photographs, pictures, images, or videos only between the sender and recipients specifically identified by the sender, without displaying or posting publicly or to other users not specifically identified as the recipients by the sender;

(3) an online service, application, or website with content consisting primarily of information or content that is not user generated; or

(4) a streaming service, online video game, e-commerce, or other Internet website where the content is not user generated, but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon the non-user-generated content.

(l) "Targeted paid commercial advertising" means paid commercial advertising that has been selected or prioritized for display to an account holder based in whole or in part on account activity

or personal information of the account holder by or with the participation of the covered social media platform, except that advertising selected for display to an account holder shall not constitute targeted paid commercial advertising if that selection process considers information about or an estimate of the age of the account holder solely for the purpose of excluding advertisements that by law or policy of the covered social media platform are not suitable for presentation to a child of that age.

(m) "Verifiable parental consent" has the meaning established in the Children's Online Privacy Protection Act, United States Code, title 15, section 6501(9), and the implementing regulations under Code of Federal Regulations, title 16, section 312.5.

Subd. 2. **Age estimation; requirements.** (a) When a new account holder has been on the covered social media platform for 25 hours or more within a six-month period, the covered social media platform has 14 days to estimate the age of the account holder using reasonable efforts, taking into consideration available technology and the data in the possession of the covered social media platform. If the covered social media platform is able to conclude with a percentage confidence score of 80 percent or greater that the user is 16 years old or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(b) When a new account holder has been on the covered social media platform for 50 hours or more within a six-month period, the covered social media platform has 14 days to use reasonable efforts to revise the covered social media platform's initial estimate of the age of the account holder. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is 16 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(c) A covered social media platform shall update its estimate of the age of each account holder after every six months that the account holder is on the platform, or as often as the covered social media platform applies any form of data analytics or artificial intelligence to update the covered social media platform's estimate of any other demographic characteristics of the account holder for any reason, whichever period is shorter. If the covered social media platform is able to conclude with a percentage confidence score of 90 percent or more that the account holder is 16 years of age or older, the covered social media platform may treat the account holder to be other than a child for purposes of this section. Otherwise, the covered social media platform must treat the account holder as a child for purposes of this section.

(d) Nothing in this section shall be construed to create any duty on the part of a covered social media platform to request, collect, or retain any information from or about any account holder, except as provided under subdivision 7. The age estimate required by this section shall be derived based on information collected by the covered social media platform in the ordinary course of operation of the covered social media platform, and a covered social media platform shall have no obligation under this section to estimate the age of an account holder who has had an account with the covered social media platform continuously for at least seven years or to take any action with respect to the account.

Subd. 3. **Creation and maintenance of account of a child.** (a) A covered social media platform shall require applicants for an account to provide the month and year of their birth date as part of the account application process, and shall not provide a default birthdate in any form or query used to obtain that information.

(b) A covered social media platform may not create an account for a user identified as a child pursuant to this section, or change the terms and conditions of an account of a child, without first obtaining verifiable parental consent. A covered social media platform that is required to treat an account holder as a child pursuant to subdivision 2 must not maintain an account of a child without verifiable consent consistent with the process in subdivision 6, paragraph (c). Information collected for the purpose of obtaining verifiable parental consent shall not be used for any purpose other than obtaining verifiable parental consent and shall not be sold, transferred, or disclosed, except to the extent necessary to comply with any other applicable state or federal law or regulation.

(c) A covered social media platform shall provide clear, simple, and easy-to-locate information through a link about the creation or maintenance of an account of a child and include that information in the terms and services agreement.

Subd. 4. **Privacy and parental limitations for account of a child.** (a) An account for a child shall have all privacy settings set by default at the most private levels.

(b) A covered social media platform may not change the privacy settings of an account of a child so long as the account holder remains a child.

(c) In the course of obtaining verifiable parental consent for the establishment or continuation of an account of a child, a covered social media platform shall prominently provide and explain an option for the parent to:

(1) monitor the amount of time the child spends using the covered social media platform;

(2) set daily and weekly time limits on use of the covered social media platform; and

(3) set limits on times of day when the covered social media platform can be accessed by the child.

(d) Information collected on the account of a child by the social media platform shall not at any time be sold, transferred, or disclosed, except to the extent necessary to comply with any other applicable state or federal law or regulation.

Subd. 5. **Prohibition on addictive interface; presentation of paid commercial advertising.** (a) A covered social media platform may not present addictive interface features in the display or feed of any account of a child.

(b) A covered social media platform may not present targeted paid commercial advertising in the display or feed of any account of a child.

Subd. 6. **Termination of an account of a child.** (a) A covered social media platform shall terminate an account of a child within no more than seven days after receipt of a request for termination from the account holder.

(b) A covered social media platform shall terminate the account of a child within 14 days of the receipt of a request for termination from a parent of the account holder. Upon receipt of the parent's request, the covered social media platform shall verify that the requesting party is a parent of the account holder by whatever means of verification the covered social media platform uses for purposes of ascertaining the validity of verifiable parental consent. A covered social media platform shall provide clear, simple, and easy-to-locate means for the parent of any child to request termination of any account of a child.

(c) A covered social media platform must terminate an account if it concludes, consistent with the age estimation requirements in subdivision 2, that an account holder is a child unless verifiable parental consent is obtained for the account. The covered social media platform shall provide 30 days from the date of the notice for the account holder to dispute the age classification or to provide verifiable parental consent. If an account holder disputes his or her classification as a child, a covered social media platform may rely on any commercially reasonable process to resolve the dispute. A covered social media platform shall make a reasonable determination of the dispute within 30 days of the completion of that process. In the event a covered social media platform concludes, after considering a dispute, that the covered social media platform is obligated to terminate an account, it shall terminate that account within seven days of making that determination.

Subd. 7. **Verifiable parental consent; records.** A covered social media platform must retain documentation sufficient to reasonably establish that it has obtained verifiable parental consent as required under this section.

Subd. 8. **Contract provisions.** (a) Contracts formed in violation of this section are void and unenforceable. No part of this section may be waived in a contract or terms of service agreement.

(b) If a covered social media platform permits a child to open or continue an account on the platform in the absence of parental consent sufficient for the formation of a binding contract with a minor under ordinary principles of contract law under the laws of this state, any purported contract pertaining to the account is void and unenforceable as contrary to public policy, including but not limited to any arbitration provision, limitation of liability, or limitation of remedies, without regard to whether the covered social media platform had actual or constructive knowledge that the account holder was a child.

Subd. 9. **Enforcement; remedies.** (a) A child or parent shall have a private right of action for a violation of this section. The court may award declaratory or injunctive relief, general and special damages, court costs and fees, reasonable attorney fees, and any other appropriate relief as a result of a negligent, reckless, or knowing violation of this section.

(b) If a covered social media platform's violation was reckless or knowing, a child or parent who prevails on a claim based on any violation of this section shall be entitled to recover actual damages or $10,000 in statutory damages, whichever is greater.

(c) If a covered social media platform's violation was part of a consistent pattern of reckless or knowing conduct, punitive damages may be awarded.

(d) A covered social media platform shall not be liable for any violation of this section if it has used reasonable efforts, taking into consideration available technology and the data in possession of the covered social media platform, to comply with the requirements of this section.

(e) A civil action for damages for a violation of this section must be brought within three years of the date the plaintiff knew, or reasonably should have known, of the alleged violation. However, this limitation period for the action shall be tolled until the holder of an account of a child reaches the age of 18.

Subd. 10. **Deceptive trade practices.** Any knowing or reckless violation of this section shall constitute a deceptive trade practice and a violation of section 325D.44. The attorney general shall have enforcement authority under section 8.31.

**EFFECTIVE DATE.** This section is effective July 1, 2027, and applies to accounts created before, on, or after that date."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 4138 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Rasmusson |
| Bahr | Fateh | Johnson Stewart | Maye Quade | Rest |
| Boldon | Frentz | Klein | McEwen | Seeberger |
| Carlson | Green | Koran | Miller | Utke |
| Champion | Gruenhagen | Kreun | Mohamed | Weber |
| Clark | Gustafson | Kunesh | Murphy | Wesenberg |
| Coleman | Hauschild | Kupec | Nelson | Westlin |
| Cwodzinski | Hawj | Lang | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Latz | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Lieske | Pha | Xiong |
| Dornink | Holmstrom | Limmer | Port | |
| Draheim | Housley | Lucero | Pratt | |
| Drazkowski | Howe | Mann | Putnam | |
| Duckworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Johnson Stewart, Latz, Mann, Marty, Mohamed, Murphy, Pappas, Port, Wiklund, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Draheim, Gruenhagen, Housley, Howe, Johnson, Miller, and Rasmusson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3067:** A bill for an act relating to education; clarifying paraprofessional qualifications; amending Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4.

H.F. No. 3067 was read the third time and placed on its final passage.

# 132. HF 3067

**Vote:** 2026-05-15 | **Workbook row:** 137
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 65 yeas, 0 nays

**Workbook subject:** Paraprofessional qualifications clarified.

## Included complete bill documents

**1. 2nd Engrossment, posted 2026-05-13** - 3 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2025/0/HF/3067/versions/2/pdf/

## Original Senate journal context

PDF pages 24-25. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260515076.pdf#page=25

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3067/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

# H. F. No. 3067

04/02/2025 Authored by Jordan, Rehrauer and Bennett
The bill was read for the first time and referred to the Committee on Education Policy
04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
05/12/2026 By motion, pursuant to Rule 1.21, be placed on the Calendar for the Day
05/13/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/15/2026 Passed by the Senate and returned to the House
05/16/2026 Presented to Governor
05/19/2026 Governor Approval

A bill for an act

relating to education; clarifying paraprofessional qualifications; amending Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4, is amended to read:

Subd. 4. **Qualifications.** (a) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 300.156, if the paraprofessional:

(1) has at least two years of college credits through an accredited institution of higher education, or an associate's degree or higher;

(2) has received a passing score on an assessment approved by the Department of Education; or

(3) demonstrates the following competencies, regardless of the number of hours of training the paraprofessional has received:

(i) understanding the distinctions between roles and responsibilities of professionals, paraprofessionals, and support personnel;

(ii) understanding the purposes and goals of education and instruction for all students;

(iii) knowledge of relevant laws, rules, regulations, and local district policies and procedures to ensure paraprofessionals work within these parameters;

(iv) awareness of the challenges and expectations of various learning environments;

(v) the ability to establish and maintain rapport with students;

(vi) the ability to follow oral and written direction of licensed teachers, seeking clarification as needed;

(vii) the ability to assist and reinforce elements that support a safe, healthy, and effective teaching and learning environment;

(viii) understanding strategies for assisting with the inclusion of students in various settings;

(ix) the ability to use strategies that promote the student's independence;

(x) understanding applicable laws, rules, and regulations, and procedural safeguards regarding the management of student behaviors;

(xi) awareness of the primary factors that influence student behavior;

(xii) the ability to effectively employ a variety of strategies that reinforce positive behavior;

(xiii) the ability to use ethical practices for confidential communication about students;

(xiv) the ability to follow teacher instructions while conferring and collaborating with teachers about student schedules, instructional goals, and performance;

(xv) demonstrating a commitment to assisting students in reaching the students' highest potential, including the modeling of positive behavior;

(xvi) showing respect for the diversity of students;

(xvii) showing a willingness to participate in ongoing staff development and self-evaluation and to apply constructive feedback;

(xviii) supporting and reinforcing the instruction of students in mathematics following written and oral lesson plans developed by licensed teachers;

(xix) supporting and reinforcing the instruction of students in reading following written and oral lesson plans developed by licensed teachers. Professional development required under the Read Act in section 120B.123 exceeds this requirement; and

(xx) supporting and reinforcing the instruction of students in writing following written and oral lesson plans developed by licensed teachers.

(b) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 200.58, if the paraprofessional:

(1) has at least two years of college credits from an accredited institution of higher education, or an associate's degree or higher; or

(2) met a rigorous standard of quality and can demonstrate, through a formal state or local academic assessment, knowledge of and the ability to assist in instructing, as appropriate:

(i) reading or language arts, writing, and mathematics; or

(ii) reading readiness, writing readiness, and mathematics readiness.

(c) Upon request from a paraprofessional employed by a school district, charter school, or cooperative unit providing direct instructional services, the school district, charter school, or cooperative unit may provide administrative assistance to the paraprofessional when completing requirements related to the competencies required under this subdivision.

(d) A paraprofessional who demonstrates the competencies listed in paragraph (a), clause (3), must be deemed to have satisfied the requirements of Code of Federal Regulations, title 34, section 200.58(c)(3)(i), when the paraprofessional's employing district or charter school validates the paraprofessional's demonstration of the competencies. The department must provide guidance to district and charter school leaders no later than August 1, 2026, on possible ways to validate these competencies and may update the guidance as needed. A district or charter school must maintain the paraprofessional's completed assessment and documentation that the paraprofessional demonstrated the required competencies in the paraprofessional's personnel file and make the records available to department and federal reviewers upon request.

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

(e) A civil action for damages for a violation of this section must be brought within three years of the date the plaintiff knew, or reasonably should have known, of the alleged violation. However, this limitation period for the action shall be tolled until the holder of an account of a child reaches the age of 18.

Subd. 10. **Deceptive trade practices.** Any knowing or reckless violation of this section shall constitute a deceptive trade practice and a violation of section 325D.44. The attorney general shall have enforcement authority under section 8.31.

**EFFECTIVE DATE.** This section is effective July 1, 2027, and applies to accounts created before, on, or after that date."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 4138 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Johnson | Mathews | Rasmusson |
| Bahr | Fateh | Johnson Stewart | Maye Quade | Rest |
| Boldon | Frentz | Klein | McEwen | Seeberger |
| Carlson | Green | Koran | Miller | Utke |
| Champion | Gruenhagen | Kreun | Mohamed | Weber |
| Clark | Gustafson | Kunesh | Murphy | Wesenberg |
| Coleman | Hauschild | Kupec | Nelson | Westlin |
| Cwodzinski | Hawj | Lang | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Latz | Pappas | Wiklund |
| Dibble | Hemmingsen-Jaeger | Lieske | Pha | Xiong |
| Dornink | Holmstrom | Limmer | Port | |
| Draheim | Housley | Lucero | Pratt | |
| Drazkowski | Howe | Mann | Putnam | |
| Duckworth | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Johnson Stewart, Latz, Mann, Marty, Mohamed, Murphy, Pappas, Port, Wiklund, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Draheim, Gruenhagen, Housley, Howe, Johnson, Miller, and Rasmusson.

So the bill, as amended, was passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3067:** A bill for an act relating to education; clarifying paraprofessional qualifications; amending Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4.

H.F. No. 3067 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Howe | Mann | Pratt |
| Bahr | Farnsworth | Jasinski | Marty | Putnam |
| Boldon | Fateh | Johnson | Mathews | Rarick |
| Carlson | Frentz | Johnson Stewart | Maye Quade | Rasmusson |
| Champion | Green | Klein | McEwen | Rest |
| Clark | Gruenhagen | Koran | Miller | Seeberger |
| Coleman | Gustafson | Kreun | Mohamed | Utke |
| Cwodzinski | Hauschild | Kunesh | Murphy | Weber |
| Dahms | Hawj | Kupec | Nelson | Wesenberg |
| Dibble | Heintzeman | Lang | Oumou Verbeten | Westlin |
| Dornink | Hemmingsen-Jaeger | Latz | Pappas | Westrom |
| Draheim | Holmstrom | Lieske | Pha | Wiklund |
| Drazkowski | Housley | Lucero | Port | Xiong |

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Mann, Marty, Maye Quade, Mohamed, Murphy, Oumou Verbeten, Pappas, Port, Rest, Wiklund, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Draheim, Gruenhagen, Housley, Howe, Johnson, Miller, Rasmusson, and Utke.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 3236:** A bill for an act relating to public safety; requiring helmets for operators of electric-assisted bicycles under the age of 18; imposing requirements on the operation and sale of motorized bicycles; establishing a motorized bicycle safety coordinator; appropriating money; amending Minnesota Statutes 2024, sections 169.011, subdivisions 40b, 44, 45; 169.02, subdivision 1; 169.09, subdivision 8; 169.222, subdivisions 1, 6a, 6b; 169.223; 169.974, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Senator Lucero moved to amend S.F. No. 3236 as follows (A11):

Page 4, delete section 7

Page 9, delete lines 22 to 24

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

# 133. SF 4515

**Vote:** 2026-05-16 | **Workbook row:** 138
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Certain prize and ticket limits modification

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-07** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/4515/versions/1/pdf/

## Original Senate journal context

PDF pages 6-8. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260516077.pdf#page=7

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/4515/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 4515

**(SENATE AUTHORS: DUCKWORTH, Koran, Utke, Clark and Klein)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/17/2026 | 6748 | Introduction and first reading |
| | | Referred to State and Local Government |
| 04/07/2026 | 7677a | Comm report: To pass as amended and re-refer to Commerce and Consumer Protection |
| | 7918 | Author added Clark |
| 04/13/2026 | 8004 | Author added Klein |
| 04/16/2026 | 8086 | Comm report: To pass |
| | | Pursuant to Senate Concurrent Resolution No. 6, referred to Rules and Administration |
| 05/14/2026 | 10600 | Rule 5.1: withdrawn, placed on General Orders |
| | 10600 | Second reading |
| 05/16/2026 | 10820 | Special Order |
| | 10821 | Third reading Passed |
| | | See HF4188 |

A bill for an act

relating to lawful gambling; modifying certain prize and ticket limits; amending Minnesota Statutes 2024, section 349.211, subdivision 2b.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 349.211, subdivision 2b, is amended to read:

Subd. 2b. **Paddlewheel prizes.** (a) The maximum cash prize which may be awarded for a paddle ticket is $70. The maximum value of a merchandise prize which may be awarded for a paddle ticket shall not exceed a fair market value of $200. An organization may not sell any paddle ticket for more than ~~$2~~ $5.

(b) "Merchandise prize" does not include gift cards that can be redeemed for cash.

prosecutor's petition for sentence adjustment; expanding victim notification of defendant eligibility for automatic expungement; protecting identity of minor victim in a crime involving sexual performance; expanding protection from employer retaliation to victims of stalking; amending Minnesota Statutes 2024, sections 609.133, subdivision 4; 609.3471; 611A.03, subdivision 1, by adding a subdivision; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1.

H.F. No. 3825 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 42 and nays 24, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Fateh | Klein | McEwen | Rest |
| Boldon | Frentz | Koran | Mohamed | Seeberger |
| Carlson | Gustafson | Kreun | Murphy | Utke |
| Champion | Hauschild | Kunesh | Nelson | Westlin |
| Clark | Hawj | Kupec | Oumou Verbeten | Wiklund |
| Coleman | Hemmingsen-Jaeger | Latz | Pappas | Xiong |
| Cwodzinski | Hoffman | Mann | Pha | |
| Dibble | Housley | Marty | Port | |
| Dornink | Johnson Stewart | Maye Quade | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hawj, Hoffman, Johnson Stewart, Kunesh, Marty, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Farnsworth | Howe | Limmer | Rarick |
| Dahms | Green | Jasinski | Lucero | Rasmusson |
| Draheim | Gruenhagen | Johnson | Mathews | Weber |
| Drazkowski | Heintzeman | Lang | Miller | Wesenberg |
| Duckworth | Holmstrom | Lieske | Pratt | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Pratt.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**S.F. No. 4515:** A bill for an act relating to lawful gambling; modifying certain prize and ticket limits; amending Minnesota Statutes 2024, section 349.211, subdivision 2b.

Senator Dibble moved to amend S.F. No. 4515 as follows (A-3):

Page 1, after line 4, insert:

"Section 1. **[325F.756] ONLINE SWEEPSTAKES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Dual-currency" means a system of payment that allows a person to play or participate in a simulated gambling program for direct or indirect consideration, including consideration associated with a related product, service, or activity, and for which the person playing the simulated gambling program may become eligible for a prize, award, cash, cash equivalent, or chance to win a prize. Dual-currency system does not include a contest for which no consideration is given, either directly or indirectly.

(c) "Online sweepstakes game" means a game, contest, or promotion that: (1) is available on the Internet or accessible on a mobile device, computer terminal, or similar access device; (2) utilizes a dual-currency system of payment allowing the player to exchange the currency for a prize, award, cash, cash equivalent, or chance to win a prize, award, cash, or cash equivalent; and (3) simulates casino-style or another form of gambling.

(d) "Prize" has the meaning given in section 325F.755, subdivision 1.

Subd. 2. **Prohibition of online sweepstakes games and revenue from illegal markets.** (a) A person or entity is prohibited from operating, conducting, or promoting an online sweepstakes game in Minnesota.

(b) An applicant, licensed entity, financial institution, payment processor, geolocation provider, gaming content supplier, platform provider, or media affiliate is prohibited from supporting the operation of, conducting, or promoting an online sweepstakes game in Minnesota.

Subd. 3. **Penalties and remedies.** The penalties and remedies provided for in section 325F.755, subdivision 7, apply to violations of this section. The commissioner of public safety may exercise all powers necessary to investigate and enforce this section and may issue notices of violation, impose civil fines, and bring enforcement actions consistent with section 325F.755, subdivision 7."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Lieske questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 4515 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Clark | Dornink | Fateh | Hauschild |
| Bahr | Coleman | Draheim | Frentz | Hawj |
| Boldon | Cwodzinski | Drazkowski | Green | Heintzeman |
| Carlson | Dahms | Duckworth | Gruenhagen | Hemmingsen-Jaeger |
| Champion | Dibble | Farnsworth | Gustafson | Hoffman |

| | | | | |
|---|---|---|---|---|
| Holmstrom | Kunesh | Mathews | Pha | Weber |
| Housley | Kupec | Maye Quade | Port | Wesenberg |
| Howe | Lang | McEwen | Pratt | Westlin |
| Jasinski | Latz | Miller | Putnam | Westrom |
| Johnson | Lieske | Mohamed | Rarick | Wiklund |
| Johnson Stewart | Limmer | Murphy | Rasmusson | Xiong |
| Klein | Lucero | Nelson | Rest | |
| Koran | Mann | Oumou Verbeten | Seeberger | |
| Kreun | Marty | Pappas | Utke | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hawj, Hoffman, Johnson Stewart, Kunesh, Marty, Mohamed, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Pratt.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

**H.F. No. 3298:** A bill for an act relating to energy; establishing reimbursement program for underground petroleum storage tank systems with pressurized single-walled steel piping; amending Minnesota Statutes 2024, sections 115C.08, subdivision 4; 115C.09, by adding a subdivision.

H.F. No. 3298 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Duckworth | Howe | Marty | Putnam |
| Bahr | Farnsworth | Jasinski | Mathews | Rarick |
| Boldon | Fateh | Johnson | Maye Quade | Rest |
| Carlson | Frentz | Johnson Stewart | McEwen | Seeberger |
| Champion | Green | Klein | Miller | Utke |
| Clark | Gruenhagen | Koran | Mohamed | Weber |
| Coleman | Gustafson | Kreun | Murphy | Westlin |
| Cwodzinski | Hauschild | Kunesh | Nelson | Westrom |
| Dahms | Hawj | Kupec | Oumou Verbeten | Wiklund |
| Dibble | Heintzeman | Lang | Pappas | Xiong |
| Dornink | Hemmingsen-Jaeger | Latz | Pha | |
| Draheim | Hoffman | Limmer | Port | |
| Drazkowski | Housley | Mann | Pratt | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Hawj, Hoffman, Johnson Stewart, Klein, Kunesh, Marty, Mohamed, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Mathews, and Pratt.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Holmstrom | Lieske | Lucero | Rasmusson | Wesenberg |

So the bill passed and its title was agreed to.

# 134. SF 5200

**Vote:** 2026-05-17 | **Workbook row:** 139
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 64 yeas, 3 nays

**Workbook subject:** Miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors correction

**VERSION CAUTION:** Workbook version caution retained. The printed text and vote-stage identity require care; do not infer a policy position from a mismatched draft. The later 1st Engrossment was posted after the repassage vote; it is included alongside the earlier text.

## Included complete bill documents

**1. Introduction, posted 2026-04-21** - 1 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/SF/5200/versions/0/pdf/

**2. 1st Engrossment, posted 2026-05-19** - 2 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/SF/5200/versions/1/pdf/

## Original Senate journal context

PDF pages 828-828. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260517078.pdf#page=828

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/5200/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 5200

**(SENATE AUTHORS: LIMMER and Latz)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 04/22/2026 | 8963 | Introduction and first reading |
| | | Referred to Rules and Administration |
| 05/07/2026 | 10198 | Comm report: To pass |
| | 10198 | Second reading |
| 05/12/2026 | 10534 | Special Order |
| | 10534 | Third reading Passed |
| 05/17/2026 | 11748 | Returned from House with amendment |
| | 11748 | Senate concurred and repassed bill |
| | 11748 | Third reading Passed as amended |

A bill for an act

relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, section 268B.185, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 268B.185, subdivision 1, is amended to read:

Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a determination or amended determination issued under this chapter, or (2) because of a hearing officer's decision under section ~~268B.08~~ 268B.081, has received any family or medical leave benefits that the applicant was held not entitled to, is overpaid the benefits and must promptly repay the benefits to the family and medical benefit insurance account.

(b) If the applicant fails to repay the benefits overpaid, including any penalty and interest assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed under state and federal law.

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

Sec. 2. **EFFECTIVE DATE.**

Unless otherwise provided, each section of this act is effective at the time the provision being corrected is effective.

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 5200

**(SENATE AUTHORS: LIMMER and Latz)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 04/22/2026 | 8963 | Introduction and first reading |
| | | Referred to Rules and Administration |
| 05/07/2026 | 10198 | Comm report: To pass |
| | 10198 | Second reading |
| 05/12/2026 | 10534 | Special Order |
| | 10534 | Third reading Passed |
| 05/17/2026 | 11748 | Returned from House with amendment |
| | 11748 | Senate concurred and repassed bill |
| | 11748 | Third reading Passed as amended |
| | | Presentment date 05/20/26 |
| | 11759 | Governor's action Approval 05/26/26 |
| | 11760 | Secretary of State Chapter 131 05/26/26 |
| | | Effective date various dates |

A bill for an act

relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, section 204C.26, subdivision 2, as amended if enacted.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [CORR26-01] **OMITTED EFFECTIVE DATE; SUPREME COURT COUNCIL ON CHILD PROTECTION.**

Notwithstanding any other law to the contrary, Laws 2024, chapter 115, article 22, section 6, as amended by 2026 H.F. No. 3875, section 7, if enacted, is effective June 15, 2026.

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

Sec. 2. [CORR26-03] Minnesota Statutes 2024, section 204C.26, subdivision 2, as amended by 2026 H.F. No. 4240, section 7, if enacted, is amended to read:

Subd. 2. **Summary statements; contents.** (a) The blank summary statement forms furnished to each precinct shall identify the precinct, ward number if any, city, school district if applicable, or town, date, and kind of election and, under appropriate headings ~~identifying~~, shall contain spaces for the election judges to enter the information required by section 204C.24, subdivision 1.

(b) Each blank summary statement form shall also contain a certificate to be signed by the election judges stating that the national flag was displayed on a suitable staff during voting hours; that all of the ballots cast were properly piled, checked, and counted; and that

the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

Sec. 3. [CORR26-04] **EFFECTIVE DATE; DIRECT PRIMARY CARE SERVICE AGREEMENTS.**

Article 14, sections 1, 2, and 3, of 2026 S.F. No. 4612, if enacted, are effective August 1, 2027.

Sec. 4. **EFFECTIVE DATE.**

Unless otherwise provided, each section of this act is effective at the time the provision being corrected is effective.

| | | | | |
|---|---|---|---|---|
| Mohamed | Pappas | Putnam | Seeberger | Westrom |
| Murphy | Pha | Rarick | Weber | Wiklund |
| Oumou Verbeten | Port | Rest | Westlin | Xiong |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senator: Carlson.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Bahr | Gruenhagen | Kreun | Nelson | Wesenberg |
| Dornink | Holmstrom | Lieske | Pratt | |
| Drazkowski | Howe | Limmer | Rasmusson | |
| Green | Koran | Lucero | Utke | |

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 5200:** A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, section 268B.185, subdivision 1.

Senate File No. 5200 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 17, 2026

## CONCURRENCE AND REPASSAGE

Senator Limmer moved that the Senate concur in the amendments by the House to S.F. No. 5200 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 5200 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 3, as follows:

# 135. HF 3629

**Vote:** 2026-05-17 | **Workbook row:** 140
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Program payment withholding provided for credible allegation of fraud, grant management provisions changed, and program integrity reports required.

## Included complete bill documents

**1. 1st Engrossment, posted 2026-04-21** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/3629/versions/1/pdf/

**2. 1st Unofficial Engrossment, posted 2026-05-17** - 9 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/3629/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 7-13. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260517078.pdf#page=13

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/3629/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 3629**

02/23/2026 Authored by Bahner and Engen
The bill was read for the first time and referred to the Committee on State Government Finance and Policy
04/07/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
04/20/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

A bill for an act

relating to state government; changing provisions for grants management; amending Minnesota Statutes 2024, sections 16B.97, subdivisions 4, 5; 16B.98, subdivision 11; 16B.991, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures ~~for particular grant programs~~. Exceptions shall expire or be renewed after five years. The commissioner must report each approved exception to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and ~~waste~~ misuse in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

Sec. 2. Minnesota Statutes 2024, section 16B.97, subdivision 5, is amended to read:

Subd. 5. **Data classification.** Data maintained by the commissioner that identify a person providing comments to the commissioner under subdivision 4, paragraph (a), clauses (6) and (7), are private and nonpublic data ~~but may be shared with the executive agency that is the subject of the comments~~.

Sec. 3. Minnesota Statutes 2024, section 16B.98, subdivision 11, is amended to read:

Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a), clause ~~(2)~~ (3), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may permit a specifically named, legislatively appropriated, noncompetitive grant recipient to incur eligible expenses based on an agreed upon work plan and budget for up to 60 days prior to an encumbrance being established in the accounting system.

Sec. 4. Minnesota Statutes 2024, section 16B.991, subdivision 1, is amended to read:

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement. "Recipient" includes individuals, entities, and key personnel of entities, including board members, officers, executives, employees, or agents with authority over or access to grant funds, and any individual in a position of fiduciary responsibility related to the grant.

A bill for an act

relating to state government; providing program payment withholding for credible allegation of fraud; changing grants management provisions; requiring program integrity reports; amending Minnesota Statutes 2024, sections 16B.97, subdivisions 4, 5; 16B.98, subdivision 11; 16B.991, subdivision 1; 142A.03, by adding a subdivision; 256.01, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 15.013.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 15.013, is amended to read:

**15.013 PROGRAM PAYMENTS WITHHELD; FRAUD.**

~~Subdivision 1.~~ **Definitions.** ~~(a) For purposes of this section, the following terms have the meanings given.~~

~~(b) "Entity" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, or any other legal entity that engages in either nonprofit or profit-making activities.~~

~~(c) "Evidence" means credible evidence obtained from an internal agency investigation, audits, court records, law enforcement investigations, or investigations by other state or federal agencies.~~

~~(d) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception. Fraud includes knowingly submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than the person is legally entitled. Fraud also includes acts that constitute a crime against any program, or the attempts or plans to commit those crimes, including but not limited to theft in violation of section 609.52, perjury in violation~~

~~of section 609.48, and aggravated forgery and forgery in violation of sections 609.625 and 609.63, and substantially similar federal laws.~~

~~(e) "Individual" means a natural person.~~

~~(f) "Program" means any program funded by a state or federal agency that involves the transfer or disbursement of public funds or other public resources.~~

~~(g) "Program participant" means an entity, or an individual on behalf of an entity, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a program.~~

~~(h) "Agency" has the meaning given in section 16B.01, subdivision 2, and includes the Minnesota State Colleges and Universities.~~

~~Subd. 2.~~ **~~Administrative withholding of payments.~~** ~~(a) The head of an agency may withhold payments to a program participant in a program administered by that agency for a period not to exceed 60 days if the agency head determines that a preponderance of the evidence shows that the program participant has committed fraud to obtain payments under the program.~~

~~(b) Notwithstanding subdivision 3, the agency head must notify the program participant of the decision to withhold payments at least 24 hours before withholding a payment. The notice must:~~

~~(1) state that payments will be withheld in accordance with this section;~~

~~(2) state the date the administrative withholding of payments is effective;~~

~~(3) state the reasons for withholding payments, excluding specific information that may jeopardize an active investigation;~~

~~(4) state the date the administrative withholding period terminates;~~

~~(5) inform the program participant of the right to submit written evidence for consideration by the agency head; and~~

~~(6) inform the program participant of their rights under chapter 14 to appeal the decision to withhold payment.~~

~~(c) Following notice and to the extent practicable, the agency must ensure that any person whose public funds are interrupted and who is not implicated in the suspected fraud receives notice of their rights related to continued receipt of the public funds, services, or programs for which they are eligible. The agency head must provide a point of contact for the impacted persons.~~

~~(d) A program participant may appeal an agency head's decision under this subdivision by initiating a contested case proceeding under chapter 14 or by petitioning the court for relief, including injunctive relief.~~

~~(e) This subdivision does not apply if an agency is precluded from withholding payments to a program participant by federal law or obligations under a contract.~~

~~Subd. 3.~~ ~~**Data classification and access.**~~ ~~(a) During the administrative payment withholding period under subdivision 2, data relating to evidence of fraud are classified as: (1) confidential data on individuals pursuant to section 13.02, subdivision 3; or (2) protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals.~~

~~(b) All data relating to evidence of fraud become public at the termination of the withholding period unless classified as not public data under state or federal law. The identity of a complainant is private data on individuals, as defined in section 13.02, subdivision 12.~~

~~(c) An agency may disclose data classified as confidential or protected nonpublic under this section to a federal, state, or local government agency or a law enforcement agency if the agency determines that access will help prevent fraud against public programs or aid the law enforcement process.~~

~~Subd. 4.~~ ~~**Court order.**~~ ~~The head of an agency may petition the court for a temporary order pursuant to Rule 65 of the Minnesota Rules of Civil Procedure to withhold payments to a program participant in a program administered by that agency if the agency head determines that a preponderance of the evidence shows that the program participant has committed fraud to obtain payments under the program.~~

~~Subd. 5.~~ ~~**Report.**~~ ~~(a) An agency that has withheld a payment under this section must report the following to the commissioner of management and budget by March 1, 2026:~~

~~(1) the number of program participants from whom payments have been withheld;~~

~~(2) a description of the reason the payments were withheld from the program participant;~~

~~(3) the dollar amount of payments withheld;~~

~~(4) the identification of the program;~~

~~(5) whether the payments withheld were state or federal funds; and~~

~~(6) whether the withholding of payment was challenged by a program participant and the outcome of the challenge.~~

~~(b) The commissioner of management and budget must compile the reports from the agencies under paragraph (a) and submit the compiled report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over state government, judiciary, health and human services, and education by March 15, 2026.~~

~~Subd. 6. **Sunset.** This section expires July 1, 2027.~~

Subdivision 7. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Credible allegation of fraud" means an allegation of fraud that has been verified by the head of a state agency from any source, including but not limited to fraud complaints; patterns identified through audits, civil cases, law enforcement investigations, or investigations by other state or federal agencies; and court filings and other legal documents, including but not limited to police reports, complaints, indictments, information, affidavits, declarations, and search warrants.

(c) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes acts which constitute a crime against any program, or the attempts or plans to commit a crime against any program, including but not limited to theft in violation of section 609.52; perjury in violation of section 609.48; and aggravated forgery and forgery in violation of sections 609.542, 609.625, and 609.63, and substantially similar federal laws.

(d) "Individual" means a natural person.

(e) "Program" means any program funded by a state or federal agency that involves the transfer or disbursement of public funds or other public resources.

(f) "Program participant" means any entity or individual that receives, disburses, or has custody of funds or other resources transferred or disbursed under a program.

(g) "State agency" means any department or agency of the state as defined in sections 15.01 and 15.012.

Subd. 8. **Withholding of payments.** (a) Except as otherwise authorized and to the extent permitted by federal law, the head of any state agency may withhold payments to a program participant in any program administered by that agency if the agency head determines the

program participant is the subject of a credible allegation of fraud under investigation that is related to any program administered by that agency. The head of any agency may also withhold payments to a program participant in any program administered by that agency if another agency head has determined there is a credible allegation of fraud under investigation and the program participant is a subject of the investigation.

(b) The state agency head must send notice of the withholding of payments to the program participant within five days of taking such action. The notice must:

(1) state that payments are being withheld in accordance with this section;

(2) state the reasons for withholding payments, but need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which withholding shall be terminated; and

(4) inform the program participant of the right to submit written evidence for consideration by the state agency head.

(c) Following notice, to the extent practicable, the agency must ensure that any person whose public funds are interrupted and who is not implicated in the suspected fraud receives notice of their rights to continued receipt of the public funds, services, or programs for which they are eligible. The agency head must provide a point of contact for persons impacted.

(d) If the agency head withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, stating with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days after receipt of the request, the agency head shall judiciously review allegations, facts, evidence available to the agency head and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The withholding of payments shall not continue after the state agency head determines there is insufficient evidence of fraud by the program participant, or after legal proceedings relating to the alleged fraud are completed, unless the state agency head is authorized by law to take additional action against the program participant and complies with all requirements in law to take such action.

(f) The withholding of payments is a temporary action and is not subject to appeal under chapter 14.

(g) This section does not supersede any other section of law authorizing withholding of payments, including but not limited to sections 127A.21, subdivision 5; 142A.12, subdivision 5; 245.095, subdivision 5; and 256B.064, subdivision 2, paragraph (b).

Subd. 9. **Data classification and access.** (a) During the payment withholding period under this section, all data relating to a credible allegation of fraud under this section are classified as: (1) confidential data on individuals pursuant to section 13.02, subdivision 3; or (2) protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals.

(b) Except for the identity of a complainant, after a determination has been made under subdivision 8, paragraph (e), that withholding of payments shall not continue, all data relating to a credible allegation of fraud under this section become public unless classified otherwise under state or federal law. The identity of a complainant is private.

(c) Any state agency may disclose any data classified as confidential or protected nonpublic under this section to any federal, state, or local government agency, or any law enforcement agency, if the state agency determines that access will help prevent fraud against public programs or aid the law enforcement process.

Sec. 2. Minnesota Statutes 2024, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures ~~for particular grant programs~~. Exceptions shall expire or be renewed after five years. The commissioner must report each approved exception to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and ~~waste~~ misuse in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

Sec. 3. Minnesota Statutes 2024, section 16B.97, subdivision 5, is amended to read:

Subd. 5. **Data classification.** Data maintained by the commissioner that identify a person providing comments to the commissioner under subdivision 4, paragraph (a), clauses (6) and (7), are private and nonpublic data ~~but may be shared with the executive agency that is the subject of the comments~~.

Sec. 4. Minnesota Statutes 2024, section 16B.98, subdivision 11, is amended to read:

Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a), clause ~~(2)~~ (3), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may permit a specifically named, legislatively appropriated, noncompetitive grant recipient to incur eligible expenses based on an agreed upon work plan and budget for up to 60 days prior to an encumbrance being established in the accounting system.

Sec. 5. Minnesota Statutes 2024, section 16B.991, subdivision 1, is amended to read:

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement. "Recipient" includes individuals, entities, and key personnel of entities, including board members, officers,

executives, employees, or agents with authority over or access to grant funds, and any individual in a position of fiduciary responsibility related to the grant.

Sec. 6. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 37. **Program integrity report.** Beginning January 1, 2027, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families on program integrity functions within the Department of Children, Youth, and Families. The report must include:

(1) an update from the Office of Inspector General at the Department of Children, Youth, and Families with historical metrics and descriptive data, including the office's capacity to meet licensing demands and data for the past five years on the number of maltreatment reports and licensing complaints received, the results of maltreatment investigations, the number of licenses issued for each provider type, the number of licensing investigations and reviews completed, and the number of correction orders issued; and

(2) an update from the Office of Inspector General at the Department of Children, Youth, and Families that includes summary data related to caseload, site visit data, the number of child care assistance program investigations and administrative reviews within the past five years, recipient fraud investigation results involving multiple benefits from the past five years, and updates on closed major fraud investigations.

Sec. 7. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 46. **Program integrity report.** Beginning November 30, 2026, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services on program integrity functions within the Department of Human Services. The report must include:

(1) an update from the Background Studies Division within the Office of Inspector General at the Department of Human Services with historical metrics and descriptive data on background studies and licensure, including the number of background studies completed within the past five years and the number of disqualifications that occurred;

(2) an update from the Licensing Division within the Office of Inspector General at the Department of Human Services with historical metrics and descriptive data, including the

division's capacity to meet licensing demands and data for the past five years on the number of maltreatment reports and licensing complaints received, the results of maltreatment investigations, the number of licenses issued for each provider type, the number of licensing investigations and reviews completed, and the number of correction orders issued; and

(3) an update from the Program Integrity Oversight Division within the Office of Inspector General at the Department of Human Services that includes summary data related to caseload, screening and site visit data, the number of provider medical assistance managed care investigations within the past five years, the number of screening investigations within the past five years, and updates on closed major fraud investigations.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Drazkowski | Holmstrom | Lang | Pratt |
| Bahr | Duckworth | Housley | Lieske | Rarick |
| Coleman | Farnsworth | Howe | Limmer | Rasmusson |
| Dahms | Green | Jasinski | Lucero | Utke |
| Dibble | Gruenhagen | Johnson | Mathews | Weber |
| Dornink | Heintzeman | Koran | Miller | Wesenberg |
| Draheim | Hoffman | Kreun | Nelson | Westrom |

Those who voted in the negative were:

| | | | | |
|---|---|---|---|---|
| Boldon | Gustafson | Kupec | Murphy | Seeberger |
| Carlson | Hauschild | Latz | Oumou Verbeten | Westlin |
| Champion | Hawj | Mann | Pappas | Wiklund |
| Clark | Hemmingsen-Jaeger | Marty | Pha | Xiong |
| Cwodzinski | Johnson Stewart | Maye Quade | Port | |
| Fateh | Klein | McEwen | Putnam | |
| Frentz | Kunesh | Mohamed | Rest | |

Pursuant to Rule 40, Senator Westlin cast the negative vote on behalf of the following Senators: Boldon, Carlson, Hawj, Kunesh, and Rest.

The motion did not prevail.

## MOTIONS AND RESOLUTIONS - CONTINUED

Senator Murphy moved that H.F. No. 3629 be taken from the table. The motion prevailed.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 3629 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 3629:** A bill for an act relating to state government; changing provisions for grants management; amending Minnesota Statutes 2024, sections 16B.97, subdivisions 4, 5; 16B.98, subdivision 11; 16B.991, subdivision 1.

Senator Kreun moved to amend H.F. No. 3629 as follows (A-5):

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2025 Supplement, section 15.013, is amended to read:

**15.013 PROGRAM PAYMENTS WITHHELD; FRAUD.**

~~Subdivision 1.~~ **Definitions.** ~~(a) For purposes of this section, the following terms have the meanings given.~~

~~(b) "Entity" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, or any other legal entity that engages in either nonprofit or profit-making activities.~~

~~(c) "Evidence" means credible evidence obtained from an internal agency investigation, audits, court records, law enforcement investigations, or investigations by other state or federal agencies.~~

~~(d) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception. Fraud includes knowingly submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than the person is legally entitled. Fraud also includes acts that constitute a crime against any program, or the attempts or plans to commit those crimes, including but not limited to theft in violation of section 609.52, perjury in violation of section 609.48, and aggravated forgery and forgery in violation of sections 609.625 and 609.63, and substantially similar federal laws.~~

~~(e) "Individual" means a natural person.~~

~~(f) "Program" means any program funded by a state or federal agency that involves the transfer or disbursement of public funds or other public resources.~~

~~(g) "Program participant" means an entity, or an individual on behalf of an entity, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a program.~~

~~(h) "Agency" has the meaning given in section 16B.01, subdivision 2, and includes the Minnesota State Colleges and Universities.~~

~~Subd. 2.~~ **~~Administrative withholding of payments.~~** ~~(a) The head of an agency may withhold payments to a program participant in a program administered by that agency for a period not to exceed 60 days if the agency head determines that a preponderance of the evidence shows that the program participant has committed fraud to obtain payments under the program.~~

~~(b) Notwithstanding subdivision 3, the agency head must notify the program participant of the decision to withhold payments at least 24 hours before withholding a payment. The notice must:~~

~~(1) state that payments will be withheld in accordance with this section;~~

~~(2) state the date the administrative withholding of payments is effective;~~

~~(3) state the reasons for withholding payments, excluding specific information that may jeopardize an active investigation;~~

~~(4) state the date the administrative withholding period terminates;~~

~~(5) inform the program participant of the right to submit written evidence for consideration by the agency head; and~~

~~(6) inform the program participant of their rights under chapter 14 to appeal the decision to withhold payment.~~

~~(c) Following notice and to the extent practicable, the agency must ensure that any person whose public funds are interrupted and who is not implicated in the suspected fraud receives notice of their rights related to continued receipt of the public funds, services, or programs for which they are eligible. The agency head must provide a point of contact for the impacted persons.~~

~~(d) A program participant may appeal an agency head's decision under this subdivision by initiating a contested case proceeding under chapter 14 or by petitioning the court for relief, including injunctive relief.~~

~~(e) This subdivision does not apply if an agency is precluded from withholding payments to a program participant by federal law or obligations under a contract.~~

~~Subd. 3.~~ ~~**Data classification and access.**~~ ~~(a) During the administrative payment withholding period under subdivision 2, data relating to evidence of fraud are classified as: (1) confidential data on individuals pursuant to section 13.02, subdivision 3; or (2) protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals.~~

~~(b) All data relating to evidence of fraud become public at the termination of the withholding period unless classified as not public data under state or federal law. The identity of a complainant is private data on individuals, as defined in section 13.02, subdivision 12.~~

~~(c) An agency may disclose data classified as confidential or protected nonpublic under this section to a federal, state, or local government agency or a law enforcement agency if the agency determines that access will help prevent fraud against public programs or aid the law enforcement process.~~

~~Subd. 4.~~ ~~**Court order.**~~ ~~The head of an agency may petition the court for a temporary order pursuant to Rule 65 of the Minnesota Rules of Civil Procedure to withhold payments to a program participant in a program administered by that agency if the agency head determines that a preponderance of the evidence shows that the program participant has committed fraud to obtain payments under the program.~~

~~Subd. 5.~~ ~~**Report.**~~ ~~(a) An agency that has withheld a payment under this section must report the following to the commissioner of management and budget by March 1, 2026:~~

~~(1) the number of program participants from whom payments have been withheld;~~

~~(2) a description of the reason the payments were withheld from the program participant;~~

~~(3) the dollar amount of payments withheld;~~

~~(4) the identification of the program;~~

~~(5) whether the payments withheld were state or federal funds; and~~

~~(6) whether the withholding of payment was challenged by a program participant and the outcome of the challenge.~~

~~(b) The commissioner of management and budget must compile the reports from the agencies under paragraph (a) and submit the compiled report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over state government, judiciary, health and human services, and education by March 15, 2026.~~

~~Subd. 6.~~ ~~**Sunset.**~~ ~~This section expires July 1, 2027.~~

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Credible allegation of fraud" means an allegation of fraud that has been verified by the head of a state agency from any source, including but not limited to fraud complaints; patterns identified through audits, civil cases, law enforcement investigations, or investigations by other state or federal agencies; and court filings and other legal documents, including but not limited to police reports, complaints, indictments, information, affidavits, declarations, and search warrants.

(c) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes acts which constitute a crime against any program, or the attempts or plans to commit a crime against any program, including but not limited to theft in violation of section 609.52; perjury in violation of section 609.48; and aggravated forgery and forgery in violation of sections 609.542, 609.625, and 609.63, and substantially similar federal laws.

(d) "Individual" means a natural person.

(e) "Program" means any program funded by a state or federal agency that involves the transfer or disbursement of public funds or other public resources.

(f) "Program participant" means any entity or individual that receives, disburses, or has custody of funds or other resources transferred or disbursed under a program.

(g) "State agency" means any department or agency of the state as defined in sections 15.01 and 15.012.

Subd. 2. **Withholding of payments.** (a) Except as otherwise authorized and to the extent permitted by federal law, the head of any state agency may withhold payments to a program participant in any program administered by that agency if the agency head determines the program participant is the subject of a credible allegation of fraud under investigation that is related to any program administered by that agency. The head of any agency may also withhold payments to a program participant in any program administered by that agency if another agency head has determined there is a credible allegation of fraud under investigation and the program participant is a subject of the investigation.

(b) The state agency head must send notice of the withholding of payments to the program participant within five days of taking such action. The notice must:

(1) state that payments are being withheld in accordance with this section;

(2) state the reasons for withholding payments, but need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which withholding shall be terminated; and

(4) inform the program participant of the right to submit written evidence for consideration by the state agency head.

(c) Following notice, to the extent practicable, the agency must ensure that any person whose public funds are interrupted and who is not implicated in the suspected fraud receives notice of their rights to continued receipt of the public funds, services, or programs for which they are eligible. The agency head must provide a point of contact for persons impacted.

(d) If the agency head withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, stating with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days after receipt of the request, the agency head shall judiciously review allegations, facts, evidence available to the agency head and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The withholding of payments shall not continue after the state agency head determines there is insufficient evidence of fraud by the program participant, or after legal proceedings relating to the alleged fraud are completed, unless the state agency head is authorized by law to take additional action against the program participant and complies with all requirements in law to take such action.

(f) The withholding of payments is a temporary action and is not subject to appeal under chapter 14.

(g) This section does not supersede any other section of law authorizing withholding of payments, including but not limited to sections 127A.21, subdivision 5; 142A.12, subdivision 5; 245.095, subdivision 5; and 256B.064, subdivision 2, paragraph (b).

Subd. 3. **Data classification and access.** (a) During the payment withholding period under this section, all data relating to a credible allegation of fraud under this section are classified as: (1) confidential data on individuals pursuant to section 13.02, subdivision 3; or (2) protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals.

(b) Except for the identity of a complainant, after a determination has been made under subdivision 2, paragraph (e), that withholding of payments shall not continue, all data relating to a credible allegation of fraud under this section become public unless classified otherwise under state or federal law. The identity of a complainant is private.

(c) Any state agency may disclose any data classified as confidential or protected nonpublic under this section to any federal, state, or local government agency, or any law enforcement agency, if the state agency determines that access will help prevent fraud against public programs or aid the law enforcement process."

Page 2, after line 30, insert:

"Sec. 6. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 36. **Program integrity report.** Beginning January 1, 2027, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families on program integrity functions within the Department of Children, Youth, and Families. The report must include:

(1) an update from the Office of Inspector General at the Department of Children, Youth, and Families with historical metrics and descriptive data, including the office's capacity to meet licensing demands and data for the past five years on the number of maltreatment reports and licensing complaints received, the results of maltreatment investigations, the number of licenses issued for each provider type, the number of licensing investigations and reviews completed, and the number of correction orders issued; and

(2) an update from the Office of Inspector General at the Department of Children, Youth, and Families that includes summary data related to caseload, site visit data, the number of child care assistance program investigations and administrative reviews within the past five years, recipient fraud investigation results involving multiple benefits from the past five years, and updates on closed major fraud investigations.

Sec. 7. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 45. **Program integrity report.** Beginning November 30, 2026, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services on program integrity functions within the Department of Human Services. The report must include:

(1) an update from the Background Studies Division within the Office of Inspector General at the Department of Human Services with historical metrics and descriptive data on background studies and licensure, including the number of background studies completed within the past five years and the number of disqualifications that occurred;

(2) an update from the Licensing Division within the Office of Inspector General at the Department of Human Services with historical metrics and descriptive data, including the division's capacity to meet licensing demands and data for the past five years on the number of maltreatment reports and licensing complaints received, the results of maltreatment investigations, the number of licenses issued for each provider type, the number of licensing investigations and reviews completed, and the number of correction orders issued; and

(3) an update from the Program Integrity Oversight Division within the Office of Inspector General at the Department of Human Services that includes summary data related to caseload, screening and site visit data, the number of provider medical assistance managed care investigations within the past five years, the number of screening investigations within the past five years, and updates on closed major fraud investigations."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3629 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Hawj, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Mathews.

So the bill, as amended, was passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Senator Murphy moved that H.F. No. 4492 be taken from the table. The motion prevailed.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 4492 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 4492:** A bill for an act relating to veterans; establishing the Commanders Task Force; proposing coding for new law in Minnesota Statutes, chapter 197.

Senator Cwodzinski moved to amend H.F. No. 4492 as follows (A-4):

Delete everything after the enacting clause and insert:

### "ARTICLE 1

### THE READ ACT

Section 1. Minnesota Statutes 2024, section 120B.119, subdivision 7, is amended to read:

# 136. HF 4492

**Vote:** 2026-05-17 | **Workbook row:** 141
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Read Act modified, early literacy field experiences required for teacher candidates, high school diploma established for veterans, and rulemaking required.

## Included complete bill documents

**1. Introduction, posted 2026-03-18** - 2 original pages
Full numbered bill text cited in the workbook
https://www.revisor.mn.gov/bills/94/2026/0/HF/4492/versions/0/pdf/

**2. 1st Unofficial Engrossment, posted 2026-05-17** - 14 original pages
Additional full text for version comparison
https://www.revisor.mn.gov/bills/94/2026/0/HF/4492/versions/ue/1/pdf/

## Original Senate journal context

PDF pages 13-23. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260517078.pdf#page=22

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/HF/4492/

This Document can be made available
in alternative formats upon request

State of Minnesota



# HOUSE OF REPRESENTATIVES

**NINETY-FOURTH SESSION**

**H. F. No. 4492**

03/18/2026 Authored by Mueller and Bliss
The bill was read for the first time and referred to the Veterans and Military Affairs Division
04/09/2026 Adoption of Report: Placed on the General Register
Read for the Second Time
05/04/2026 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

A bill for an act

relating to veterans; establishing the Commanders Task Force; proposing coding for new law in Minnesota Statutes, chapter 197.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[197.581] COMMANDERS TASK FORCE.**

Subdivision 1. **Establishment.** The Commanders Task Force is established to advise the legislature, the governor, and the commissioner on matters pertaining to veterans and veterans' families.

Subd. 2. **Membership.** The task force must consist of the elected leaders from the following congressionally chartered veteran service organizations in Minnesota:

(1) The American Legion;

(2) American Veterans;

(3) Disabled American Veterans;

(4) Jewish War Veterans;

(5) Marine Corps League;

(6) Military Order of the Purple Heart;

(7) Paralyzed Veterans of America; and

(8) Veterans of Foreign Wars.

Subd. 3. **Organization.** (a) The task force shall adopt standing rules and order of business for conducting regular meetings.

(b) The task force shall annually elect a chair and a vice-chair from among current task force members.

Subd. 4. **Duties.** The task force shall:

(1) advise the commissioner, the legislature, and the governor on matters relating to veterans, the families of veterans, and the Minnesota Department of Veterans Affairs; and

(2) serve as a liaison between state government and the organizations that make up the task force membership.

Subd. 5. **Compensation.** Notwithstanding section 15.059, subdivision 6, members are not entitled to compensation, per diem, reimbursement for child care expenses, or other expense reimbursement from state funds.

Subd. 6. **Expiration.** Notwithstanding section 15.059, subdivision 6, the task force shall not expire.

A bill for an act

relating to education; modifying the Read Act; requiring early literacy field experience for certain teacher candidates; establishing a high school diploma for veterans; requiring rulemaking; amending Minnesota Statutes 2024, sections 120B.119, subdivision 7, by adding a subdivision; 120B.123, by adding a subdivision; 122A.092, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 120B.119, subdivision 10; 120B.12, subdivisions 2, 2a, 4a; 120B.123, subdivisions 1, 5; 120B.124, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 127A; repealing Minnesota Statutes 2025 Supplement, section 120B.124, subdivision 6.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

## THE READ ACT

Section 1. Minnesota Statutes 2024, section 120B.119, subdivision 7, is amended to read:

Subd. 7. **Literacy specialist.** "Literacy specialist" means a person licensed by the Professional Educator Licensing and Standards Board ~~as a teacher of reading, a special education teacher, or a kindergarten through grade 6 teacher,~~ who has completed professional development approved by the Department of Education in structured literacy.

Sec. 2. Minnesota Statutes 2025 Supplement, section 120B.119, subdivision 10, is amended to read:

Subd. 10. **Oral language.** "Oral language," also called " expressive language" ~~or~~ and "receptive language," includes speaking and listening, and consists of five components: phonology, morphology, syntax, semantics, and pragmatics. Oral language also includes sign language, in which speaking and listening skills are defined as expressive and receptive

skills, and consists of phonology, including sign language phonological awareness, morphology, syntax, semantics, and pragmatics.

Sec. 3. Minnesota Statutes 2024, section 120B.119, is amended by adding a subdivision to read:

Subd. 10a. **Parent.** "Parent" means a student's parent or legal guardian.

Sec. 4. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** (a) Each school district must screen every student enrolled in kindergarten, grade 1, grade 2, and grade 3 using a screening tool approved by the Department of Education three times each school year: (1) within the first six weeks of the school year; (2) by February 15 each year; and (3) within the last six weeks of the school year. Students enrolled in kindergarten, grade 1, grade 2, and grade 3, including multilingual learners, students receiving special education services, and students enrolled in dual language immersion programs, must be universally screened for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, oral language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and expressive ~~or~~ and receptive language mastery. The screening tool used must be a valid and reliable universal screener that is highly correlated with foundational reading skills. ~~For students reading at grade level, beginning in the winter of grade 2, the oral reading fluency screener may be used to assess reading difficulties, including characteristics of dyslexia, without requiring a separate screening of each subcomponent of foundational reading skills.~~ A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan submission due on June 15.

(b) For students enrolled in dual language immersion programs:

(1) if students are screened in the partner language, they must be screened at the same interval as the screenings in English under paragraph (a);

(2) if the program provides instruction in foundational reading skills in English, the students receiving that instruction must be screened in English;

(3) if the program provides instruction in foundational reading skills in the partner language, the students receiving that instruction must be screened in the partner language;

(4) if no screener is available in the partner language, the districts must identify how students' reading proficiency is assessed and how the districts determine and provide targeted reading instruction in the partner language and supports to students identified as needing additional support in developing mastery of foundational reading skills; and

(5) the partner language screening tool must be approved by the district for kindergarten through grade 3 students.

(c) Students in grades 4 and above, including multilingual learners and students receiving special education services, who are not reading at grade level must be screened for reading difficulties, including characteristics of dyslexia, using a screening tool approved by the Department of Education, and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

(d) Reading screeners in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of multilingual learners. The district must use an approved, developmentally appropriate, and culturally responsive screener and annually report summary screener results to the commissioner by June 15 in the form and manner determined by the commissioner.

(e) An English language learner must be screened for characteristics of dyslexia according to the vendor's assessment guidelines.

~~(e)~~ (f) The district also must include in its local literacy plan under subdivision 4a, a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia as measured by a screening tool approved by the Department of Education. Districts are strongly encouraged to use a MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

(1) a summary of the district's efforts to screen for characteristics of reading difficulties, including dyslexia;

(2) the number of students universally screened for that reporting year;

(3) the number of students demonstrating characteristics of dyslexia for that year; and

(4) an explanation of how students identified under this subdivision are provided with alternate instruction and interventions under section 125A.56, subdivision 1.

Sec. 5. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 2a, is amended to read:

Subd. 2a. **Parent notification and involvement.** (a) A district must administer an approved reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. A district must administer an approved reading screener to students in grades 4 and above who are not reading at grade level at least once per year until the student reaches grade-level proficiency. Schools, after administering each screener, must follow the language access plan under section 123B.32 and give the parent of each student who is not reading at or above grade level information from the screener about:

(1) the student's reading proficiency as measured by a screener approved by the Department of Education;

(2) reading-related services currently being provided to the student and the student's progress; and

(3) strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

(b) For students enrolled in dual language immersion programs, the district must measure the student's reading proficiency in English or in the program's partner language, if available, according to subdivision 2. Following the district's language access plan under section 123B.32, the district must notify families with timely information about students' reading proficiency, including how the student's reading proficiency is assessed, any reading-related services or supports provided to the student and the student's progress, and strategies for families to use at home in helping students succeed in becoming grade-level proficient in reading in English or the partner language. The dual language immersion program may provide information about national research on reading proficiency for students in dual language immersion programs in the parent notification.

(c) A district may not use this section to deny a student's right to a special education evaluation.

Sec. 6. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level every year beginning in kindergarten and to support multilingual learners and students receiving special education services in achieving their individualized reading goals. A district must update and submit the plan to the commissioner by June 15 each year. The plan must be consistent with the Read Act, and include the following:

(1) a process to assess students' foundational reading skills, oral language, and level of reading proficiency and the approved screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention;

(5) identification of staff development needs, including a plan to meet those needs;

(6) the curricula used by school site and grade level and, if applicable, the district plan and timeline for adopting evidence-based curricula and materials starting in the 2025-2026 school year;

(7) a statement of whether the district has adopted a MTSS framework;

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education for the following students:

(i) students in kindergarten through grade 3;

(ii) students who demonstrate characteristics of dyslexia; and

(iii) students in grades 4 to 12 who are identified as not reading at grade level;

(9) the number of teachers and other staff who have completed training approved by the department;

(10) the number of teachers and other staff proposed for training in structured literacy;

(11) how the district used funding provided under the Read Act to implement the requirements of the Read Act;

(12) beginning as soon as practicable after the end of fiscal year 2026, how the district used literacy aid funding received under section 124D.98; ~~and~~

(13) beginning on December 31, 2025, for a district with a dual language immersion program:

(i) the program's partner language;

(ii) grade levels included in the program;

(iii) the language used to screen students' foundational reading skills;

(iv) the percentage of grade 3 students taking the Minnesota Comprehensive Assessments; and

(v) the number of students in the program in grades 4 to 12 who are identified as not reading at grade level~~.~~; and

(14) beginning with the 2026-2027 school year, a description of how schools in the district will use the school library media center to complement students' foundational reading skills.

(b) Annually by June 15, the district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education.

(c) Districts must use a streamlined template developed by the commissioner of education for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff, by grade level, who have completed training approved by the Department of Education;

(2) the number of teachers and other staff, by grade level, required to complete the training under section 120B.123, subdivision 5, who have not completed the training;

(3) the number of teachers exempt under section 120B.123, subdivision 5, from completing training approved by the Department of Education;

(4) the statewide total number of teachers or other staff required to complete the training under section 120B.123, subdivision 5, that have received other training or education that meets the requirements of the training approved by the Department of Education;

(5) by school site and grade, the approved screeners and the reading curriculum used;

(6) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data on student performance on the approved screeners using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2); and

(7) information about dual language immersion programs.

(e) By December 1, 2026, and December 1, 2027, the commissioner of education must submit updated reports containing the information required under paragraph (d) and updates and recommendations from the dual language immersion advisory committee established under subdivision 6, to the legislative committees with jurisdiction over prekindergarten through grade 12 education.

Sec. 7. Minnesota Statutes 2025 Supplement, section 120B.123, subdivision 1, is amended to read:

Subdivision 1. **Approved screeners.** (a) A district must administer an approved evidence-based reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. A district must provide vendor-approved screening accommodations to students with documented accommodation plans. The screener must be one of the screening tools approved by the Department of Education. A district must identify any screener it uses in the district's annual literacy plan, and submit screening data with the annual literacy plan by June 15.

(b) Starting in the 2024-2025 school year, district staff and external partners offering literacy supports in schools may only use screeners that have been approved by the Department of Education.

Sec. 8. Minnesota Statutes 2025 Supplement, section 120B.123, subdivision 5, is amended to read:

Subd. 5. **Professional development.** (a) A district must provide training from a menu of approved evidence-based training programs to the following teachers and staff by July 1, 2026:

(1) reading intervention teachers working with students in kindergarten through grade 12;

(2) all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;

(3) kindergarten through grade 12 special education teachers responsible for foundational reading instruction;

(4) curriculum directors;

(5) instructional support staff, contractors, and volunteers who assist in providing reading interventions under the oversight and monitoring of a trained licensed teacher;

(6) employees who select literacy instructional materials for a district; and

(7) teachers holding English as a second language teaching licenses.

(b) A district must provide training from a menu of approved evidence-based training programs to the following teachers by July 1, 2027:

(1) teachers who provide foundational reading instruction to students in grades 4 to 12;

(2) teachers who provide instruction to students in a state-approved alternative program; and

(3) teachers who provide instruction to students in dual language immersion programs.

(c) The commissioner of education may grant a district an extension to the deadlines in this subdivision.

(d) Training provided by the following may satisfy the professional development requirements under this subdivision:

(1) a certified trained facilitator; or

(2) a training program that the department has determined meets the professional development requirements under the Read Act.

(e) Beginning July 1, 2027, an educator required to receive training under paragraph (a), who is new to the state of Minnesota or is a newly licensed teacher who did not receive instruction in the teaching of foundational reading skills based on structured literacy, must complete one of the approved required trainings. Training must be offered through the regional literacy network and facilitated by a local certified trained facilitator. The Department of Education must review district literacy lead waiver requests and grant waivers to educators new to the state or educators who provide reading instruction exclusively using alternatives to sound-based approaches, and who have completed the professional development requirements consistent with this subdivision.

(f) For the 2024-2025 ~~and~~, 2025-2026, and 2026-2027 school years only, the hours of instruction requirement under section 120A.41 for students in elementary and secondary school, as defined in section 120A.05, subdivisions 9 and 13, is reduced by 5-1/2 hours for a district that enters into an agreement with the exclusive representative of the teachers that requires teachers to receive at least 5-1/2 hours of approved evidence-based training required under this subdivision, on a day when other students in the district receive instruction. If a charter school's teachers are not represented by an exclusive representative, the charter school may reduce the number of instructional hours for students in elementary and secondary school, as defined in section 120A.05, subdivisions 9 and 13, by 5-1/2 hours after consulting with its teachers in order to provide teachers with at least 5-1/2 hours of evidence-based training required under this subdivision on a day when other students receive instruction. The hours of instruction reduction for secondary school students is applicable only for the 2025-2026 and 2026-2027 school ~~year~~ years.

(g) An educator who was first enrolled in an elementary, special education, or early childhood education Minnesota-approved teacher preparation program on or after June 1, 2026, does not need to receive additional training according to paragraph (a).

Sec. 9. Minnesota Statutes 2024, section 120B.123, is amended by adding a subdivision to read:

Subd. 8. **Accessibility standards.** (a) All professional development and digital curriculum resources must comply with the accessibility standards developed according to section 16E.03, subdivision 9.

(b) Professional development provided in accordance with the Read Act is subject to the requirements of section 363A.43.

Sec. 10. Minnesota Statutes 2025 Supplement, section 120B.124, subdivision 5, is amended to read:

Subd. 5. **Ongoing review of literacy materials.** (a) By October 1, 2026, the department must establish an ongoing review process in order to identify curriculum and intervention materials that are evidence-based, focused on structured literacy, culturally and linguistically responsive, and reflective of diverse populations. The department may partner with one or more institutions of higher education or a third party to conduct independent and objective reviews of curriculum and intervention materials using the competitive solicitation procedures under chapter 16C. The department must determine whether it will partner with an institution of higher education or a third party to conduct ongoing reviews of literacy materials by ~~June~~ October 1, 2026. A publisher may submit curriculum or intervention materials for review. The publisher is responsible for paying the cost of the review directly to ~~the~~ a partnering institution of higher education or third party. The review must use the Read Act rubric used to approve curriculum ~~and post~~. The department may modify the Read Act rubric as necessary to reflect the evolving needs of grade levels and special populations, including alignment with the Minnesota English Language Arts standards, the incorporation of culturally and linguistically responsive criteria, and the inclusion of criteria reflective of diverse populations. The Read Act rubric must be posted on the department website. The department and ~~institution of higher education~~ its partner may approve the curriculum or intervention materials if they determine that the curriculum or intervention materials are evidence-based, focused on structured literacy, culturally and linguistically responsive, and reflect diverse populations. The department must add the approved curriculum or intervention materials to the list of curricula and materials approved under the Read Act. Following each review cycle, the department must post its findings on the department's website. Alternative curriculum and intervention programs for those who cannot access sound-based approaches must be reviewed on the same review cycle as traditional programs.

(b) A program undergoing a full review cycle must be added to the reviewed curricula and intervention program list after the review process is completed.

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

Sec. 11. **REPEALER.**

Minnesota Statutes 2025 Supplement, section 120B.124, subdivision 6, is repealed.

## ARTICLE 2

## HIGH SCHOOL DIPLOMAS FOR VETERANS

Section 1. **[127A.135] HIGH SCHOOL DIPLOMA FOR VETERANS.**

Subdivision 1. **Diploma.** A school district or charter school must, upon a request under subdivision 2, issue a high school diploma to a veteran as defined in section 197.447 who was unable to complete their high school education for reasons related or unrelated to their military service, and who served:

(1) during the Korean Conflict from June 27, 1950, to January 31, 1955; or

(2) during the Vietnam War, either in the country from November 1, 1955, to May 7, 1975, or outside of the country from August 5, 1964, to May 7, 1975.

Subd. 2. **Request.** A veteran may request a diploma on their own behalf, or a family member may make a posthumous request on behalf of a deceased veteran or service member. The high school diploma is awarded based on the veteran's knowledge and experience gained while in service, or the veteran's other relevant lived experience. The school district or charter school may require the veteran or veteran's requestor to provide evidence that the veteran was a Minnesota public school student or is a current Minnesota resident.

Subd. 3. **No report required.** Districts and charter schools are not required to report on diplomas issued under this section.

Subd. 4. **Assistance.** The Minnesota Department of Veterans Affairs and county veteran service officers may provide assistance to districts and charter schools fulfilling these requests, including but not limited to verification of discharge paperwork.

## ARTICLE 3

## OTHER LITERACY PROVISIONS

Section 1. Minnesota Statutes 2024, section 122A.092, is amended by adding a subdivision to read:

Subd. 10. **Early literacy field experience.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare teacher candidates to provide instruction in early literacy must require a supervised early literacy field experience aligned to evidence-based best practices in reading consistent with sections 120B.118 to 120B.124. The early literacy field experience requirement applies to teacher candidates who enroll in teacher preparation programs in the 2027-2028 school year or later.

(b) The early literacy field experience must be integrated with learning experiences in reading instruction, including instruction on reading methods or equivalent, and must provide teacher candidates with opportunities to apply evidence-based literacy practices with students.

(c) The Professional Educator Licensing and Standards Board must adopt rules regarding the early literacy field experience requirement, including but not limited to:

(1) defining licensure areas in which teacher candidates must complete the early literacy field experience;

(2) establishing expectations for the scope and outcomes of the early literacy field experience;

(3) ensuring the field experience occurs primarily within a school building during the instructional day, while allowing for waivers when appropriate to accommodate unique program delivery models or documented hardship; and

(4) requiring the field experience includes observation with actionable feedback to ensure growth and attainment of related reading standards.

(d) In adopting rules under this subdivision, the board must allow flexibility for teacher preparation programs to demonstrate that candidates have met required standards through field experiences.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

APPENDIX
Article locations for UEH4492-1

ARTICLE 1 THE READ ACT..... Page.Ln 1.12
ARTICLE 2 HIGH SCHOOL DIPLOMAS FOR VETERANS..... Page.Ln 11.1
ARTICLE 3 OTHER LITERACY PROVISIONS..... Page.Ln 11.22

**120B.124 READ ACT IMPLEMENTATION PARTNERSHIP.**

Subd. 6. **Comprehensive review of literacy materials.** Starting in 2033, the department and an institution of higher education may partner to conduct a comprehensive review of curriculum and intervention materials to identify literacy curriculum and supporting materials, and intervention materials that are evidence-based, focused on structured literacy, culturally and linguistically responsive, and reflect diverse populations. The department must post on its website the rubrics used to evaluate curriculum and intervention materials. The department must revise the list of approved curriculum and supporting materials, and intervention materials based on the findings of the review.

H.F. No. 3629 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Hawj, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Mathews.

So the bill, as amended, was passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Senator Murphy moved that H.F. No. 4492 be taken from the table. The motion prevailed.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 4492 a Special Order to be heard immediately.

## SPECIAL ORDER

**H.F. No. 4492:** A bill for an act relating to veterans; establishing the Commanders Task Force; proposing coding for new law in Minnesota Statutes, chapter 197.

Senator Cwodzinski moved to amend H.F. No. 4492 as follows (A-4):

Delete everything after the enacting clause and insert:

### "ARTICLE 1

### THE READ ACT

Section 1. Minnesota Statutes 2024, section 120B.119, subdivision 7, is amended to read:

Subd. 7. **Literacy specialist.** "Literacy specialist" means a person licensed by the Professional Educator Licensing and Standards Board ~~as a teacher of reading, a special education teacher, or a kindergarten through grade 6 teacher,~~ who has completed professional development approved by the Department of Education in structured literacy.

Sec. 2. Minnesota Statutes 2025 Supplement, section 120B.119, subdivision 10, is amended to read:

Subd. 10. **Oral language.** "Oral language," also called " expressive language" ~~or~~ and "receptive language," includes speaking and listening, and consists of five components: phonology, morphology, syntax, semantics, and pragmatics. Oral language also includes sign language, in which speaking and listening skills are defined as expressive and receptive skills, and consists of phonology, including sign language phonological awareness, morphology, syntax, semantics, and pragmatics.

Sec. 3. Minnesota Statutes 2024, section 120B.119, is amended by adding a subdivision to read:

Subd. 10a. **Parent.** "Parent" means a student's parent or legal guardian.

Sec. 4. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** (a) Each school district must screen every student enrolled in kindergarten, grade 1, grade 2, and grade 3 using a screening tool approved by the Department of Education three times each school year: (1) within the first six weeks of the school year; (2) by February 15 each year; and (3) within the last six weeks of the school year. Students enrolled in kindergarten, grade 1, grade 2, and grade 3, including multilingual learners, students receiving special education services, and students enrolled in dual language immersion programs, must be universally screened for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, oral language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and expressive ~~or~~ and receptive language mastery. The screening tool used must be a valid and reliable universal screener that is highly correlated with foundational reading skills. ~~For students reading at grade level, beginning in the winter of grade 2, the oral reading fluency screener may be used to assess reading difficulties, including characteristics of dyslexia, without requiring a separate screening of each subcomponent of foundational reading skills.~~ A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan submission due on June 15.

(b) For students enrolled in dual language immersion programs:

(1) if students are screened in the partner language, they must be screened at the same interval as the screenings in English under paragraph (a);

(2) if the program provides instruction in foundational reading skills in English, the students receiving that instruction must be screened in English;

(3) if the program provides instruction in foundational reading skills in the partner language, the students receiving that instruction must be screened in the partner language;

(4) if no screener is available in the partner language, the districts must identify how students' reading proficiency is assessed and how the districts determine and provide targeted reading instruction in the partner language and supports to students identified as needing additional support in developing mastery of foundational reading skills; and

(5) the partner language screening tool must be approved by the district for kindergarten through grade 3 students.

(c) Students in grades 4 and above, including multilingual learners and students receiving special education services, who are not reading at grade level must be screened for reading difficulties, including characteristics of dyslexia, using a screening tool approved by the Department of Education, and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

(d) Reading screeners in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of multilingual learners. The district must use an approved, developmentally appropriate, and culturally responsive screener and annually report summary screener results to the commissioner by June 15 in the form and manner determined by the commissioner.

(e) An English language learner must be screened for characteristics of dyslexia according to the vendor's assessment guidelines.

~~(e)~~ (f) The district also must include in its local literacy plan under subdivision 4a, a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia as measured by a screening tool approved by the Department of Education. Districts are strongly encouraged to use a MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

(1) a summary of the district's efforts to screen for characteristics of reading difficulties, including dyslexia;

(2) the number of students universally screened for that reporting year;

(3) the number of students demonstrating characteristics of dyslexia for that year; and

(4) an explanation of how students identified under this subdivision are provided with alternate instruction and interventions under section 125A.56, subdivision 1.

Sec. 5. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 2a, is amended to read:

Subd. 2a. **Parent notification and involvement.** (a) A district must administer an approved reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. A district must administer an approved reading screener to students in grades 4 and above who are not reading at grade level at least once per year until the student reaches grade-level proficiency. Schools, after administering each screener, must follow the language access plan under section 123B.32 and give the parent of each student who is not reading at or above grade level information from the screener about:

(1) the student's reading proficiency as measured by a screener approved by the Department of Education;

(2) reading-related services currently being provided to the student and the student's progress; and

(3) strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

(b) For students enrolled in dual language immersion programs, the district must measure the student's reading proficiency in English or in the program's partner language, if available, according to subdivision 2. Following the district's language access plan under section 123B.32, the district must notify families with timely information about students' reading proficiency, including how the student's reading proficiency is assessed, any reading-related services or supports provided to the student and the student's progress, and strategies for families to use at home in helping students succeed in becoming grade-level proficient in reading in English or the partner language. The dual language immersion program may provide information about national research on reading proficiency for students in dual language immersion programs in the parent notification.

(c) A district may not use this section to deny a student's right to a special education evaluation.

Sec. 6. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level every year beginning in kindergarten and to support multilingual learners and students receiving special education services in achieving their individualized reading goals. A district must update and submit the plan to the commissioner by June 15 each year. The plan must be consistent with the Read Act, and include the following:

(1) a process to assess students' foundational reading skills, oral language, and level of reading proficiency and the approved screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention;

(5) identification of staff development needs, including a plan to meet those needs;

(6) the curricula used by school site and grade level and, if applicable, the district plan and timeline for adopting evidence-based curricula and materials starting in the 2025-2026 school year;

(7) a statement of whether the district has adopted a MTSS framework;

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education for the following students:

(i) students in kindergarten through grade 3;

(ii) students who demonstrate characteristics of dyslexia; and

(iii) students in grades 4 to 12 who are identified as not reading at grade level;

(9) the number of teachers and other staff who have completed training approved by the department;

(10) the number of teachers and other staff proposed for training in structured literacy;

(11) how the district used funding provided under the Read Act to implement the requirements of the Read Act;

(12) beginning as soon as practicable after the end of fiscal year 2026, how the district used literacy aid funding received under section 124D.98; ~~and~~

(13) beginning on December 31, 2025, for a district with a dual language immersion program:

(i) the program's partner language;

(ii) grade levels included in the program;

(iii) the language used to screen students' foundational reading skills;

(iv) the percentage of grade 3 students taking the Minnesota Comprehensive Assessments; and

(v) the number of students in the program in grades 4 to 12 who are identified as not reading at grade level~~.~~; and

(14) beginning with the 2026-2027 school year, a description of how schools in the district will use the school library media center to complement students' foundational reading skills.

(b) Annually by June 15, the district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education.

(c) Districts must use a streamlined template developed by the commissioner of education for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff, by grade level, who have completed training approved by the Department of Education;

(2) the number of teachers and other staff, by grade level, required to complete the training under section 120B.123, subdivision 5, who have not completed the training;

(3) the number of teachers exempt under section 120B.123, subdivision 5, from completing training approved by the Department of Education;

(4) the statewide total number of teachers or other staff required to complete the training under section 120B.123, subdivision 5, that have received other training or education that meets the requirements of the training approved by the Department of Education;

(5) by school site and grade, the approved screeners and the reading curriculum used;

(6) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data on student performance on the approved screeners using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2); and

(7) information about dual language immersion programs.

(e) By December 1, 2026, and December 1, 2027, the commissioner of education must submit updated reports containing the information required under paragraph (d) and updates and recommendations from the dual language immersion advisory committee established under subdivision 6, to the legislative committees with jurisdiction over prekindergarten through grade 12 education.

Sec. 7. Minnesota Statutes 2025 Supplement, section 120B.123, subdivision 1, is amended to read:

Subdivision 1. **Approved screeners.** (a) A district must administer an approved evidence-based reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. A district must provide vendor-approved screening accommodations to students with documented accommodation plans.The screener must be one of the screening tools approved by the Department

of Education. A district must identify any screener it uses in the district's annual literacy plan, and submit screening data with the annual literacy plan by June 15.

(b) Starting in the 2024-2025 school year, district staff and external partners offering literacy supports in schools may only use screeners that have been approved by the Department of Education.

Sec. 8. Minnesota Statutes 2025 Supplement, section 120B.123, subdivision 5, is amended to read:

Subd. 5. **Professional development.** (a) A district must provide training from a menu of approved evidence-based training programs to the following teachers and staff by July 1, 2026:

(1) reading intervention teachers working with students in kindergarten through grade 12;

(2) all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;

(3) kindergarten through grade 12 special education teachers responsible for foundational reading instruction;

(4) curriculum directors;

(5) instructional support staff, contractors, and volunteers who assist in providing reading interventions under the oversight and monitoring of a trained licensed teacher;

(6) employees who select literacy instructional materials for a district; and

(7) teachers holding English as a second language teaching licenses.

(b) A district must provide training from a menu of approved evidence-based training programs to the following teachers by July 1, 2027:

(1) teachers who provide foundational reading instruction to students in grades 4 to 12;

(2) teachers who provide instruction to students in a state-approved alternative program; and

(3) teachers who provide instruction to students in dual language immersion programs.

(c) The commissioner of education may grant a district an extension to the deadlines in this subdivision.

(d) Training provided by the following may satisfy the professional development requirements under this subdivision:

(1) a certified trained facilitator; or

(2) a training program that the department has determined meets the professional development requirements under the Read Act.

(e) Beginning July 1, 2027, an educator required to receive training under paragraph (a), who is new to the state of Minnesota or is a newly licensed teacher who did not receive instruction in

the teaching of foundational reading skills based on structured literacy, must complete one of the approved required trainings. Training must be offered through the regional literacy network and facilitated by a local certified trained facilitator. The Department of Education must review district literacy lead waiver requests and grant waivers to educators new to the state or educators who provide reading instruction exclusively using alternatives to sound-based approaches, and who have completed the professional development requirements consistent with this subdivision.

(f) For the 2024-2025 ~~and~~, 2025-2026, and 2026-2027 school years only, the hours of instruction requirement under section 120A.41 for students in elementary and secondary school, as defined in section 120A.05, subdivisions 9 and 13, is reduced by 5-1/2 hours for a district that enters into an agreement with the exclusive representative of the teachers that requires teachers to receive at least 5-1/2 hours of approved evidence-based training required under this subdivision, on a day when other students in the district receive instruction. If a charter school's teachers are not represented by an exclusive representative, the charter school may reduce the number of instructional hours for students in elementary and secondary school, as defined in section 120A.05, subdivisions 9 and 13, by 5-1/2 hours after consulting with its teachers in order to provide teachers with at least 5-1/2 hours of evidence-based training required under this subdivision on a day when other students receive instruction. The hours of instruction reduction for secondary school students is applicable only for the 2025-2026 and 2026-2027 school ~~year~~ years.

(g) An educator who was first enrolled in an elementary, special education or early childhood education Minnesota-approved teacher preparation program on or after June 1, 2026, does not need to receive additional training according to paragraph (a).

Sec. 9. Minnesota Statutes 2024, section 120B.123, is amended by adding a subdivision to read:

Subd. 8. **Accessibility standards.** (a) All professional development and digital curriculum resources must comply with the accessibility standards developed according to section 16E.03, subdivision 9.

(b) Professional development provided in accordance with the Read Act is subject to the requirements of section 363A.43.

Sec. 10. Minnesota Statutes 2025 Supplement, section 120B.124, subdivision 5, is amended to read:

Subd. 5. **Ongoing review of literacy materials.** (a) By October 1, 2026, the department must establish an ongoing review process in order to identify curriculum and intervention materials that are evidence-based, focused on structured literacy, culturally and linguistically responsive, and reflective of diverse populations. The department may partner with one or more institutions of higher education or a third party to conduct independent and objective reviews of curriculum and intervention materials using the competitive solicitation procedures under chapter 16C. The department must determine whether it will partner with an institution of higher education or a third party to conduct ongoing reviews of literacy materials by ~~June~~ October 1, 2026. A publisher may submit curriculum or intervention materials for review. The publisher is responsible for paying the cost of the review directly to ~~the~~ a partnering institution of higher education or third party. The review must use the Read Act rubric used to approve curriculum ~~and post~~. The department may modify the Read Act rubric as necessary to reflect the evolving needs of grade levels and special populations, including

alignment with the Minnesota English Language Arts standards, the incorporation of culturally and linguistically responsive criteria, and the inclusion of criteria reflective of diverse populations. The Read Act rubric must be posted on the department website. The department and ~~institution of higher education~~ its partner may approve the curriculum or intervention materials if they determine that the curriculum or intervention materials are evidence-based, focused on structured literacy, culturally and linguistically responsive, and reflect diverse populations. The department must add the approved curriculum or intervention materials to the list of curricula and materials approved under the Read Act. Following each review cycle, the department must post it's findings on the department's website. Alternative curriculum and intervention programs for those who cannot access sound-based approaches must be reviewed on the same review cycle as traditional programs.

(b) A program undergoing a full review cycle must be added to the reviewed curricula and intervention program list after the review process is completed.

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

Sec. 11. **REPEALER.**

Minnesota Statutes 2025 Supplement, section 120B.124, subdivision 6, is repealed.

## ARTICLE 2

## HIGH SCHOOL DIPLOMAS FOR VETERANS

Section 1. **[127A.135] HIGH SCHOOL DIPLOMA FOR VETERANS.**

Subdivision 1. **Diploma.** A school district or charter school must, upon a request under subdivision 2, issue a high school diploma to a veteran as defined in section 197.447 who was unable to complete their high school education for reasons related or unrelated to their military service, and who served:

(1) during the Korean Conflict from June 27, 1950, to January 31, 1955; or

(2) during the Vietnam War, either in the country from November 1, 1955, to May 7, 1975, or outside of the country from August 5, 1964, to May 7, 1975.

Subd. 2. **Request.** A veteran may request a diploma on their own behalf, or a family member may make a posthumous request on behalf of a deceased veteran or service member. The high school diploma is awarded based on the veteran's knowledge and experience gained while in service, or the veteran's other relevant lived experience. The school district or charter school may require the veteran or veteran's requestor to provide evidence that the veteran was a Minnesota public school student or is a current Minnesota resident.

Subd. 3. **No report required.** Districts and charter schools are not required to report on diplomas issued under this section.

Subd. 4. **Assistance.** The Minnesota Department of Veterans Affairs and county veteran service officers may provide assistance to districts and charter schools fulfilling these requests, including but not limited to verification of discharge paperwork.

**ARTICLE 3**

**OTHER LITERACY PROVISIONS**

Section 1. Minnesota Statutes 2024, section 122A.092, is amended by adding a subdivision to read:

Subd. 10. **Early literacy field experience.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare teacher candidates to provide instruction in early literacy must require a supervised early literacy field experience aligned to evidence-based best practices in reading consistent with sections 120B.118 to 120B.124. The early literacy field experience requirement applies to teacher candidates who enroll in teacher preparation programs in the 2027-2028 school year or later.

(b) The early literacy field experience must be integrated with learning experiences in reading instruction, including instruction on reading methods or equivalent, and must provide teacher candidates with opportunities to apply evidence-based literacy practices with students.

(c) The Professional Educator Licensing and Standards Board must adopt rules regarding the early literacy field experience requirement, including but not limited to:

(1) defining licensure areas in which teacher candidates must complete the early literacy field experience;

(2) establishing expectations for the scope and outcomes of the early literacy field experience;

(3) ensuring the field experience occurs primarily within a school building during the instructional day, while allowing for waivers when appropriate to accommodate unique program delivery models or documented hardship; and

(4) requiring the field experience includes observation with actionable feedback to ensure growth and attainment of related reading standards.

(d) In adopting rules under this subdivision, the board must allow flexibility for teacher preparation programs to demonstrate that candidates have met required standards through field experiences.

**EFFECTIVE DATE.** This section is effective July 1, 2026."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 4492 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Hawj, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Mathews.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated S.F. No. 4400 a Special Order to be heard immediately.

## SPECIAL ORDER

**S.F. No. 4400:** A bill for an act relating to public finance; reducing the aggregate bond limitation applicable to the allocation of private activity bonds for qualifying residential rental projects; amending Minnesota Statutes 2024, section 474A.02, subdivision 1a.

S.F. No. 4400 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Hawj, and Rest.

# 137. SF 4400

**Vote:** 2026-05-17 | **Workbook row:** 142
**Recorded stage:** Final passage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Electronic visit verification requirements regulation and nonemergency medical transportation modification

**VERSION CAUTION:** Workbook version caution retained. The printed text and vote-stage identity require care; do not infer a policy position from a mismatched draft. The workbook-linked 1st Engrossment concerns human services, whereas the vote journal concerns private-activity bonds. The introduction matching the journal subject is supplied; a fully verified consolidated vote-stage version remains uncertain.

## Included complete bill documents

**1. Introduction, posted 2026-03-11** - 1 original pages
Full bill text matching the subject in the vote journal; see version caution
https://www.revisor.mn.gov/bills/94/2026/0/SF/4400/versions/0/pdf/

## Original Senate journal context

PDF pages 23-23. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260517078.pdf#page=23

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/4400/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 4400

**(SENATE AUTHORS: MOHAMED)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 03/12/2026 | 6667 | Introduction and first reading |
| | | Referred to Housing and Homelessness Prevention |
| 03/18/2026 | 6786 | Comm report: To pass and re-referred to Finance |
| 05/16/2026 | 10904a | Comm report: To pass as amended |
| | 10918 | Second reading |

A bill for an act

relating to public finance; reducing the aggregate bond limitation applicable to the allocation of private activity bonds for qualifying residential rental projects; amending Minnesota Statutes 2024, section 474A.02, subdivision 1a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 474A.02, subdivision 1a, is amended to read:

Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means ~~up to 55~~ the greater of: (1) 30 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located; or (2) the maximum supportable permanent amortizing debt, subject to a maximum of 40 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located.

**EFFECTIVE DATE.** This section is effective January 1, 2027.

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Hawj, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Mathews.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated S.F. No. 4400 a Special Order to be heard immediately.

## SPECIAL ORDER

**S.F. No. 4400:** A bill for an act relating to public finance; reducing the aggregate bond limitation applicable to the allocation of private activity bonds for qualifying residential rental projects; amending Minnesota Statutes 2024, section 474A.02, subdivision 1a.

S.F. No. 4400 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Boldon, Carlson, Fateh, Hawj, and Rest.

# 138. SF 334

**Vote:** 2026-05-17 | **Workbook row:** 143
**Recorded stage:** Repassage
**Wesenberg:** Yea | **Roll call:** 67 yeas, 0 nays

**Workbook subject:** Human Services Systems Modernization Advisory Council and Legislative Commission on Human Services Systems; creation

**VERSION CAUTION:** Workbook version caution retained. The printed text and vote-stage identity require care; do not infer a policy position from a mismatched draft. The workbook-linked 2nd Engrossment concerns education. The supplied 3rd Engrossment concerns human-services systems modernization, matching the journal subject, and was posted after the vote.

## Included complete bill documents

**1. 3rd Engrossment, posted 2026-05-19** - 16 original pages
Full bill text matching the subject in the vote journal; see version caution
https://www.revisor.mn.gov/bills/94/2025/0/SF/334/versions/3/pdf/

## Original Senate journal context

PDF pages 24-25. Original journal pages surrounding this passage vote; other legislative business may share these pages.
https://www.senate.mn/journals/2025-2026/20260517078.pdf#page=25

**Bill history:**
https://www.revisor.mn.gov/bills/94/2026/0/SF/334/

# SENATE
## STATE OF MINNESOTA
## NINETY-FOURTH SESSION

# S.F. No. 334

**(SENATE AUTHORS: WIKLUND, Maye Quade, Coleman, Duckworth and Hauschild)**

| DATE | D-PG | OFFICIAL STATUS |
|---|---|---|
| 01/21/2025 | 118 | Introduction and first reading |
| | | Referred to Education Policy |
| 01/23/2025 | 167 | Authors added Coleman; Duckworth; Hauschild |
| 01/27/2025 | 170a | Comm report: To pass as amended |
| | 172 | Second reading |
| 02/10/2025 | 348 | Special Order: Amended |
| | 348 | Third reading Passed as amended |
| 05/16/2026 | 10816 | Chief author stricken, shown as co-author Maye Quade |
| | | Chief author added Wiklund |
| 05/17/2026 | 10944a | Returned from House with amendment |
| | 10944 | Senate concurred and repassed bill |
| | 10945 | Third reading Passed as amended |
| | | Presentment date 05/20/26 |
| | 11760 | Governor's action Approval 05/27/26 |
| | 11761 | Secretary of State Chapter 120 05/27/26 |
| | | Effective date 05/28/2026 |

A bill for an act

relating to state government; creating a Human Services Systems Modernization Advisory Council and a Legislative Commission on Human Services Systems; establishing a modernization fund and eligible uses; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16A; 16E; 256.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[16A.2865] TRANSFER; HUMAN SERVICES SYSTEMS MODERNIZATION FUND.**

(a) If the balance in the human services systems modernization fund under section 16E.50 at the end of a biennium is less than $50,000,000, the commissioner of management and budget must transfer money according to this section.

(b) After the transfer under section 16A.286, if the remainder of the final general fund closing balance for a biennium exceeds the closing balance projected for that biennium at the end of the previous regular legislative session, the commissioner of management and budget must transfer from the general fund to the human services systems modernization fund the lesser of:

(1) the difference between $50,000,000 and the balance in the human services systems modernization fund; or

(2) the difference between the remainder of the final general fund closing balance for the biennium and the closing balance projected for that biennium at the end of the previous regular legislative session.

(c) For the purposes of this section, "regular legislative session" includes a special legislative session to enact the biennial budget.

(d) If a transfer is required under this section, the transfer must be completed before October 15 following the end of the previous biennium.

Sec. 2. **[16E.40] HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL.**

Subdivision 1. **Definition.** For the purposes of this section and section 16E.50, "human services systems" means any information technology system used by counties, federally recognized Indian Tribes located in Minnesota, or the commissioners of human services or children, youth, and families to administer a human services program.

Subd. 2. **Membership; staff support.** (a) The Human Services Systems Modernization Advisory Council is established and consists of the following members:

(1) the commissioner of human services, or the commissioner's designee;

(2) the commissioner of children, youth, and families, or the commissioner's designee;

(3) the commissioner of information technology services, or the commissioner's designee;

(4) two members appointed by the Association of Minnesota Counties;

(5) two representatives of county financial assistance administration appointed by the Minnesota Association of County Social Service Administrators; and

(6) one representative of federally recognized Indian Tribes located in Minnesota appointed by the Minnesota Indian Affairs Council.

(b) The council member appointed under paragraph (a), clause (6), may rotate between different individuals as determined by the appointing authority.

(c) The commissioner of information technology services must provide meeting space and administrative and research support to the council.

(d) The council must elect a chair and vice-chair from among the membership at the first council meeting each odd-numbered year.

Subd. 3. **Meetings.** The council must meet at least quarterly, or more frequently as determined by the chair. Meetings of the council are subject to chapter 13D and must include an opportunity for public testimony.

Subd. 4. **Terms; compensation; removal.** The terms, compensation, and removal of members of the council are as provided in section 15.059.

Subd. 5. **Duties.** (a) The council must provide recommendations to the commissioners of human services; children, youth, and families; and information technology services on the planning, prioritization, governance, financing, development, implementation, integration, replacement, and modernization of current and future human services systems. This may include, but is not limited to:

(1) reviewing the status of legacy and replacement human services systems;

(2) advising on statewide modernization priorities for human services systems;

(3) evaluating opportunities to improve interoperability of human services systems, including the development of an enterprise integration layer;

(4) identifying opportunities to maximize federal financial participation and align human services system design, development, implementation, and operations with applicable federal approval requirements;

(5) reviewing the effect of modernization decisions on counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries;

(6) providing recommendations to the legislature on statutory, budgetary, governance, enterprise architecture, and funding changes needed to support successful modernization; and

(7) developing a financing plan to support the ongoing operating costs of systems and projects developed and deployed with the funding under section 16E.50.

(b) For each human services system, the council must make recommendations on modernization goals and priorities, allocation of modernization resources, major system decisions, and tracking total system funding and expenditures from all sources.

(c) The council must provide updates on the council's duties under this subdivision to the Legislative Commission on Human Services Systems under section 256.0142 at least annually.

(d) The Human Services Systems Modernization Advisory Council must coordinate modernization plans and activities with the Technology Advisory Council established under section 16E.036.

Subd. 6. **Prior consultation required.** (a) Before initiating any work on a major modernization project or procurement that would materially affect counties or federally recognized Indian Tribes located in Minnesota, the commissioners of human services; children, youth, and families; and information technology services must present the proposal

to the council and consider the council's recommendations. If the commissioners do not adopt a recommendation of the council that materially affects counties or federally recognized Indian Tribes located in Minnesota, the commissioners must provide a written explanation within ten business days to the council and the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance.

(b) When making a recommendation under this subdivision, the council must consider:

(1) impacts on counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries;

(2) strategies to transition from legacy human services systems, including continuity of operations and mitigation of service disruption;

(3) project timelines, milestones, risks, and dependencies;

(4) federal approval pathways, including planning and implementation documentation;

(5) measurable outcomes related to reduction of manual work, duplicative data entry, processing time, and administrative burden;

(6) development and use of enterprise data, analytics, and performance dashboards; and

(7) prioritization of modernization initiatives based on clauses (1) to (6), feasibility, federal requirements, and available resources.

Subd. 7. **Report.** Beginning February 1, 2027, and annually thereafter, the council must submit a report to the Legislative Commission on Human Services Systems under section 256.0142 and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance. The report must include:

(1) project status and risks;

(2) council findings and recommendations;

(3) major procurement or implementation developments;

(4) federal financial participation opportunities and constraints; and

(5) any recommended draft legislation.

Sec. 3. **[16E.50] HUMAN SERVICES SYSTEMS MODERNIZATION FUND.**

Subdivision 1. **Fund established.** The human services systems modernization fund is established in the state treasury to provide a funding source for multiyear modernization of human services systems. Money appropriated from the fund must not be encumbered until after a consultation with the Human Services Systems Modernization Advisory Council occurs under section 16E.40, subdivision 6, and may only be used as authorized under subdivision 3.

Subd. 2. **Funding sources.** The fund consists of:

(1) money appropriated or transferred to the fund by law;

(2) money transferred to the fund under an interagency agreement or other lawful agreement;

(3) federal financial participation, federal reimbursements, or other federal payments received for expenditures from the fund; and

(4) gifts, grants, donations, and other contributions received for a purpose consistent with this section.

Subd. 3. **Eligible and ineligible uses.** (a) Money appropriated from the fund must be used only for eligible multiyear modernization activities under subdivision 4 that replace, modernize, consolidate, integrate, migrate, or substantially enhance legacy human services systems and shared technology infrastructure used by the Department of Human Services; the Department of Children, Youth, and Families; counties; federally recognized Indian Tribes located in Minnesota; providers; beneficiaries; and other program partners.

(b) Money appropriated from the fund must not be used for ordinary agency operations that are unrelated to projects developed and implemented under this section, routine maintenance, or minor day-to-day technology improvements.

(c) The commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40 for any decisions on how to allocate any amount governed by this section.

Subd. 4. **Eligible activities.** The following multiyear activities are eligible for funding from this fund:

(1) modernization, integration, enhancement, replacement, migration, or decommissioning of major eligibility, enrollment, case management, claims payment, provider enrollment, licensing, child care, child support, assessment, and service delivery systems;

(2) development and implementation of enterprise architecture, shared services, reusable components, integration layers, application programming interfaces, middleware, identity and access management, and secure data exchange;

(3) modernization of legacy systems to reduce dependence on obsolete platforms, unsupported technology, duplicative systems, manual workarounds, paper-based processes, and noninteroperable system structures;

(4) development of statewide or shared technology infrastructure that supports state agencies, counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries across multiple programs;

(5) data modernization, including data governance, data quality, reporting architecture, analytics infrastructure, payment accuracy, fraud prevention, and program integrity capabilities;

(6) system changes necessary to improve interoperability among state, county, Tribal, provider, vendor, and federal systems; and

(7) evaluation, development, or implementation of automation, machine learning, predictive analytics, or advanced modeling tools when part of a multiyear modernization project. The activities under this clause are subject to applicable privacy, security, accessibility, data governance, procurement, and program integrity requirements.

Subd. 5. **Priorities.** (a) When the commissioner of information technology services has authority to prioritize projects under this section, the commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40.

(b) When the commissioner of information technology services has authority to allocate money appropriated from this fund, the commissioner of information technology services must prioritize projects that:

(1) support the multiyear modernization plan under subdivision 6 for human services systems;

(2) replace, modernize, consolidate, or substantially transform legacy human services systems that create significant operational, fiscal, security, compliance, or service delivery risk;

(3) improve interoperability across state, county, Tribal, provider, vendor, and federal systems;

(4) reduce duplicative systems and avoid creating new stand-alone systems when shared, statewide, modular, or interoperable solutions are feasible;

(5) improve user experience, system reliability, cybersecurity, privacy, accessibility, data quality, and disaster recovery capacity;

(6) reduce long-term state, county, and Tribal administrative burden by modernizing core system architecture and shared infrastructure;

(7) improve program integrity, including fraud prevention, audit readiness, and compliance; and

(8) support phased implementation and measurable progress toward modernizing, consolidating, replacing, or decommissioning obsolete systems.

Subd. 6. **Multiyear modernization plan.** (a) The commissioner of information technology services must maintain a multiyear modernization plan for human services systems supported by the fund and must develop a preliminary plan by March 1, 2027. The plan must include:

(1) a statewide inventory of major human services systems;

(2) modernization priorities and sequencing;

(3) major projects and anticipated timelines;

(4) human services system dependencies and integration needs;

(5) estimated costs and funding sources, including a financing plan to support the ongoing operating costs of systems and projects developed and deployed with the funding under this section;

(6) federal financial participation assumptions;

(7) anticipated advance planning documents, implementation documents, cost allocation plans, procurement approvals, and certification requirements;

(8) major procurement and contract needs;

(9) planned legacy system transitions, replacements, migrations, and decommissioning;

(10) enterprise architecture standards and shared technology components;

(11) cybersecurity, privacy, accessibility, and data governance requirements;

(12) expected outcomes and performance measures; and

(13) tracking of all recommendations for statutory, budgetary, governance, procurement, or enterprise architecture changes.

(b) The commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40, when developing and maintaining the multiyear modernization plan under this subdivision.

Subd. 7. **Annual report.** Beginning February 1, 2027, and annually thereafter, the commissioner of information technology services, in consultation with the commissioners of human services and children, youth, and families, must submit a report to the Human Services Systems Modernization Advisory Council under section 16E.40, to the Legislative Commission on Human Services Systems under section 256.0142, and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance. The report must include:

(1) fund balances, receipts, transfers, and expenditures;

(2) projects funded from the fund;

(3) project status, timelines, risks, and dependencies;

(4) federal financial participation received or anticipated;

(5) major procurements, contracts, or implementation developments;

(6) progress toward the multiyear modernization plan under subdivision 6;

(7) legacy systems replaced, consolidated, modernized, migrated, or decommissioned;

(8) measurable outcomes, including reductions in processing times, payment errors, duplicative data entry, administrative burden, legacy system risk, and total cost of ownership; and

(9) any recommended draft legislation.

Sec. 4. **[256.0142] LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

Subdivision 1. **Establishment; duties.** (a) The Legislative Commission on Human Services Systems is created to provide legislative oversight, monitoring, and recommendations regarding the planning, financing, procurement, development, implementation, operation, and modernization of human services systems.

(b) The commission must provide legislative oversight and monitoring of human services systems modernization, including efforts by counties, federally recognized Indian Tribes located in Minnesota, the Department of Human Services, the Department of Children, Youth, and Families, and the Department of Information Technology Services to manage, develop, update, replace, integrate, or modernize human services systems.

(c) The commission must:

(1) review the status, risks, dependencies, timelines, costs, and outcomes of legacy and modernized human services systems;

(2) monitor and review reports, updates, recommendations, and draft legislation submitted by the Human Services Systems Modernization Advisory Council under section 16E.40;

(3) review reports submitted by the commissioner of information technology services under section 16E.50 and any reports related to systems modernization appropriations;

(4) evaluate Minnesota's state-supervised, county-administered human services system and provide recommendations for changes, if applicable, including changes to roles and responsibilities for program eligibility, service delivery, case management, provider enrollment, service authorization, payment accuracy, and program integrity;

(5) review how other states procure, administer, and deliver human services programs and services and the information technology infrastructure utilized;

(6) identify areas within governance, procurement, funding, data-sharing, privacy, cybersecurity, accessibility, and technology structures that need legislative action; and

(7) recommend statutory, budgetary, governance, procurement, enterprise architecture, accountability, and funding changes needed to support successful modernization.

(d) The commission must work with federally recognized Indian Tribes located in Minnesota, counties, the Department of Human Services, the Department of Children, Youth, and Families, and the Department of Information Technology Services to:

(1) evaluate proposals for systems modernization to information technology systems used by counties, federally recognized Indian Tribes located in Minnesota, the Department of Human Services, or the Department of Children, Youth, and Families; and

(2) consider overall costs to the state, counties, and federally recognized Indian Tribes located in Minnesota for the implementation of systems modernization, and assess whether proposed solutions improve services to Minnesotans and efficiently allocate administrative responsibilities across stakeholders.

Subd. 2. **Members; meetings.** (a) The commission consists of eight members as follows:

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

(2) four members of the senate, two appointed by the senate majority leader and two appointed by the senate minority leader.

(b) Members of the commission serve a term that begins upon appointment and expires on December 31 of the even-numbered year following the year they are appointed.

(c) A vacancy must be filled in the same manner as the original appointment.

(d) The speaker of the house and the senate majority leader must each designate one cochair from among the members appointed to the commission. The cochairs must alternate presiding over commission meetings. The commission may elect other officers as necessary.

(e) The commission must meet at least twice a year and may meet more frequently at the call of a cochair.

(f) Meetings of the commission are subject to section 3.055. The commission must provide an opportunity for public testimony when practicable.

(g) The commission may request testimony, briefings, documents, and data from state agencies, counties, federally recognized Indian Tribes located in Minnesota, vendors, providers, and other stakeholders, subject to state and federal data privacy, security, procurement, and confidentiality laws.

Subd. 3. **Administrative and research support.** The Legislative Coordinating Commission must provide administrative support to the commission and arrange meeting space for commission meetings. House and senate research, fiscal, and counsel staff may provide research and technical assistance to the commission.

Subd. 4. **Agency cooperation.** The Department of Human Services, the Department of Children, Youth, and Families, the Department of Information Technology Services,

Minnesota Management and Budget, counties, and other state agencies must cooperate with the commission and provide information requested by the commission to the extent permitted by state and federal law.

Subd. 5. **Report.** By February 15, 2028, and annually thereafter, the commission, in cooperation with the commissioners of human services, information technology services, and children, youth, and families, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and children, youth, and families. The report must contain information on the results of the commission's evaluations, identifications, and reviews under subdivision 1; recommendations for any legislative changes; and funding needs to implement any recommended changes.

Subd. 6. **Expiration.** The commission expires December 31, 2033.

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

Sec. 5. **HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL; FIRST APPOINTMENTS AND MEETING.**

Appointing authorities for the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40, must make initial appointments by August 15, 2026. The commissioner of information technology services, or the commissioner's designee, must convene the first meeting of the council by September 15, 2026.

Sec. 6. **LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS; FIRST APPOINTMENTS AND FIRST MEETING.**

Appointing authorities for the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142, must make first appointments to, and designate the cochairs of, the Legislative Commission on Human Services Systems by August 15, 2026. The member designated as cochair by the majority leader of the senate must convene the first meeting of the commission by September 15, 2026.

Sec. 7. **APPROPRIATION; COUNTY INFORMATION TECHNOLOGY SYSTEMS UPDATES.**

Subdivision 1. **Appropriation.** $10,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of information technology services to update information technology systems used by counties. This appropriation must be used, in collaboration with the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40, to fund the projects under subdivision 3. Minnesota

Statutes, section 16B.98, subdivision 14, does not apply to this appropriation. This is a onetime appropriation and is available until June 30, 2031.

Subd. 2. **County grants.** The commissioner of information technology services may make grants to counties for projects under this section. Counties must submit an application in a form and manner determined by the commissioner of information technology services. If multiple counties want to apply for a grant, the counties must choose a single county to act as a fiscal agent. The fiscal agent may make subgrants or transfer appropriated money to other counties identified in the grant application under an intergovernmental agreement or contract. Any grant or subgrant is subject to the reporting requirements determined by the commissioner of information technology services.

Subd. 3. **Information technology modernization projects.** The appropriation under subdivision 1 must be used to fund the following information technology projects:

(1) shared data access, reporting, analytics, dashboards, and operational support tools for county and Tribal human services administration;

(2) workflow automation, electronic forms, electronic signatures, document management, case routing, case notes, notices, verification tools, and data-entry support tools for county and Tribal workers;

(3) participant, provider, partner, county, Tribal, and worker-facing functionality, including secure portals, document upload, electronic notices, application and benefit status tracking, account management, secure messaging, and communication tools;

(4) user interface improvements, worker portals, application programming interfaces, integration tools, rules engines, automation tools, and other tools that replace, supplement, or reduce reliance on legacy systems, manual workarounds, paper-based processes, or character-based screens used by counties and Tribal Nations;

(5) improvements to MNbenefits and related application, renewal, verification, and self-service functionality when the improvements support county or Tribal administration;

(6) improvements to human services systems used by counties or Tribal Nations;

(7) system functionality related to eligibility support, case administration, notices, verification, income verification, identity matching, service authorization, provider enrollment, provider payment, claims processing, third-party billing, payment accuracy, and program integrity when used by counties or Tribal Nations;

(8) reusable integration tools, application programming interfaces, middleware, identity and access management, secure data exchange, and shared components that improve interoperability among county, Tribal, state, provider, vendor, and federal systems;

(9) testing, security, privacy, accessibility, training, change management, and implementation support necessary to carry out activities funded under this section;

(10) activities necessary to maintain continuity of operations for counties and Tribal Nations during system changes, phased implementation, data conversion, migration, or transition from legacy systems;

(11) evaluation, development, or implementation of automation tools, including artificial intelligence, process automation, predictive analytics, or advanced modeling, when used to improve county or Tribal administrative efficiency, payment accuracy, program integrity, or service delivery and when subject to applicable privacy, security, accessibility, data governance, procurement, and program integrity requirements;

(12) projects that are scalable for statewide or shared use by counties and Tribal Nations and avoid creating duplicative systems when shared, statewide, modular, or interoperable solutions are feasible; and

(13) supporting additional priorities identified by the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40.

Subd. 4. **Transfer.** The commissioner of management and budget must transfer any unencumbered or unexpended amount of the appropriation under subdivision 1 as of June 30, 2031, from the general fund to the human services systems modernization fund under Minnesota Statutes, section 16E.50.

Sec. 8. **APPROPRIATION; LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

$559,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the Legislative Coordinating Commission to administer the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142. This is a onetime appropriation and is available until June 30, 2029.

Sec. 9. **APPROPRIATION; HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL.**

$3,900,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of information technology services to support the

Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40. This is a onetime appropriation and is available until June 30, 2029.

Sec. 10. **APPROPRIATIONS; COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES.**

(a) $2,163,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for the MAXIS integration layer. The base for this appropriation is $4,737,000 in fiscal year 2028 and $3,893,000 in fiscal year 2029.

(b) $1,074,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to consolidate the economic assistance program policy manual and for an artificial intelligence chatbot. This is a onetime appropriation and is available until June 30, 2029.

(c) $1,583,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to expand income verification technology. The base for this appropriation is $1,655,000 in fiscal year 2028 and $1,655,000 in fiscal year 2029.

(d) $1,414,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to develop a secure applicant portal. This is a onetime appropriation and is available until June 30, 2029.

(e) $2,650,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for an eligibility system modernization study and a roadmap for technology modernization. This is a onetime appropriation.

(f) $3,878,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to replace the MAXIS green screens. The base for this appropriation is $1,732,000 in fiscal year 2028 and $1,004,000 in fiscal year 2029.

(g) $11,914,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to develop a rules engine to improve MAXIS automation and minimize manual workarounds. $9,042,000 of this amount is available until June 30, 2029. The base for this appropriation is $2,264,000 in fiscal year 2028 and $1,240,000 in fiscal year 2029.

(h) $3,265,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for an interagency governance team to support information technology project implementation, cross-agency coordination, and engagement with counties and Tribal Nations. This appropriation includes funding for Department of Information Technology Services staff. This is a onetime appropriation and is available until June 30, 2029.

Sec. 11. **APPROPRIATIONS; COMMISSIONER OF HUMAN SERVICES.**

(a) $1,810,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of human services for an interagency governance team to support information technology project implementation, cross-agency coordination, and engagement with counties and Tribal Nations. This is a onetime appropriation and is available until June 30, 2029.

(b) $9,660,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of human services for administration of MAXIS and METS system improvements under Minnesota Statutes, section 16E.50, subdivision 4. This is a onetime appropriation and is available until June 30, 2029.

Sec. 12. **APPROPRIATIONS; COMMISSIONER OF INFORMATION TECHNOLOGY.**

$11,413,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of information technology services for information technology projects under Minnesota Statutes, section 16E.50, subdivision 4. The amount appropriated in fiscal year 2027 is available until June 30, 2031. This is a onetime appropriation and is available until June 30, 2031.

Sec. 13. **APPROPRIATIONS; FRAUD PREVENTION AND DETECTION.**

$15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of information technology services for technology modernization to advance fraud prevention and detection by improving data sharing between agencies, utilizing modern analytics, and enhancing security, identity authentication, and verification capabilities for state services. This is a onetime appropriation and is available until June 30, 2031.

Sec. 14. **TRANSFER.**

The commissioner of management and budget must transfer $49,999,000 in fiscal year 2027 from the general fund to the human services systems modernization fund under Minnesota Statutes, section 16E.50. The base for this transfer is $8,536,000 in fiscal year 2028 and $6,464,000 in fiscal year 2029.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Mathews.

So the bill passed and its title was agreed to.

## RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

## CALL OF THE SENATE

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 334:** A bill for an act relating to education; modifying professional development requirements for Read Act implementation; amending Minnesota Statutes 2024, section 120B.123, subdivision 5.

Senate File No. 334 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 17, 2026

## CONCURRENCE AND REPASSAGE

Senator Wiklund moved that the Senate concur in the amendments by the House to S.F. No. 334 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 334:** A bill for an act relating to state government; creating a Human Services Systems Modernization Advisory Council and a Legislative Commission on Human Services Systems;

establishing a modernization fund and eligible uses; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16A; 16E; 256.

S.F. No. 334 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|---|---|---|---|---|
| Abeler | Farnsworth | Jasinski | Marty | Rarick |
| Bahr | Fateh | Johnson | Mathews | Rasmusson |
| Boldon | Frentz | Johnson Stewart | Maye Quade | Rest |
| Carlson | Green | Klein | McEwen | Seeberger |
| Champion | Gruenhagen | Koran | Miller | Utke |
| Clark | Gustafson | Kreun | Mohamed | Weber |
| Coleman | Hauschild | Kunesh | Murphy | Wesenberg |
| Cwodzinski | Hawj | Kupec | Nelson | Westlin |
| Dahms | Heintzeman | Lang | Oumou Verbeten | Westrom |
| Dibble | Hemmingsen-Jaeger | Latz | Pappas | Wiklund |
| Dornink | Hoffman | Lieske | Pha | Xiong |
| Draheim | Holmstrom | Limmer | Port | |
| Drazkowski | Housley | Lucero | Pratt | |
| Duckworth | Howe | Mann | Putnam | |

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, and Murphy.

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 4401:** A bill for an act relating to cannabis; modifying cannabis business, hemp business, and cannabis event organizer license and endorsement provisions; establishing a cannabis macrobusiness license; modifying labeling requirements for cannabinoid products and lower-potency hemp edibles; modifying studies and an annual market analysis conducted by the Office of Cannabis Management; providing that data reported to the Office of Cannabis Management through statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; modifying provisions relating to local unit of government's regulation of cannabis businesses; defining ratio hemp-infused cannabis product; requiring reports; amending Minnesota Statutes 2024, sections 342.01, subdivisions 14, 20, 52, 54, by adding a subdivision; 342.02, subdivision 2; 342.07, subdivision 3; 342.09, subdivision 3; 342.15, subdivisions 2, 5; 342.175; 342.19, subdivision 6; 342.20, subdivisions 1, 2, 3; 342.22, subdivisions 1, 4, 5; 342.23, subdivision 5; 342.25, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.26, subdivisions 1, 2, 3, 4, 5; 342.27, subdivisions 1, 2, 6, 12, by adding a subdivision; 342.28, subdivisions 6, 7, 9, 11, by adding subdivisions; 342.29, subdivisions 5, 6, 8, 8a, 10, by adding subdivisions; 342.30, subdivision 3,